Legal article

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BOI investment promotion in Thailand: eligibility, incentives, conditions and a feasibility assessment before you apply

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> This article is general legal information, not a legal opinion on any specific matter. Each matter must be assessed on its own facts and evidence. The latest online version is at https://eksiamtradeinvestlaw.com/en/services/boi-feasibility/

Key points

- A promoted person must be a company, foundation or cooperative, but section 17 allows an application to be filed before the company is formed.
- BOI Announcement No. 8/2565 sets a minimum investment of THB 1 million, excluding land and working capital, and a debt-to-equity ratio of no more than 3:1 for new projects.
- Corporate income tax exemption under section 31 lasts no more than eight years from first income and is generally capped as a proportion of investment; section 31/1 allows up to 13 years for advanced technology, innovation and R&D activities.
- A promoted foreign-owned business in List Two or List Three of the Foreign Business Act obtains a certificate under section 12 instead of a foreign business license, but only for as long as promotion lasts.

- Withdrawal of benefits under section 54 depends on breach of conditions, and Supreme Court Judgment No. 4197/2559 holds that an event beyond the company's control is not a ground for withdrawal.

Legal basis and who may apply

Investment promotion is a grant of rights and benefits by Thailand's Board of Investment (BOI) under the Investment Promotion Act 1977 to a project it approves. The promoted person must be a company, a foundation or a cooperative, and section 17 paragraph three allows an investor to apply before that entity is formed, following rules set by the BOI Secretary General.[1]

Each investor's position rests on three layers of law. The Act sets the outer limits, such as the maximum period of corporate income tax exemption in section 31. Board announcements under section 16 designate the eligible activities, their sizes and the conditions of promotion. The promotion certificate, issued project by project, then sets the specific conditions under section 20. Any analysis of a project's rights therefore starts with the second and third layers, because the Act itself mostly says what the Board *may* grant.

The requirement that the promoted person be a juristic entity matters in practice for foreign investors. An investor without a Thai company can apply first. Doing so lets the investor learn the outcome before committing to a shareholding structure, registered capital and inbound transfers, which reduces the risk of investing first and discovering later that the activity does not qualify.

> Investment Promotion Act 1977, section 17, paragraph two and paragraph three (BOI English translation)
>
> “The promoted person shall be a company, a foundation or a cooperative established in accordance with the respective law.
>
> Application for promotion prior to the formation of a company, a foundation, or a co-operative under paragraph two shall be made in accordance with the rules, procedure and forms prescribed by the Secretary General.”

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Which activities and projects qualify

An eligible activity must appear on the list of activities announced by the Board under section 16, and the project must be economically and technically sound under section 18. The numerical thresholds are in BOI Announcement No. 8/2565, including the minimum investment and the debt-to-equity ratio.[2,3]

Section 16 paragraph one points the Board toward activities that are important to the economy, society and security of the country, that are capital-, labor- or service-intensive, or that use agricultural produce or natural resources, where the Board considers them non-existent, inadequate or technologically out of date in Thailand. That is why the list of eligible activities changes with national strategy, and why an activity once promoted can be closed to new applications under paragraph three.

> Investment Promotion Act 1977, section 16, paragraph two (BOI English translation)
>
> “The Board shall make an announcement designating the types and sizes of investment activity eligible for promotion and may stipulate there in the conditions under which promotion is to be granted and may amend or abolish those conditions at any time.”

The words “at any time” raise the question whether a change to the announcement affects projects already holding a certificate. The Act does not say so expressly. Read together with section 54, which allows rights to be withdrawn only for breach of conditions, the consistent reading is that changes under section 16 apply to applications filed after the change, while rights under an issued certificate can be reduced only through section 54. Our search of the Supreme Court database on 28 September 2026 found no judgment deciding this point directly.

Section 18 lists the factors the Board weighs, including existing capacity against demand, market prospects, use of domestic resources and labor, foreign exchange effects and the suitability of the production process. An application therefore needs verifiable business data, not merely a completed form. The general thresholds in force on the update date are in clause 5 of Announcement No. 8/2565.

