

THAILAND

BOI INCENTIVES FOR THE CREATIVE INDUSTRY



New BOI Incentives established in 2021

As a result of the pandemic, the Thailand Board of Investment (BOI) offered a range of investment promotion opportunities for struggling companies that had activities within certain sectors. From January to June 2021, the BOI recorded 801 projects, an increase of 14% compared to last year in the same period. The total value of applications for the January – June 2021 period amounted to THB 386,200 million. The top targeted industries were electrical appliances and electronics, and the medical industry with a total value of THB 206,860 million.

During 2021 the BOI also offered additional economic development support in Thailand by way of new incentives towards the creative industry. There are three main groups that the BOI categorizes as the 'creative industry' which include the creative business, digital business, and tourism business.

Encouraging the creative economy

The BOI offers incentives that are both tax and non-tax related with the aim of promoting investment across a broad spectrum of activities. Several activities in the creative economy are eligible for maximum Corporate Income Tax exemption (CIT) of eight years.

The following activities in the creative economy are eligible for maximum Corporate Income Tax exemption (CIT) of **eight years**:



- Functional fiber
- Creative design and business development service
- Embedded software
- High value-added software and incubation centers

Activities that are not intrinsically eligible for tax incentives may still be eligible for a **three-year CIT exemption** where the applicant also invests in activities that incorporate research and business development

Other activities that are considered eligible for the creative industry also include the creative product design and development center and the production of printed matter. Thai motion picture and the industrial zone for motion picture may also be eligible in certain situations, depending on certain conditions.

BOI Guide of incentives for the creative industry

The manufacture of various products can benefit from BOI incentives depending on the activity group they fit into.

Textile products or parts:

- Projects must be approved by related agencies and manufacture of recycled fibers must use domestic scraps or waste only. Any bleaching, dyeing, or printing activities must be in industrial estates or promoted industrial zones that have waste treatment and environmental protection, and environment-friendly technology must be used in all cases.

- These include the manufacture of natural or synthetic fiber, of yarn and fabric, bleaching, dyeing, and finishing or printing, and the manufacture of garments, clothing, accessories and household utilities.

Manufacture of (a) bags or shoes or products made of leather or artificial leather, (b) furniture or parts, (c) toys:

The type of incentive offered is based on whether the projects have investment or expenditures on research, design, or product development of not less than 0.5% of the project's combined total revenue for the first 3 years. If the expenditure is less than 0.5%, the incentive will come under the B1 activity group. However, where the amount is above 0.5%, it will be classified under the A1 activity group.

-Manufacture of (a) sports equipment or parts and (b) musical instruments is a B1 type of activity and will benefit from an additional 3-year CIT exemption, subject to conditions.

-Manufacture of gems and jewelry or parts including raw materials and prototype benefits from 3-year CIT exemption along with non-tax-incentives and exemption from import duty on machinery, on raw materials used in R&D and on raw materials in production for export.

Non-tax incentives, which include:

- Permit to own land;
- Permit to bring experts into Thailand;
- BOI visa for studying investment opportunities;
- Permit to remit money abroad in a foreign currency.

All activities, regardless of whether they are eligible for any tax exemptions, benefit from the non-tax incentives which include:

- Permit to own land;
- Permit to bring into the Kingdom skilled workers and experts to work in investment promoted activities;
- Permit for foreign nationals to enter the Kingdom for the purpose of studying investment opportunities;
- Permit to remit money abroad in a foreign currency.

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AL COMMERCIO
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INTELLETTUALE**



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