

BOI Incentives for BEV Manufacture

To support Thailand's transition towards a clean economy and development of an electric vehicles ("EV") manufacturing hub, the Board of Investment ("BOI") offers incentives for investment projects for the manufacturing of battery electric vehicles ("BEV") and BEV platforms in Thailand (Category 3.8). The key incentives and conditions are summarized below.

Key conditions

1. The investment proposal must be made in a package form covering the manufacture of batteries (either by the applicant or a third party), the plan to develop charging stations and battery swapping stations, and the plan to develop local Thai suppliers in technology training and technical assistance, among others.
2. BEVs sold in Thailand must comply with the relevant standards and specifications stipulated by the BOI.
3. Within 3 years from the date of promotion certificate issuance, the manufacture of BEV/BEV platforms must commence, together with the manufacture of batteries from the process of cell manufacture (e.g. module or battery pack manufacture).
4. One of the following key parts must be manufactured within 3 years from the date of commencing BEV/BEV platform manufacture: traction motor, battery management system and driving control unit.

Key incentives

1. For projects with total investment capital (excluding land costs and working capital) at least THB5 billion
 - (1) **8-year corporate income tax ("CIT") exemption**, capped at 100% of total investment capital (excluding land costs and working capital);
 - (2) import duties exemption on machinery;
 - (3) 1-year import duties exemption on raw materials and essential materials for products manufactured for exports; and
 - (4) non-tax incentives (such as permission to own land, bring in skilled workers and experts and remit funds abroad in foreign currency).
2. For projects with total investment capital (excluding land costs and working capital) below THB5 billion
 - (1) **3-year CIT exemption**, capped at 100% of total investment capital (excluding land costs and working capital);
 - **Additional 1-year CIT exemption per part** if additional key parts for BEV and/or BEV platforms (except batteries) are manufactured within 3 years of commencing BEV/BEV platform manufacture; and

- **Additional 1-year CIT exemption** if the actual production of BEV and/or BEV Platforms exceeds 10,000 units/year within 3 years of commencing BEV/BEV platform manufacture;
- (2) import duties exemption on machinery;
- (3) 1-year import duties exemption on raw materials and essential materials for products manufactured for exports; and
- (4) non-tax incentives (such as permission to own land, bring in skilled workers and experts and remit funds abroad in foreign currency).

BEV manufacture projects are also eligible for additional CIT exemption under the BOI's merit-based incentives.

With the Thai government's goal of having zero emission vehicles take up 30% of the country's total vehicles manufactured by 2030, it is expected that the BOI will continue offering investment incentives for EV manufacturing in Thailand in the foreseeable future.



Kowit Somwaiya
Managing Partner
kowit.somwaiya@lawplusltd.com



Kanyapat Ratanawilas
Senior Associate
kanyapat.ratanawilas@lawplusltd.com

LawPlus Ltd.

Unit 1401, 14th Fl., Abdulrahim Place, 990 Rama IV Road, Bangkok 10500, Thailand
Tel. +66 (0)2 636 0662 Fax. +66 (0)2 636 0663
www.lawplusltd.com