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General criterion	Clause of No. 8/2565	Effect on project planning
Minimum investment of THB 1 million, excluding land and working capital; for knowledge-based activities, measured by annual salary expense	5.3.1	Separate machinery, buildings and pre-operating costs from land and working capital in the investment plan from the start
Debt-to-equity ratio of no more than 3:1 for new projects; expansion projects case by case	5.3.2	Set registered capital and intra-group loans consistently before incorporation
New machinery; in the general case, used machinery up to 5 years old counts toward the tax exemption cap but without import duty exemption, and machinery 5 to 10 years old may be used but does not count	5.1.3	Relocating equipment from an overseas plant requires a performance certificate and directly affects the tax exemption cap
Modern production or service processes; projects of THB 10 million or more must obtain ISO 9000, ISO 14000 or equivalent certification within 2 years of full operation, or lose one year of tax exemption	5.1.2 and 5.1.4	Build certification into the project timeline
Projects over THB 2,000 million must submit a feasibility study	5.3.3	Prepare the study as part of the application

Tax incentives

The core tax incentives are import duty exemption on machinery under section 28, corporate income tax exemption under section 31 for no more than eight years from first income, and exemption of dividends paid out of exempt profits under section 34. The level each project receives depends on the incentive group of its activity under Announcement No. 8/2565.[4,5]

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> Investment Promotion Act 1977, section 31, paragraph one (BOI English translation)
>
> "A promoted person shall be granted exemption of juristic person income tax on the net profit derived from the promoted activity as prescribed by an announcement of the Board, of which the proportion to the investment capital excluding cost of land and working capital shall be taken into consideration by the Board, for a period of not more than eight years from the date income is first derived from such activity."

The phrase "the proportion to the investment capital excluding cost of land and working capital" describes a cap on the amount of tax that can be exempted. Once the company has used the cap, the exemption ends even if the period has not run out; once the period ends, the exemption ends even if the cap has not been used. A realistic estimate of the tax benefit therefore models both the cap and the timing of profits.

Clause 8 of Announcement No. 8/2565 sets the incentive groups as follows.

Group	Corporate income tax exemption	Other incentives under the Announcement
A1+	10-13 years, no cap	Import duty exemption on machinery; import duty exemption on raw or essential materials for export production for 1 year (extendable); non-tax incentives
A1	8 years, no cap	
A2	8 years, capped at 100% of investment	
A3	5 years, capped at 100% of investment	
A4	3 years, capped at 100% of investment	

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Group	Corporate income tax exemption	Other incentives under the Announcement
B	No exemption	Import duty exemption on machinery and on raw or essential materials for export production; non-tax incentives

Periods beyond eight years for Group A1+ rest on section 31/1, added by the Investment Promotion Act (No. 4) 2017 for activities using advanced technology and innovation or for research and development. Where the list of activities sets incentives specifically for an activity, those terms prevail over this table.

A point that changes the tax bill directly is how tax is computed when a company runs both promoted and non-promoted activities. In Supreme Court Judgment No. 4546/2561, a ruling of the General Assembly of the Supreme Court, the court held that the Act does not prescribe a method for computing corporate income tax, so the Revenue Code applies and the company is a single tax unit: the results of every promoted project and every non-promoted activity are combined. Judgment No. 1106/2561 applied the same approach to a reduced rate under a Royal Decree, and section 32/1, added in 2017, now refers net profit and loss of promoted persons to the Revenue Code.[6]

In practice, the company needs accounts that separate the income and costs of each promotion certificate from the first day of operation, with a defensible basis for allocating shared costs. A loss in one activity may reduce exempt profit in another when results are combined, which affects how quickly the cap is used. For large multinational groups, the value of the exemption must also be assessed against top-up taxes under the global minimum tax rules, which the firm analyzes in a Thai-language article on its tax website, BOI incentives and the top-up tax. Dividends paid out of exempt profits are themselves excluded from taxable income during the exemption period, and for six months after it ends, under section 34.[7]

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Non-tax incentives

The non-tax incentives that matter most to foreign investors are permission to bring in foreign skilled workers and experts under section 25, work permits for Board-approved positions under section 26, land ownership under section 27, and the right to remit capital, dividends, loan payments and approved license fees abroad in foreign currency under section 37.[8,9,10]

> Investment Promotion Act 1977, section 27 (BOI English translation)
>
> "A promoted person shall be permitted to own land in order to carry on the promoted activity to such an extent as the Board deems appropriate, even in excess of the permissible limit under other laws.
>
> In the case where the promoted person who is a foreign national under the Land Code dissolves his promoted activity or transfers it to another person, he shall dispose of the land he has been permitted to own within one year of the date of dissolution or transfer, or the Director General of the Land Department shall have the power to dispose of it under the Land Code."

Section 27 allows land ownership "even in excess of the permissible limit under other laws," which includes the limits on foreign landholding in the Land Code. The right is tied to its purpose, carrying on the promoted activity, and it ends under paragraph two: when a foreign promoted person dissolves or transfers the activity, the land must be disposed of within one year. An exit plan, such as a sale of the business to a foreign buyer, should deal with the land from the outset rather than at the point of closure.

