

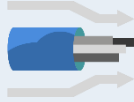



# Investment Promotion Policies for Digital Industry

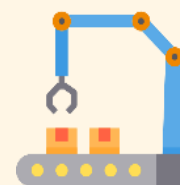
Praewa Chatkoonsathien  
Investment Promotion Officer  
Office of the Board of Investment  
13 Dec 2024



# Investment Promotion for Digital Industry

	Digital Activities	Digital Infrastructure
<b>A1</b> <b>8-Year</b> CIT Exemption (No Cap)		8.2.1 Data Center 8.2.2 Cloud Service 
<b>A2</b> <b>8-Year</b> CIT Exemption	8.1.1 Development of Software, Digital Platform or Digital Content 	8.2.3 International high-speed marine communication circuits 8.2.4 Data Hosting 
<b>A3</b> <b>5-Year</b> CIT Exemption		
<b>B</b> <b>Other Incentives</b>	8.1.2 Modification of Software, Digital Platform or Digital Content * 	

## Other Exemption



Exemption  
of import  
duties  
on machinery

## Non-tax Incentive


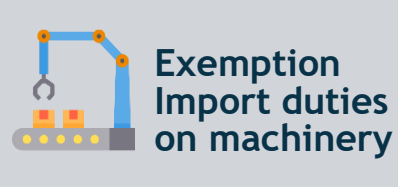

- Permit to own land \*
- Permit to bring into the kingdom skilled workers and experts to work in investment promoted activities
- Permit for foreign nationals to enter the kingdom for the purpose of studying investment opportunities
- Permit to take out or remit money abroad in foreign currency

\* The activity “**Modification of Software, Digital Platform or Digital Content**” will not be granted a right to own land

# Investment Promotion in Digital Activity



## Development of Software, Digital Platform or Digital Content (8.1.1)

Incentive	<div data-bbox="140 509 445 694">  <p>8 years Exemption CIT</p> </div> <div data-bbox="458 509 853 694">  <p>Exemption Import duties on machinery</p> </div> <div data-bbox="866 509 1169 694">  <p>Non-tax incentives</p> </div> <div data-bbox="1082 509 1169 694">A2</div>
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### Condition

Development	<p>Must <b>develop the NEW</b> software, digital platform or digital content in Thailand.</p> <p>If the applying project <b>has a developed product before applying for promotion</b>, further developments of new function are required.</p>
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Investment	The expenditure on salaries for Thai IT personnel additionally employed after submitting investment promotion application <b>must not be less than 1.5 million Thai Baht per year</b>
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Others	<ul style="list-style-type: none"> <li>Must fulfill all of the conditions &amp; complete the development/modification of Software, Digital Platform or Digital Content <b>within 12 months</b> from the date of issuing the Promotion Certificate in order to obtain the full operation start-up certificate</li> <li>Allowed to utilize the existing or used machinery (E.g. Computers &amp; Laptops)</li> </ul>
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## Modification of Software, Digital Platform or Digital Content (8.1.2) \*

Incentive	<div data-bbox="1467 509 1949 694">  <p>Exemption Import duties on machinery</p> </div> <div data-bbox="1961 509 2443 694">  <p>Non-tax incentives (not include a right to own land)</p> </div> <div data-bbox="2369 509 2443 694">B</div>
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### Condition

Modification	<p>Must <b>modify</b> software, digital platform or digital content such as :</p> <ul style="list-style-type: none"> <li><b>Application Programming Interface (API)</b> to enable the connection with other software or systems</li> <li><b>User Interface (UI)</b> (Exclude the conversion or addition of languages)</li> <li>Making software, digital platform or digital content <b>compatible with different operation system</b></li> </ul>
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\* The activity 8.1.2 “Modification of Software, Digital Platform or Digital Content” is not allowed to amend the type/category of the promoted activity

# Difference between the Development and the Modification of Software, Digital Platform or Digital Content

## Activity 8.1.1

- Development of the **NEW** software, digital platform or digital content
- Development of **NEW functions** of the existing software, digital platform or digital content
- **Software House**  
Develop  
1) The NEW software, digital platform or digital content  
**OR/AND**  
2) The NEW FUNCTION of the existing software, digital platform or digital content  
For each customer based on their requirements

## Activity 8.1.2

- **API** 
- **UI** (Exclude the conversion or addition of languages) 
- Making software, digital platform or digital content **compatible with different operation system**
- **Customization** of the existing software, digital platform or digital content **based on customer requirements** (Exclude the installation, configuration and maintenance) 
- **Efficiency improvement** such as new operation system compatibility 

