

# KUDUN & PARTNERS



## Legal Alert | Foreign Direct Investment

### BOI Approves Updated Investment Measures to Boost EV Charging Stations Businesses

Following its initiative to encourage investment in the electric vehicles (EV) sector in 2017, the Office of the Board of Investment (“BOI”) anticipates the expansion of the domestic market for EV manufacturing in Thailand, as it encourages consumers to embrace utilizing EVs. Therefore, the BOI has regularly updated its policy to promote investment in the EV charging station market, which is the main facility that supports the infrastructure of EVs, by revising and updating the measures, criteria, conditions, and privileges in this industry sector.

Under the former criteria for approving investment promotion in EV charging stations, the investor was required to have a total of not fewer than 40 charging dispensers, at least 25 percent of which were quick charging units, and to obtain ISO 18000 certification within three years from the date of issuance of the promotion certificate. Additionally, the investor could not be granted incentives from other authorities prior to or while receiving the BOI promotion.

On 7 April 2022, Ms. Duangjai Asawachintachit, the Secretary-General of the BOI, revealed that the Board has approved enhancing promotion criteria and privileges for EV charging station businesses to boost the domestic market for EV manufacturing and its related infrastructure, including to facilitate access for SMEs and startup investors to invest in EV charging station businesses in Thailand so that they may enjoy the rights and privileges offered by the BOI in full. The key updated investment measures are as follows:

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Get in touch

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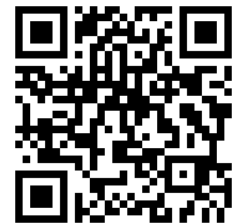
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**1. Conditions and privileges for EV charging stations have been separated into 2 categories, which are:**

- If a project has no fewer than 40 charging dispensers, with at least 25 percent being a quick charging units (DC type), it will be eligible for a **5-year corporate income tax exemption**.
- Other smaller charging stations will be eligible for a **3-year corporate income tax exemption**.

**2. Requirement for ISO certification**

Under the revised measures, the requirement for ISO 18000 certification has been abolished and replaced with more straightforward conditions as follows:

- The investor is required to comply with the relevant laws and safety regulations; and
- The investor must submit a plan to either implement an EV Smart Charging System or connect to an EV Charging Network Operator Platform, which will be developed as a central mechanism to ensure efficient management thereof.

**3. Prohibition against receiving additional benefits from other authorities**

This condition is no longer applicable to investors; therefore, investors can now enjoy tax or financial privileges from other authorities together with the rights and privileges of investment promotion from the BOI.

## About Us




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### Foreign Direct Investment Practice Group

We are commercially-minded and solutions-oriented legal advisors whose every move is made with your objectives in mind. We act as trusted legal and business advisors to leading international private and public corporations, start-ups, private equity funds, and foreign individuals on all aspects of their foreign direct investment (FDI) transactions in Thailand.

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.

To facilitate ease of understanding, we have provided a comparison between the previous measures and the enhanced measures in the table below.

	Previous Measures	Enhanced Measures			
 <p><b>Number of Chargers and Incentives offered</b></p>	<p>At least 40 chargers (not less than 25% must be the quick charging type)</p> <p><b>CIT Exemption for 5 Years</b></p>	<p>At least 40 chargers (not less than 25% must be the quick charging type)</p> <p><b>CIT Exemption for 5 Years</b></p> <p>Smaller charging stations (no requirement on the minimum number of charging dispensers)</p> <p><b>CIT Exemption for 3 Years</b></p>			
 <p><b>Standardization of Projects</b></p>	<p>Required to obtain ISO 18000 certification</p>	<p>Merely comply with relevant laws and safety regulations</p> <p style="text-align: center;">+</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">Submit either a plan to implement an EV Smart Charging System</td> <td style="width: 10%;"><b>or</b></td> <td style="width: 40%;">Connect to an EV Charging Network Operator Platform</td> </tr> </table>	Submit either a plan to implement an EV Smart Charging System	<b>or</b>	Connect to an EV Charging Network Operator Platform
Submit either a plan to implement an EV Smart Charging System	<b>or</b>	Connect to an EV Charging Network Operator Platform			
 <p><b>Other Incentives</b></p>	<p><b>Must not</b> currently be granted incentives by other authorities</p>	<p><b>Eligible to</b> receive incentives from other authorities</p>			

If you are thinking of applying for an investment promotion for an EV charging station business or any other promoted business in Thailand, and require advice on how to secure an investment promotion, permit, or license, Kudun and Partners' experienced legal team is ready and willing to walk you through these processes and ensure your business gets off to the best possible start.

For more information about the relevant regulations or any other notifications relating to foreign direct investment, **please contact the authors or our team at Kudun and Partners.**