Under section 25, the Board may allow skilled workers, experts and their spouses and dependents to enter Thailand even beyond immigration quotas or permitted periods, and section 26 limits their work to positions the Board approves. Requests for positions should match the real organization chart; a position the Board has not approved does not enjoy this protection.

Section 37 protects the remittance of capital brought in, dividends, foreign loans under Board-approved contracts, and payments under approved contracts for the use of rights and services. Paragraph two allows the Bank of Thailand to restrict remittances temporarily during balance-of-payments difficulties, but not so as to reduce capital remittance below twenty percent a year

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after the capital has been in Thailand for two years, or dividends below fifteen percent a year of the capital brought in. The tax on dividends paid abroad is a separate question under the Revenue Code and the relevant double tax agreement.

How promotion interacts with the Foreign Business Act

A foreigner granted BOI promotion for a business in List Two or List Three of the Foreign Business Act B.E. 2542 (1999) does not need a foreign business license. Instead, it notifies the Director-General of the Department of Business Development to obtain a certificate under section 12, which must be issued within thirty days, and the exemption lasts only while the business remains promoted.[11]

> Foreign Business Act B.E. 2542 (1999), section 12 (unofficial translation by the firm)
>
> "Where the business of a foreigner that has been granted investment promotion under the law on investment promotion, or that has been granted written permission to engage in industry or export trade under the law on the Industrial Estate Authority of Thailand or under any other law, is a business in List Two or List Three annexed to this Act, the foreigner shall notify the Director-General in order to obtain a certificate. Once the Director-General or a competent officer so designated has verified the investment promotion certificate or the permission, the Director-General shall issue the certificate promptly, and in any event within thirty days from the date of being notified of the investment promotion certificate or the permission, as the case may be. In such case, the foreigner shall be exempt from the application of this Act, except sections 21, 22, 39, 40 and 42, for so long as the business enjoys investment promotion or permission to engage in industry or export trade, as the case may be.
>
> The issuance of the certificate under paragraph one shall be in accordance with the rules and procedures prescribed by the Director-General."

Section 12 covers List Two and List Three businesses only. List One businesses, which are closed to foreigners for special reasons, fall outside it. Promotion is therefore a route to majority or full foreign ownership in List Two and List Three businesses, but not in every business, and the Board can still set conditions on the nationality and number of shareholders in the certificate under section 20(2).

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The words “for so long as the business enjoys investment promotion” call for long-term planning. When the certificate expires or is withdrawn, the section 12 exemption ends with it. A majority foreign-owned company that continues a List Two or List Three business then needs another legal basis, such as a foreign business license. The choice of route should compare promotion with licensing from the beginning rather than follow the tax incentives alone.

Certificate conditions and obligations after approval

Section 20 lets the Board stipulate conditions in the promotion certificate covering capital and shareholders, project size and capacity, personnel, the environment, time limits for machinery and start of operations, and reporting. These conditions are the yardstick for deciding whether the promoted person is in breach under section 54.[12]

For project management, the section 20 conditions fall into five groups. The first is capital structure: the amount and source of capital and the nationality and number of shareholders under items (1) and (2). The second is project scope: size, products, processes and capacity under item (3). The third is personnel and environment: the nationality and number of workers, training, and environmental protection under items (5) to (7). The fourth is timing: implementation, ordering and importing machinery, extensions and the start of operations. The fifth is reporting and supervision: performance reports, product standards, sales and security.

The timing group carries the highest practical risk, because the dates pass without anyone sending a reminder. Extensions are within the Board's power, but a request should be filed before the deadline with verifiable reasons. We recommend that every promoted company keep a schedule of all certificate deadlines from the day the certificate is issued, and assign a person responsible for reporting to the BOI office.

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Withdrawal of benefits and retroactive tax liability

Section 54 empowers the Board to withdraw benefits in whole or in part when a promoted person violates or fails to comply with its conditions. Under section 55, a total withdrawal of import and export tax benefits is treated as if the exemption had never been granted. Withdrawal therefore creates retroactive tax liability, not merely the loss of future benefits.[13,14]

> Investment Promotion Act 1977, section 54 (BOI English translation)
>
> "In the case where a promoted person violates or fails to comply with the conditions stipulated by the Board, the Board shall have the power to withdraw the rights and benefits granted to him, in toto or in part, and may prescribe the duration thereof.
>
> If the Board is of the opinion that such violation or failure to comply with the conditions by the promoted person is unintentional, the Board may first instruct the Office to serve a written warning to the promoted person to make remedy or to comply with the conditions with a prescribed period. If, after the expiration of such period, the promoted person has failed to do accordingly without justification, the Board shall take action as prescribed in paragraph one."