## Not eligible under 8.1.1 & 8.1.2

- Provide the service of software, digital platform or digital content **without any development or improvement**
- **Conversion or addition of languages** to accommodate the uses of software, digital platform or digital content 
- **Procurement, installation, customization and maintenance** of the hardware or software that are manufactured, developed or provided by others 
- **Trading of goods and services, transportation, and credit extension** through a digital platform 
- Development of **in-house software or digital platform**
- Provision of services for data analysis **without the development of algorithms, tools, or engines in the data analysis** 



# Cap on CIT Exemption under the investment promotion for the Development of Software, Digital Platform or Digital Content (8.1.1)

## Cap on CIT Exemption in each year

100%

Salary expenses for permanent Thai IT personnel additionally employed after applying for the promotion

100%

Salary expenses for temporary Thai IT personnel additionally employed after applying for the promotion

100%

IT development related training expenses for Thai personnel

100%

Expenses on the operation to acquire the standard quality system certificate ISO 29110 or CMMI from Level 2 or other equivalent international standards



✦ The expenses to be calculated for cap on CIT exemption must be incurred after applying for promotion and be in the same fiscal year of exercising rights and benefits of CIT exemption

✦ The expenses to be calculated for cap on CIT exemption shall not be claimed for other privileges from other government agencies

## What is Data Center?

A physical room, building or facility that houses IT infrastructure for building, running, and delivering applications and services, and for storing and managing the data associated with those applications and services

Source: IBM

## Investment Promotion Condition for Data Center

### Services

- Must provide complementary services (e.g. Server co-location, Managed service, Customer's server backup service, Disaster recovery service (DRS))

### Capacity

- IT load capacity must not be less than **2 MW**

### Connectivity

- Must have a main hi-speed telecommunications system linking the data center with domestic & international telecommunication centers at least 4 systems  
(The domestic telecommunication system must have a speed  $\geq 10$  Gbps each, for  $\geq 3$  systems, and the total speed of the whole system  $\geq 60$  Gbps)

### Cooling System & Fire Protection

- Must have a highly efficient air conditioning system with backup system
- Must have Fire prevention system for the entire area

### Redundancy

- Must be **Concurrently Maintainable**
- Must have backup independent distribution paths in electricity distribution system
- Must have a generator which is capable of supporting the entire electricity needs of the data center with a backup generator that can support the need for electricity when one of the generators does not function properly
- Must have equipment or backup system for UPS IT cooling and UPS cooling
- Must have a failure prevention system to prevent risks from damage or any malfunction in any equipment

### Security

- Must have a 24-hour security system

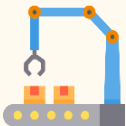
### Certification

- Must be certified with **ISO/IEC 27001 (Data Center)** before exercising the incentive of corporate income tax exemption and before the full operation deadline

## Incentive

A1

**8 years**  
Exemption  
**CIT** (no cap)



Exemption  
Import duties  
on machinery



Non-tax  
incentives

## What is Cloud Service?

A wide range of services delivered on demand to companies and customers over the internet. These services are designed to provide easy, affordable access to applications and resources, without the need for internal infrastructure or hardware.

Source: Citrix.com



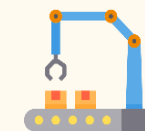
## Investment Promotion Condition for Cloud Service

- Must be located in **at least 2 data centers in Thailand** that are certified with **ISO/IEC 27001**
- Must have connection among all related data center with speed of **at least 10 Gbps for each connection**, with backup connection at the same speed
- Must be certified with **ISO/IEC 27001 (Cloud security)** and **ISO/IEC 20000-1 (Cloud service)** before exercising the incentive of CIT exemption and before the full operation deadline.

