

## New BOI Measures to Ease Covid-19 Impacts

On 13<sup>th</sup> April 2020 the Board of Investment Thailand (BOI) issued a series of measures to support BOI applicants and promoted projects affected by the Covid-19 pandemic and to boost the Thailand economy. The major measures are discussed below.

### 1. More Corporate Income Tax Reduction for Medical Equipment Manufacturing

1.1 The medical investment projects that manufacture medical equipment will be granted a 50% reduction of the corporate income tax (“CIT”) for 3 more years in addition to the original reduction period if the projects: (1) apply for promotion between 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020, (2) start medical equipment production and generate income by 31<sup>st</sup> December 2020 and (3) sell and/or donate their medical equipment to recipients in Thailand at least 50% of their output in 2020 and 2021.

1.2 Any promoted business that changes its production line to include manufacturing of medical devices will be granted exemption of import duties for import of machinery if the application for production line adjustment is filed with the BOI within September 2020 and if the machinery is imported within 2020.

1.3 More tax benefits will be granted to projects that manufacture raw materials used in manufacturing medical products, e.g. an 8-year CIT exemption for production of pharmaceutical grade alcohol, expansion of CIT exemption for the production of non-woven fabrics used as raw materials for the production of medical masks or medical devices from 3 years to 5 years.

### 2. Temporary Relax of Investment Conditions

2.1 The deadlines for importation of machinery and the business operation commencement of the promoted projects falling between 1<sup>st</sup> January 2020 and 30<sup>th</sup> June 2020 have been extended for 6 months.

2.2 The operating promoted projects can file a request for a temporary cessation of the project’s operation for more than 2 months. The BOI will grant or reject the request on a case-by-case basis.

### 3. Higher CIT Exemption Rate for Water Resource Management Projects

Investment projects that provide financial support to local holistic water resources management administrations against drought will be granted a CIT exemption or an additional CIT exemption for 3 years at the rate of 120% of the financial support amounts provided to the local administrations. The applications for the project promotion must be filed within 2021. The water management plan must be approved by the Office of the National Water Resources.

#### 4. Broader Scope of R&D Activities

The scope of R&D activities eligible for exemption of import duties for import of raw materials for use in R&D activities has been broadened to cover other types of activities of projects, such as projects with conditions to also do R&D and projects that carry out R&D activities to increase efficiency.

#### 5. CIT Exemption for 5 Years for Domestic Digital Platforms

Domestic digital platform development projects that do not have their own system and software design will be granted a CIT exemption for 5 years if their expenditure payable to domestic system and software design developers is not less than THB10 million.

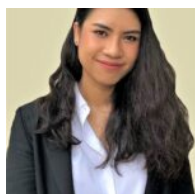


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#### AUTHOR



**Kowit Somwaiya**  
Managing Partner | **Bangkok**  
kowit.somwaiya@lawplusltd.com



**Premnadda Khampha**  
Associate | **Bangkok**  
premnadda.khampha@lawplusltd.com

LawPlus Ltd.  
Unit 1401, 14th Floor, Abdulrahim Place 990  
Rama IV Road, Bangkok 10500, Thailand  
Tel: +662 636 0662  
Fax: +662 636 0663

LawPlus Myanmar Ltd.  
Unit No. 520, 5th Floor, Hledan Centre  
Corner of Pyay Road and Hledan Road, Kamayut Township,  
Yangon, Myanmar  
Tel: +95 (0)92 6111 7006

and +95 (0)92 6098 9752