Paragraph two separates intentional breaches from unintentional ones. For the latter, the Board may first have the BOI office issue a written warning to remedy within a set period, and may withdraw only if the company then fails to remedy without justification. Under this structure, the company's conduct and the reasons for non-compliance become decisive facts.

> Supreme Court Judgment No. 4197/2559 (2016)
>
> A promoted manufacturer of footwear components was exempted from import duty on raw materials on condition that they be used to make goods for export. The materials were destroyed by fire that the company did not cause, contribute to or negligently allow. The Supreme Court held that the failure to meet the condition arose from circumstances beyond the company's control and from impossibility, not from an intentional breach, so it was no ground to withdraw the promotion rights. The claim for THB 4,743,898.89 in taxes and duties plus surcharges therefore had no basis.[15]

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> Supreme Court Judgment No. 4178/2533 (1990)
>
> The Board withdrew rights under section 54 paragraph one without a warning under paragraph two. The court held that the surcharge under section 55 paragraph four, which depends on failure to follow a warning, did not apply; but because the company did not pay within the period in section 55 paragraph three, it owed the surcharge under section 112 quater of the Customs Act B.E. 2469 (1926).[16]

> Supreme Court Judgment No. 1110/2538 (1995)
>
> The Board withdrew the remaining rights under the certificate from 28 November 1989. The court treated this as a partial withdrawal, so items imported before that date remained exempt under section 55 paragraph two, and retroactive liability was limited to the part withdrawn.[17]

These judgments give three working rules. First, circumstances that prevent compliance need contemporaneous evidence, such as incident reports, loss assessments and notices to the BOI office, because lack of intent is a fact that must be proved. Second, after a withdrawal order, the company must apply to pay taxes and duties within one month of being informed under section 55 paragraph three, or surcharges start to run. Third, the scope of the order, in time and in items, determines the amount of retroactive tax, so the wording of the order is the first thing to examine in any challenge.

Comparative law: stability of incentives when policy changes

Thai law has no express stabilization clause protecting incentives from later changes in law. Stability comes from section 54, which limits withdrawal to breach of conditions. Viet Nam writes a guarantee into its investment law, India relies on promissory estoppel, and the Romanian Micula dispute shows what early repeal of incentives can lead to internationally.

Viet Nam's Law on Investment No. 61/2020/QH14, Article 13, provides that when a new law grants fewer incentives, an investor keeps its existing incentives for the remaining term of the project, unless the change is made for reasons of national defense, security, social order,

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morality, public health or the environment, in which case the law provides remedies such as deducting actual losses from taxable income, and the investor must apply within three years of the new law taking effect.[18] This is a stabilization clause at the level of statute.

The Supreme Court of India has drawn the line from two sides. In Kasinka Trading v. Union of India (1995), the government withdrew a customs duty exemption for PVC resin before its stated end date of 31 March 1981; importers argued they had placed orders in reliance on it. The court held that promissory estoppel did not apply, because the exemption was a statutory discretion that could be withdrawn in the public interest.[19] In State of Punjab v. Nestle India (2004), the state announced the abolition of purchase tax on milk, the company acted on that announcement, and the state later sought to collect the tax for the past period. The court held the state bound by its clear promise, relied on in good faith to the company's detriment, unless the state could show an overriding public interest.[20] The difference lies between adjusting policy for the future and reaching back to impose a burden on what the investor has already done.

The Micula dispute is the international example. Romania granted tax incentives to investors in disadvantaged regions under Emergency Government Ordinance No 24/1998, then repealed most of them with effect from 22 February 2005 to comply with EU state aid rules before accession. An ICSID tribunal found on 11 December 2013 that Romania had breached the Sweden-Romania bilateral investment treaty, and on 25 January 2022 the Grand Chamber of the Court of Justice of the European Union held that the European Commission had competence to review payment of the award as state aid, because the right to compensation arose from an award issued after accession.[21] The case shows how early repeal of incentives can turn into an investor-state dispute that lasts more than fifteen years after the repeal took effect.

Back in Thailand, investors have no Vietnamese-style stabilization clause, but they do have three layers of protection: section 54, which confines withdrawal to breach of conditions; the protection of good-faith reliance in Thai administrative procedure law; and, for foreign investors, any investment protection agreement between Thailand and their home state. The remaining risk is a change in tax or other law that reduces the value of the incentives without withdrawing the certificate, which has to be assessed project by project.

