

Why invest in Thailand in 2016

Investment Opportunities in Thailand

- Access to the CLMV countries, with Thailand serving as the hub of the Asean Economic Community
- Low rates of tax for business operations
- Investment opportunities in logistics infrastructure development such as the double-track rail network, mass transit systems in the Bangkok metropolitan area and Suvarnabhumi Airport expansion worth over 1.7 trillion baht in total
- Best destination for business entrepreneurs according to the 2014 Expat Explorer survey

2016 Special Investment Promotion Year

The Thai government is giving entrepreneurs lots of reasons to use Thailand as a Research & Development hub as well as a manufacturing base for industries with strong potential by providing special privileges including tax and financial incentives.

Incentives to Invest Now

- Double deduction of expenses incurred from investment from 2015 – 2016
- Public Private Partnership (PPP) Fast Track

Incentives to Invest in Thailand's New Growth Engines

- Special tax and non-tax incentives for 5 potential industries and 5 future industries
- Triple tax deduction for R&D on technology and innovation
- Incentives for import of prototype automobiles for R&D purposes
- Thailand Future Fund
- Competitiveness Enhancement Fund for targeted industries

Incentives to Invest in AEC using Thailand as a Hub

- Special tax and non-tax incentives for investment in border Special Economic Zones (SEZs)
- Incentives for International Headquarters (IHQ) and International Trade Centers (ITC)

Special Economic Zones Privileges

- Enhanced BOI investment promotion privileges

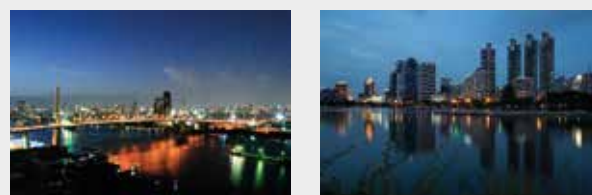
- Reduced Corporate Income Tax (CIT) rate of 10% for income received from products and services in the SEZs a period of 10 years
- Fee waiver for loan guarantee by the Thai Credit Guarantee Corporation
- Super Clusters incentives: CIT exemption for 8 years, 50% CIT reduction for an additional 5 years and duty exemption on machinery imports
- Other targeted clusters incentives: CIT exemption for 3- 8 years, 50% CIT reduction for an additional 5 years and duty exemption on machinery imports

Super Clusters	Other Targeted Clusters
Automotive	Agro-processing Products
Electrical Appliances	Textiles and Garments
Eco-friendly petrochemical and chemical products	
Digital-based	
Food Industry	
Medical Hub	

International Headquarters (IHQ) and International Trading Center (ITC)

Tax privileges for IHQ for 15 Years

- CIT exemption for qualified activities income received from overseas affiliated entities
- CIT exemption for royalties, dividends, capital gain of transferring shares and income from purchase and sale of goods overseas
- Reduced CIT rate to 10% for qualified activities income received from affiliated entities in Thailand
- Reduced Personal Income Tax (PIT) rate to 15% on gross income received from IHQ for expatriates
- Special Business Tax exemption for loan affiliated entities
- Withholding tax exemption on interest and dividends paid by IHQ to foreign entities



Tax privileges for International Trading Center for 15 Years

- CIT exemption for income from purchase and sale of goods overseas (out-out)
- CIT exemption for services relevant to international trade overseas
- Reduced PIT rate to 15% on gross income received from ITC for expatriates
- Withholding tax exemption on the dividends paid by ITC to foreign entities

Incentives to Invest Now

Double deduction on depreciation expenses for 2015 - 2016

Criteria: The qualified assets are machinery, equipment, tools, computer software, vehicles, and buildings (excluding land and buildings for residential purposes).

Incentive: Double deduction of depreciation expenses for acquiring new assets (for companies acquiring new assets from November 3, 2015 to December 31, 2016).

PPP Fast Track

Shortened Public-Private Partnership (PPP) approval process from 25 to 9 months.



Incentives to Invest in Thailand's New Growth Engines

Special tax and non-tax incentives for 5 potential industries and 5 future industries

Strengthening Existing S-Curve	Seeding New S-Curve
Next-Generation Automotive	Robotics
Smart Electronics	Aviation and Logistics
Affluent and Wellness Tourism	Biofuels and Bio-chemicals
Agriculture and Biotechnology	Digital
Food Processing	Medical Hub

- CIT exemption for 10-15 years
- PIT exemption for experts working in target industries
- Special grants and financial support for target industries through the Competitiveness Enhancement Fund

R&D Promotion for Automobile Industry

Automobile industries that import prototype vehicles for conducting R&D in Thailand will be granted tax incentives including excise tax, import duty, VAT, and depreciation expense in order to promote Thailand as an R&D hub.

Triple deduction on R&D tax expense

Tax deductions of up to 3 times will be granted for expenses relating to R&D of technology and innovation. The incentive is effective for eligible R&D expenditure incurred from January 1, 2015 to December 31, 2019.

Thailand Future Fund

Foreign investors or institutions have opportunities to invest in a pool of national infrastructure projects through the Thailand Future Fund worth 100 billion baht, with a minimum guaranteed return.

Don't miss these opportunities to take part in Thailand's development drive.

For more information, please visit the Ministry of Finance's Fiscal Policy Office website www.mof.go.th