



Thai Government Accelerates EEC Measures and Extends EEC Application

In the midst of a new wave of COVID-19 infections, the Cabinet of Thailand approved the draft of a new regulation on March 1, 2022, referred as the Draft Announcement of the Eastern Economic Corridor Policy Committee (“EEPC”) Re: Incentives for Business Operator in the Promotion Zone for Specific Industries B.E (the “Announcement”) to enable the EEPC to provide additional incentives to a business operator that has its business located in the promotion zone for specific industries of the Eastern Economic Corridors (“EEC”) program. These incentives are in addition to the investment benefits that are already provided by the Office of the Board of Investment (“BOI”) in order to attract more foreign direct investment. This draft announcement covers the targeted areas, the applicable incentives and the criteria of the business operator. The main principles of these regulations are as follows:

- (a) Eastern Airport Area (EECa) will be the first development area for utilization of the rights and benefits.
- (b) Approved promotion zones for specific industries which consist of:
 - Eastern Airport City (EECa);
 - Innovation Platform (EECi);
 - Digital Park (EECd);
 - High-speed Rail Ribbon Sprawl between 3 major international airports, namely, Don Mueang Airport, Suvarnabhumi Airport, and U-Tapao Airport (EECh);
 - Medical Hub (EECmd); and
 - Genomics Thailand (EECg).

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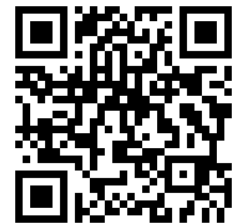
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(c) Approved the qualification of a business operator that will be eligible to receive the incentive. Primarily, such business must possess financial viability and business capacity that meets or exceeds the EEPC's prescribed standards and they must be the type of, or otherwise, be related to or benefit from, or support the business objectives of each specific industry of such promotion zone.

(d) Approved in principal the additional incentives for the business operator in the specific promotion zone such as:

- Permit to own land or condominium within that promotion zone;
- Permit to bring a foreign worker who is an expert, or an executive, or a professional, and his/her family members to stay in Thailand according to the immigration laws; and
- Permit an expert, or an executive, or a professional to work without obtaining a work permit according to foreign workers administration laws.

Apart from the above principles, the regulation will allow EEPC to engage with investors directly and to provide such incentives to the whole industry group or multiple companies at once, contrary to the policy of the BOI, which can only grant the incentive to an applicant per application. Ultimately, the EEPC and the developer of each promotion zone for special industries will coordinate to review and consider additional incentives for the applicant in these zones in the future.

There are no official criteria or incentives related to this EEPC's measure at this point, and, currently, the Announcement is still under review and consideration by the Sub-committee on the Draft Announcement and the Office of the Council State. Thus, we will have to wait and see what the concrete details are and how it will actually be implemented once the Announcement is finalized and announced in the Government Gazette by April 2022 or, at the very least, this year.

In the meantime, the BOI is still open for applications until the last working day of 2022 for any investor interested in investing in a promoted business in the promotion zone of specific industries, except for applications related to the rights and incentives for five (5) location areas in the promotion zone for special activities, including EECi, EECd, EECa, EECmd and EECg, for which an investor

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Our team has extensive experience in providing legal services to international clients on every aspect of investing in or expanding their business in Thailand. We help foreign clients navigate Thailand's foreign ownership laws to ensure that their businesses are structured and are carried on in compliance with legal requirements. We also regularly work with US clients on obtaining benefits under the Thai-US Treaty of Amity and Economic Relations.

may submit an application for investment promotion under this measure with no deadline for the application submission according to the Announcement of the BOI No. 2/2565 Re: Extension of Investment Promotion Measure of EEC Dated 21 February 2022. In this regard, the BOI continues to offer both tax and non-tax incentives for a wide range of promoted activities; thus, applying for investment promotion now in order to take advantage of the BOI benefits is still a suitable option for general investors.

If you are thinking about starting a business in the EEC Zone or need some advice on how to get an investment promotion, a permit, or a license in Thailand, Kudun and Partners has an experienced legal team that can help you through these processes and guarantees a smooth start.

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