### Incentive

A1

**8**  
years  
Exemption  
CIT  
(no cap)











































Exemption  
Import duties  
on machinery



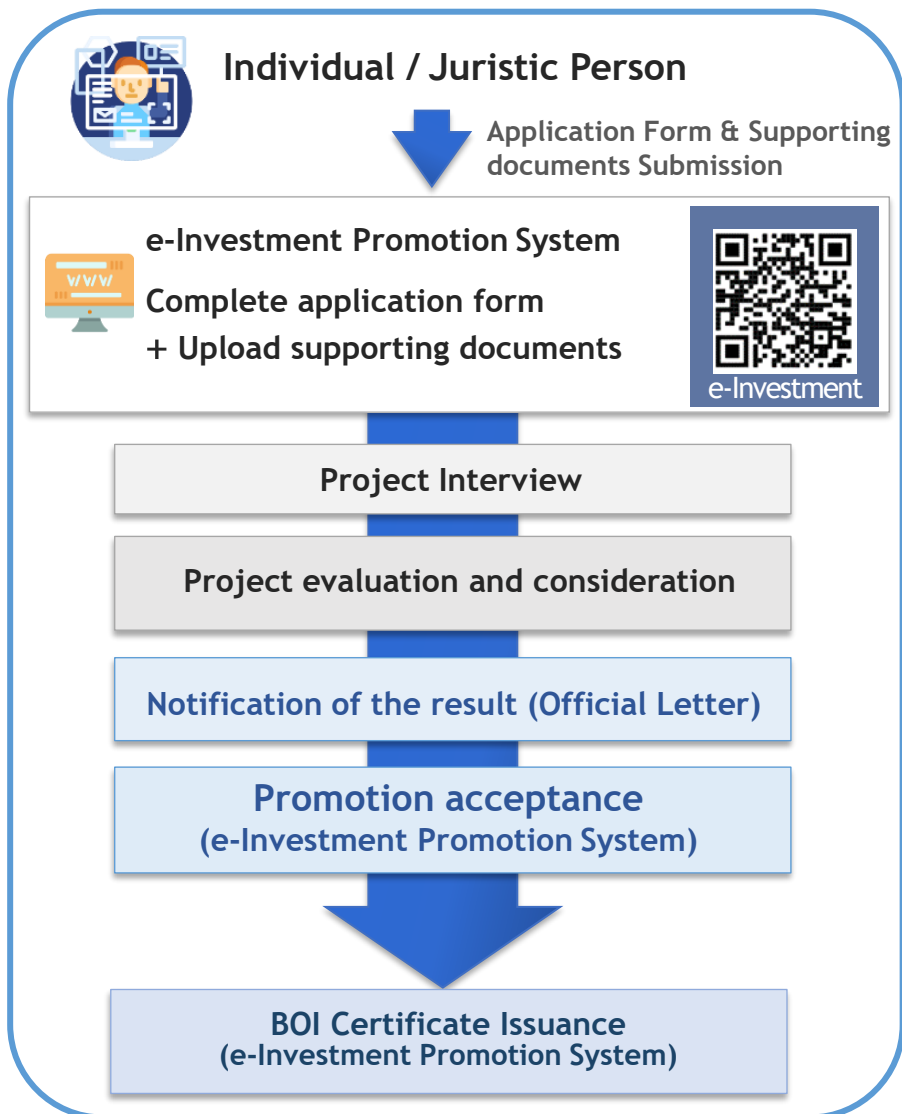
Non-tax  
incentives

# Success Stories of Companies in Digital Sector Promoted by BOI

Software & Platform	 bitkub®  bluebik  Pomelo.  Clicknext  TBN  SEVEN PEAKS  GOWAJEE  SCB TECH+  WHA Digital  CODE MONDAY  SkillLane
Digital Content	 YGGDRAZIL GROUP  THE MONK GAMES  MAD VIRTUAL REALITY STUDIO  RINGZERO GAME STUDIO  CORECELL  RiFF studio  G MILLION
Cloud Service	 Alibaba Cloud  true IDC  INET Always by your side  CLOUD HM  nipa  nt National Telecom  GLOBAL CLOUD  HUAWEI  AVM cloud A Time Company
Data Center	 aws  NTT DATA  STTelemedia Global Data Centres  Singtel  INET Always by your side  true IDC  TELEHOUSE  GULF oneAs1a  SUPERNAP THAILAND  EQUINIX
International high-speed marine communication circuits	 SYMPHONY  true  nt National Telecom  LXT NETWORKS



# Application and supporting documents



## Example of Supporting Documents



1. Additional required document for application Activity 8.1.1 or 8.1.2 (Download the Excel file from the QR code, fill out the form and upload the completed form as additional document)



2. Other supporting documents such as:

- Copy of Passport (if apply as an individual)
- Company/Applicant Profile
- Functions/Features of the Software/Platform/Digital content to be developed in applying project



- Copy of Passport (if apply as an individual)
- Company/Applicant Profile
- Scope of services to be provided
- Full equipment list (e.g. Generator, UPS, Fan Wall and Power Distribution Unit (PDU))
- Assumed building layout and floor plan of the data center
- Assumed IT Load of the data center
- Assumed number and speeds of the telecommunication systems that link the data center with domestic and international telecommunication centers
- Details of redundancy and concurrent maintainability of the data center
- Other supporting documents



- Copy of Passport (if apply as an individual)
- Company/Applicant Profile
- Scope of services to be provided
- Full equipment list (e.g. Server, RAM and Hard disk)
- Spec of the Server, RAM and Hard disk used for providing cloud services
- Names and locations of the two data centers that cloud service will be located
- Assumed number and speeds of the internet connection among all data centers
- Other supporting documents



THAILAND  
BOARD OF  
INVESTMENT

## For More Information



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