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Law and economics of tax holidays

In economic terms, a tax exemption is public spending that never appears in the budget. Research suggests tax holidays can attract foreign direct investment in some regions but do not raise total private investment. Thailand's design, which ties the exemption cap to the amount invested under section 31, partly addresses that weakness.

Zee, Stotsky and Ley (2002) examine tax incentives for developing countries and argue that tax holidays have structural drawbacks compared with investment allowances or credits linked to capital spending: they favor projects that turn a profit quickly over long-term investment, and they invite the shifting of profits from other activities into the exempt one.[22] That second point matches the rule in Supreme Court Judgment No. 4546/2561, which treats the company as one tax unit and so makes the allocation of profit between exempt and non-exempt activities something the tax assessor can examine.

Klemm and Van Parys (2012) study incentives in more than 40 countries in Latin America, the Caribbean and Africa between 1985 and 2004. They find evidence that countries compete with tax holidays, and that lower corporate tax rates and longer holidays attract foreign direct investment in Latin America and the Caribbean but not in Africa, with no evidence that incentives raise total private fixed capital formation.[23] This helps explain why the current BOI announcement grades incentives by activity and caps the exemption at a percentage of investment for Groups A2 to A4, linking the benefit to actual investment rather than to profits.

For an investor, the economic point is direct. The real value of promotion is the present value of the tax saved within the cap and the period, less the cost of compliance and the risk of withdrawal. For a project expected to reach profit slowly, import duty exemptions and non-tax rights, such as land ownership and bringing in foreign experts, may be worth more than the income tax exemption.

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Legal philosophy: constancy of law and the legitimacy of withdrawal

Lon L. Fuller argued that good law must be reasonably constant through time, because people plan their lives and businesses around the law as it stands. By limiting withdrawal to breach of conditions, section 54 reflects that principle in Thailand's investment promotion law.[24]

Fuller explains that frequent change destroys people's ability to orient their conduct by law. In investment promotion, an investor builds a plant and imports machinery in reliance on a promotion certificate, an administrative act conferring a benefit. If the state could withdraw the benefit whenever policy changed, its commitment would mean little in practice. The Act therefore separates two powers: the power to change policy for the future sits in section 16, while the power to cut back rights already granted sits in section 54 and is tied to the promoted person's own responsibility. Paragraph two of section 54, which treats unintentional breaches differently, and Judgment No. 4197/2559, which refuses to penalize a company for events beyond its control, both follow the principle of liability based on fault, which underpins the legitimacy of state power.

Feasibility assessment before applying

We assess a project before filing on six points: the activity category that matches what the business will actually do, the general criteria in Announcement No. 8/2565, the incentive group and tax cap, the interaction with the Foreign Business Act, the conditions likely to appear in the certificate, and the tax on dividends paid to foreign shareholders. The result is a written report for the investment decision.

1. Project facts. Actual activities, products or services, investment size, machinery plan, foreign personnel, location and intended shareholding.
2. Activity category and incentive group. Which listed activity fits, which group applies, and the activity-specific conditions.
3. General criteria. Minimum investment, debt-to-equity ratio, new or used machinery, quality certification and any feasibility study.

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4. Route comparison. Promotion compared with a foreign business license, and the position when the certificate ends.
5. Benefits and burdens. Tax cap and period, non-tax rights, cost of compliance, and tax on dividends remitted abroad.
6. Report and next steps. Whether to apply, the document list, the order of incorporation and filing, and the deadlines to manage after approval.

A 45-minute consultation on a single matter is THB 4,900 and is the starting point for an investor who wants to know whether promotion is worth pursuing. For a full assessment or a complete application, we confirm scope, deliverables, timing and fees in writing before work begins, with third-party charges and translation costs shown separately.

Questions before instructing us

Questions investors often ask before deciding to apply for BOI promotion and before engaging us to assess a project.

What is the minimum investment for BOI promotion?

BOI Announcement No. 8/2565, clause 5.3.1, sets a minimum of THB 1 million excluding land and working capital, unless the list of activities sets a different figure; for knowledge-based activities the test is annual salary expense.

Can we apply before registering a Thai company?

Yes. Section 17 paragraph three of the Investment Promotion Act 1977 allows an application before the company is formed, following rules set by the BOI Secretary General. The promoted person itself must be a company, foundation or cooperative.

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Can a BOI-promoted company be 100% foreign-owned?

For businesses in List Two or List Three of the Foreign Business Act B.E. 2542, a promoted foreigner may obtain a certificate under section 12 instead of a license. The Board may still set shareholder nationality conditions under section 20(2), and List One businesses are outside section 12.

