



THAILAND BOARD OF INVESTMENT



Efficiency Enhancement Measure

Efficiency Enhancement Measure

5 sub-measures as follows:



Measure

1

Energy conservation, alternative energy utilization, or environmental impact reduction



Measure

2

Improvement of machinery (e.g. adoption of automation system to improving efficiency.)



Measure

3

Research and development, or engineering design



Measure

4

Raising the quality for international sustainability



Measure

5

Digital technology adoption



Measure

6

Supporting Industry 4.0 Transformation
(For further information, please refer to
Announcement of the Board of Investment
No. 25/2564 dated 13th December B.E.2564,
Subject: Efficiency Enhancement Measure for
Industry 4.0 Transformation.)



This measure is applied to:

- ✓ **Existing projects**, whether BOI or non-BOI promoted projects. **The activities must be eligible for investment promotion at the time of application.**
- ✓ **Promoted projects can apply for promotion under this measure** when the period of corporate income tax exemption or reduction is expired. Projects which have not been granted corporate income tax exemption can also apply for this promotion. There is an exception for certain activities which are not eligible for the incentives as prescribed by the Office of the Board of Investment.



Conditions:

- ✓ **Must have no less than 1-million-baht investment capital** (excluding cost of land and working capital).
- ✓ The application must be submitted within the last working day of 2022, and the operation start-up must be completed within 3 years as from the issuance date of the promotion certificate.



Incentives:

- ✓ Exemption of machinery import duties.
- ✓ **3-year corporate income tax exemption with a cap of 50%** of the investment capital (excluding cost of land and working capital on the enhancement). In this regard, the corporate income tax exemption of the revenue derived from the existing projects shall be granted.

In case the automation system or robotics are used in the production line or service with linkage or support to Thai automation industry not less than 30% of the value of the upgraded machinery, the applicant shall be granted a **3-year corporate income tax exemption with a cap equivalent to 100%** of the investment capital (excluding cost of land and working capital on the enhancement).

- ✓ The corporate income tax exemption period shall be started from the date of revenue derivation after the promotion certificate is issued.



Measure to improve the efficiency of energy conservation, alternative energy utilization, or environmental impact mitigation.

The applicant must submit an investment plan of machinery replacement or upgrade for energy conservation, alternative energy utilization or environmental impact mitigation by implementing one of the followings.

- Invest in upgrading machinery to modern technology to reduce energy consumption at the stipulated ratio.
- Invest in upgrading machinery to utilize alternative energy (such as solar cell) at the stipulated ratio to the total energy consumption.
- Invest in upgrading machinery to mitigate environmental impacts, namely reduction of waste, wastewater, or polluted air according to the stipulated criteria.



Measure to improve the efficiency in upgrading and replacing of machinery.

The applicants must submit an investment plan for machinery upgrading and replacing according to the stipulated criteria. There are 2 cases as follows :

- Adoption of **automation system in the existing** production line or service, the performance must comply with the specified indicator.
- Upgrading or replacing of **non-automated machinery**:
 - Adoption of modern non-automated machinery (including digitalized non-automated machinery) in efficiency enhancement to upgrade the work or management processes, the performance must comply with the specified indicator.
 - Utilization of new version of machinery in the existing production technology/production line, the performance must comply with the specified indicator.
 - Upgrading and replacing of the existing products, the performance must comply with the specified indicator.

In case upgrading or replacing of non-automated machinery, the existing projects of the applicants must be eligible for the incentives on corporate income tax exemption (Category A).



Measure to improve the efficiency of research and development, or engineering design.

The applicants must submit an investment plan of research and development or engineering design at no less than 1% of the total sales over the first 3 years as from the date of application submission.





Measure to improve the efficiency of upgrading production line to acquire international sustainability certification.

The applicants must have the investments or expenditures for acquiring international sustainability certification, for example, Good Agriculture Practices (GAP), Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification Scheme (PEFCs), Food Safety Management System (ISO 22000), or Sustainable Forest Management System (SFM, ISO 14061), etc.



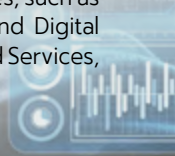
Measure to improve the efficiency by digital technology adoption.

The applicants must submit an investment plan for adopting digital technology in the upgrading of operation process in order to enhance the production or service efficiency, in any of the following cases.

- 1) Adopting software, program or information system with systematic link inside the organization (integrated) and partly outside the organization (connected) or both inside and outside the organization. The data link must have at least 3 functions for use in resource management to increase the efficiency of manufacturing or service.
- 2) Applying artificial intelligence or AI, machine learning, and big data or data analytics.
- 3) Utilizing software, program or information system for data linkage between the company's system and the online system of public sector, e.g. a link with national e-payment system, etc. as approved by the Board of Investment.

For cases (1) and (3), there must be investments or expenditures on software program or information system that are developed or modified by entrepreneurs in Thailand and certified by relevant agencies.

In case of measure to improve the efficiency by digital technology adoption, the existing projects of the applicants must be eligible for corporate income tax exemption (Category A) except businesses that, by their nature, must already involve usages of digital technologies, such as Software, Digital Platform and Digital Content Development, Cloud Services, or Data Center etc.



For more details, please refer to the Announcement of the Board of Investment No. 1/2564 Re: Efficiency Enhancement Measure dated January 13, 2021, and the Announcement of the Board of Investment No. 4/2564 Re: Efficiency Enhancement Measure for Digital Technology Adoption dated March 19, 2021, and other relevant announcements and explanations at:



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