

## Foreign Business Investment in Thailand – Investment Incentives through the “Board of Investment”

Thailand created the Board of Investment (“BOI”) to support foreign investment into Thailand. The Investment Promotion Act (“IPA”) regulates the promotions provided for certain businesses in Thailand. They consist of tax and non-tax incentives, depending on the category of investment.

Non-tax incentives include:

- permission for foreign nationals to enter Thailand for the purpose of studying investment opportunities;
- permission to bring into Thailand skilled workers and experts to work in investment promoted activities;
- permission to own land; and
- permission to send money from Thailand in foreign currency.

Tax incentives include:

- exemptions from or reductions of import duties on machinery;
- reduction of import duties for raw or essential materials;
- exemptions from corporate income tax and dividends;
- a fifty percent reduction of corporate income tax;

- double deductions for transportation, electricity and water supply expenses;
- an additional twenty-five percent deduction for installation or construction of facilities expenses; and
- exemptions from import duties on raw or essential materials for use in production of exports.

These incentives are also generally subject to certain conditions, such as: minimum capitalization of the investor company and the company maintaining a 3:1 debt to equity ratio, as well as, the investment activity providing desirable training and knowledge transfer to Thai nationals.

---

DUENSING KIPPEN is an international law firm specializing in business transaction and dispute resolution matters, with offices in Bangkok and Phuket, Thailand and affiliated offices in 45 other countries. Visit them at: [duensingkippen.com](http://duensingkippen.com)