How many years of corporate income tax exemption are available?

Section 31 allows no more than eight years from first income, generally capped as a proportion of investment, and section 31/1 allows up to 13 years for advanced technology, innovation and R&D activities. Announcement No. 8/2565 sets Group A1+ at 10-13 years, A1 and A2 at 8 years, A3 at 5 years, A4 at 3 years, and Group B at none.

Will benefits be withdrawn immediately if we miss a condition?

Section 54 allows withdrawal for breach of conditions, but for an unintentional breach the Board may first issue a written warning to remedy. Supreme Court Judgment No. 4197/2559 held that a fire destroying raw materials, beyond the company's control, was not a ground for withdrawal.

How are fees for a feasibility assessment set?

We start with a 45-minute consultation on a single matter at THB 4,900. For a full assessment or a complete application, we confirm scope, deliverables, timing and fees in writing before work begins.

Who does the work

BOI assessments are the responsibility of Eksiam Chaisorn, Legal Consultant, founder and Managing Director of Eksiam & Partners Co., Ltd.

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Education relevant to this work: Master's level, Master of Laws (LL.M.) program, International Law (International Investment Law), Faculty of Law, Chulalongkorn University; Master's level, Master of Laws (LL.M.) program, International Trade Law, Faculty of Law, Thammasat University; and Master's level, Master of Laws (LL.M.) program, Financial and Tax Law, Faculty of Law, Chulalongkorn University. Full profile and qualifications

Notes

1. Investment Promotion Act 1977, section 17: “A person who seeks to be a promoted person shall file to the Office and application for promotion in accordance with the rules, procedure and forms prescribed by the Secretary General, describing the investment project for which promotion is sought. The promoted person shall be a company, a foundation or a cooperative established in accordance with the respective law. Application for promotion prior to the formation of a company, a foundation, or a co-operative under paragraph two shall be made in accordance with the rules, procedure and forms prescribed by the Secretary General.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

2. Investment Promotion Act 1977, section 16: “The activities which are eligible for investment promotion by the Board are those which are important and beneficial to the economic and social development, and security of the country, activities which have high content of capital, labor or service or activities which utilize agricultural produce or natural resources as raw materials, provided that in the opinion of the Board, they are non-existent in the Kingdom, or existent but inadequate, or use out-of-date production processes. The Board shall make an announcement designating the types and sizes of investment activity eligible for promotion and may stipulate there in the conditions under which promotion is to be granted and may amend or abolish those conditions at any time. In the case where the Board is of the opinion that any activity announced to be eligible for promotion under paragraph two no longer requires to be promoted, it may announce a temporary or permanent cancellation of promotion for that activity.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

3. Announcement of the Board of Investment No. 8/2565 (2022) on Policies and Criteria for Investment Promotion, dated 8 December 2022 and applicable to applications filed from 3 January 2023: clause 5.1.3 (new machinery; used machinery up to 5 years old counts toward the tax-exemption cap without import duty exemption, 5-10 years old may be used but does not count), clause 5.1.4 (ISO 9000, ISO 14000 or equivalent certification within 2 years of full operation for projects of THB 10 million or more, failing which the corporate income tax exemption is reduced by one year), clause 5.3.1 (minimum investment of THB 1 million excluding land and working capital), clause 5.3.2 (debt-to-equity ratio not exceeding 3:1 for new projects) and clause 5.3.3 (feasibility study for projects over THB 2,000 million). Thai original boi.go.th; BOI unofficial translation boi.go.th (both checked 3 October 2026).

4. Announcement of the Board of Investment No. 8/2565, clause 8 (incentive groups A1+, A1, A2, A3, A4 and B). Group A1+: 10-13 years of corporate income tax exemption without a cap; A1: 8 years without a cap; A2: 8 years capped at 100% of investment excluding land and working capital; A3: 5 years, same cap; A4: 3 years, same cap; B: no corporate

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income tax exemption. All groups receive import duty exemption on machinery and on raw or essential materials for export production (1 year, extendable) and non-tax incentives, unless the list of activities provides otherwise. Checked against the Thai original, 3 October 2026 boi.go.th.

5. Investment Promotion Act 1977, section 31: “A promoted person shall be granted exemption of juristic person income tax on the net profit derived from the promoted activity as prescribed by an announcement of the Board, of which the proportion to the investment capital excluding cost of land and working capital shall be taken into consideration by the Board, for a period of not more than eight years from the date income is first derived from such activity. In the case where activities are of special importance and benefit to the country as prescribed by an announcement of the Board, a promoted person in such activities shall be granted exemption of juristic person income tax on the net profit derived from the promoted activity for a period as prescribed by the Board but not more than eight years from the date income is first derived from such activity. The income on which the computation of the net profit derived from the activity referred to under either paragraph one or paragraph two is to be based shall include income from the sale of such by-products and semi-manufactured products as the Board may deem appropriate. In the case where a loss has been incurred during the period of receiving exemption of juristic person income tax referred to under either paragraph one or paragraph two, the Board may grant permission to the promoted person to deduct such annual loss from the net profits accrued after the expiration of the period of exemption of juristic person income tax for a period of not more than five years from the expiry date of such period. The promoted person may choose to deduct such loss from the net profit of any one year or several years. The computation of the investment capital referred to under paragraph one shall be in accordance with the rules and procedures prescribed by an announcement of the Board.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

6. Supreme Court Judgment No. 4546/2561 (2018) (decided by the General Assembly of the Supreme Court, No. 11/2561): the Investment Promotion Act does not prescribe how corporate income tax is computed, so the Revenue Code governs; however many promoted projects a company has, net profit and loss are computed with the company as a single tax unit, combining all promoted and non-promoted activities. Supreme Court Judgment No. 1106/2561 (2018) applies the same approach to net profit for a reduced tax rate under a Royal Decree. Section 32/1, added in 2017, provides that net profit and net loss of a promoted person “shall be in accordance with the provisions under the Revenue Code”. (Thai judgments checked on deka.supremecourt.or.th, 28 September 2026; summaries by the firm.)

7. Investment Promotion Act 1977, section 34: “Dividends derived from a promoted activity granted an exemption of the juristic person income tax under Section 31 and Section 31/1 shall be exempted from computation of taxable income throughout the period the promoted person receives the exemption of juristic person income tax. With respect to the dividends which have been exempted from the juristic person income tax under paragraph one, if such dividends are paid within six months from the expiry date of the period of juristic person tax exemption, they shall be exempted from computation as provided under the first paragraph.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

8. Investment Promotion Act 1977, sections 25 and 26 (skilled workers, experts, spouses and dependents beyond immigration quotas; work permits for positions approved by the Board) (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

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9. Investment Promotion Act 1977, section 27: “A promoted person shall be permitted to own land in order to carry on the promoted activity to such an extent as the Board deems appropriate, even in excess of the permissible limit under other laws. In the case where the promoted person who is a foreign national under the Land Code dissolves his promoted activity or transfers it to another person, he shall dispose of the land he has been permitted to own within one year of the date of dissolution or transfer, or the Director General of the Land Department shall have the power to dispose of it under the Land Code.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

10. Investment Promotion Act 1977, section 37: “A promoted person, or an investor in the promoted activity whose domicile is outside the Kingdom, shall be granted permission to take out or remit abroad money in foreign currency if it represents (1) an investment capital which the promoted person brought into the Kingdom and dividends or other returns on such capital; (2) a foreign loan under a contract approved by the Board which the promoted person brought in to invest in the promoted activity, including the interest thereon; (3) a payment for a foreign obligation of the promoted person under a contract for the use of rights and services relating to the promoted activity, provided that such contract was approved by the Board. During any period when there is an adverse balance of payments which requires the preservation of foreign currency at a reasonable level, the Bank of Thailand may temporarily restrict the remittance abroad of such money, but the restrictions shall not cause the remittance of foreign capital to be less than twenty percent annum, provided that such remittance is made two years after the capital has been brought in, and the dividends to be lower than fifteen percent per annum of the capital brought into the Kingdom.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

11. Foreign Business Act B.E. 2542 (1999), section 12. Unofficial translation by Eksiam & Partners Co., Ltd. of the Thai text, which was checked paragraph by paragraph against the Office of the Council of State legal database (searchlaw.ocs.go.th) on 3 October 2026: “Where the business of a foreigner that has been granted investment promotion under the law on investment promotion, or that has been granted written permission to engage in industry or export trade under the law on the Industrial Estate Authority of Thailand or under any other law, is a business in List Two or List Three annexed to this Act, the foreigner shall notify the Director-General in order to obtain a certificate. Once the Director-General or a competent officer so designated has verified the investment promotion certificate or the permission, the Director-General shall issue the certificate promptly, and in any event within thirty days from the date of being notified of the investment promotion certificate or the permission, as the case may be. In such case, the foreigner shall be exempt from the application of this Act, except sections 21, 22, 39, 40 and 42, for so long as the business enjoys investment promotion or permission to engage in industry or export trade, as the case may be. The issuance of the certificate under paragraph one shall be in accordance with the rules and procedures prescribed by the Director-General.”

12. Investment Promotion Act 1977, section 20 (conditions that may be stipulated in a promotion certificate, including (1) amount and source of capital, (2) nationality and number of shareholders, (3) size of activity, products and capacity, (5) nationality and number of workers, technicians and experts, (7) environmental protection, and the time limits for implementation, machinery orders and start of operations) (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

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13. Investment Promotion Act 1977, section 54: “In the case where a promoted person violates or fails to comply with the conditions stipulated by the Board, the Board shall have the power to withdraw the rights and benefits granted to him, in toto or in part, and may prescribe the duration thereof. If the Board is of the opinion that such violation or failure to comply with the conditions by the promoted person is unintentional, the Board may first instruct the Office to serve a written warning to the promoted person to make remedy or to comply with the conditions with a prescribed period. If, after the expiration of such period, the promoted person has failed to do accordingly without justification, the Board shall take action as prescribed in paragraph one.” (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

14. Investment Promotion Act 1977, section 55 (retroactive liability for import and export taxes and duties after a total or partial withdrawal; one month to apply to pay; surcharge of 1% per month) (English translation published by the Office of the Board of Investment, consolidated to Investment Promotion Act (No. 4) 2017, quoted verbatim including the translator's wording; checked 3 October 2026, boi.go.th. The Thai text published in the Government Gazette is the authoritative version.)

15. Supreme Court Judgment No. 4197/2559 (2016) (Tax Division): Customs Department and another v. a footwear-component manufacturer. Imported plastic sheets exempted from duty on condition that they be used to produce goods for export were destroyed by fire that the company did not cause, contribute to or negligently allow. The court held that the company had not intentionally breached the condition; the event was beyond its control and performance had become impossible, so it was not a ground to withdraw the promotion rights. The claim for THB 4,743,898.89 in taxes and duties plus surcharges failed, and the Central Tax Court's dismissal stood. (Thai judgment re-checked on deka.supremecourt.or.th, 3 October 2026; summary by the firm.)

16. Supreme Court Judgment No. 4178/2533 (1990): where the Board withdrew rights under section 54 paragraph one without first issuing a warning under paragraph two, the surcharge under section 55 paragraph four (which depends on failure to comply with a warning) did not apply; but because the promoted person did not pay within the period in section 55 paragraph three, it was liable to the surcharge under section 112 quater of the Customs Act B.E. 2469 (1926). (Checked on deka.supremecourt.or.th, 28 September 2026; summary by the firm.)

17. Supreme Court Judgment No. 1110/2538 (1995): the Board withdrew the remaining rights under the promotion certificate from 28 November 1989. The court treated this as a partial withdrawal, so molds and raw materials imported before that date remained exempt under section 55 paragraph two. (Checked on deka.supremecourt.or.th, 28 September 2026; summary by the firm.)

18. Law on Investment No. 61/2020/QH14 (Viet Nam), adopted 17 June 2020, Article 13 (guarantees for business investment upon changes of laws). English translation in FAOLEX faolex.fao.org (checked 28 September 2026; unofficial translation).

19. Kasinka Trading and Another v. Union of India and Another, Supreme Court of India, 18 October 1994, (1995) 1 SCC 274; AIR 1995 SC 874. indiankanoon.org

20. State of Punjab v. M/s Nestle India Ltd. and Another, Supreme Court of India, 5 May 2004, (2004) 6 SCC 465; AIR 2004 SC 4559. indiankanoon.org

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21. Case C-638/19 P, European Commission v. European Food SA and Others, Court of Justice of the European Union (Grand Chamber), judgment of 25 January 2022 (facts on Emergency Government Ordinance No 24/1998, repeal of incentives effective 22 February 2005, and the ICSID award of 11 December 2013 as recited in the judgment). italaw.com

22. Howell H. Zee, Janet G. Stotsky and Eduardo Ley, "Tax Incentives for Business Investment: A Primer for Policy Makers in Developing Countries," World Development 30(9) (2002): 1497-1516, DOI 10.1016/S0305-750X(02)00050-5 (verified with Crossref, 28 September 2026).

23. Alexander Klemm and Stefan Van Parys, "Empirical Evidence on the Effects of Tax Incentives," International Tax and Public Finance 19(3) (2012): 393-423, DOI 10.1007/s10797-011-9194-8 (verified with Crossref and the publisher's abstract, 28 September 2026).

24. Lon L. Fuller, The Morality of Law, rev. ed. (New Haven: Yale University Press, 1969), chapter 2, on constancy of the law through time. jstor.org

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