

**Newsletter Nr. 45 (EN)**

**BOI Promotion:  
Trade and Investment Support Office  
(TISO)**

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## I. Introduction

The Thai Board of Investment (“**BOI**”) offers a range of promotions to both Thai and foreign companies. Incentives include tax benefits such as

- tax holidays; and
- duty exemptions.

Additionally, the BOI grants non-tax benefits, such as

- allowing 100% foreign ownership in a company;
- the right to own land;
- easier obtaining of visas and work permits for foreign employees; and
- special guarantees and investment protections.<sup>1</sup>

The benefits are granted for specific economic activities or merits, described in BOI Announcements.<sup>2</sup>

An interesting promotion category is the Trade and Investment Support Office (“**TISO**”).<sup>3</sup> Though this promotion does not grant any tax benefits, it, however, still allows 100% foreign ownership of the entity. Therefore, it is particularly relevant to companies not qualifying for any other BOI promotion.

## II. Eligible Businesses

Businesses applying for a TISO promotion must have

- a minimum investment of THB 1 million in fixed assets;
- annual selling and administrative expenses of at least **THB 10 million** (approx. EUR 300,000); and
- a business plan and scope of business approved by the BOI.

The following business activities are covered by the TISO promotion:

1. Monitoring and/or servicing associated enterprises, including providing or renting out offices or factory buildings to associated enterprises, and lending to associated enterprises outside the scope of a treasury center and can be implemented under the exchange control laws<sup>4</sup>;
2. Advisory services on business operations, except those engaged in buying and selling securities and foreign currency exchange. As for accounting, legal, advertising, architectural and civil engineering businesses, the business license must be obtained from the Department of Business Development or related governmental agencies prior to submitting the investment promotion application;
3. Information services on goods sourcing;
4. Engineering and technical services, except those related to architecture and civil engineering;

of Thai baht loans to associated enterprises in Vietnam and countries bordering Thailand, with a requirement of using them for trading and investment in Thailand or in aforementioned countries only.

<sup>1</sup> Sec. 43 ff. of the Investment Promotion Act.

<sup>2</sup> The main scheme is outlined in Announcement No. 2/2557.

<sup>3</sup> Category 7.7 of BOI Announcement 2/2557.

<sup>4</sup> For example: lending of foreign currency loans to associated enterprises in foreign countries; lending of Thai baht loans to associated enterprises in Thailand; lending

5. Business activities related to machinery, engines, tools and equipment such as
  - importing for wholesaling;
  - training services;
  - installation, maintenance and repair; and
  - calibration.
6. Wholesaling products manufactured in Thailand; and
7. International business process outsourcing whose services are provided through telecommunication networks, such as administrative services, finance and accounting services, human resource services, sales and marketing services, customer services, data processing, etc.
8. In the case of offering loans to associated enterprises, the scope of servicing business must be services in other aspects that are not the loans specified in item 1. or include at least one of those listed in items 2-7.

### III. Benefits for TISO

The TISO receives only non-tax benefits. The most important TISO incentives are the following:

- 100% foreign ownership of the promoted company; and
- potentially right of land ownership, limited to the following:
  - Land for the establishment of offices for promoted projects must not exceed five (5) rai (one (1) rai equals 1,600 sqm);
  - Land for the residences of executives or experts must not exceed one (1) rai; and
  - Land for the residences of employees must not exceed two (2) rai.

However, the BOI has the right to increase the amount if deemed appropriate.

Visas and work permits may be obtained from the One-Stop Service Centre, which considerably quickens the process. Apart from that, foreigners can stay in the country for feasibility studies, as well as technicians and experts, with very few limitations.

### IV. Operating License

Within 3 years from the BOI Certificate issuance, the promoted company must apply for the BOI Operating License.

The main criteria for this application is to prove that the company reached the threshold of THB 10 million annual selling and administrative expenses by showing the latest audited financial statements.

### V. Summary

The establishment of trade and investment support offices has become very popular. Although no tax benefits are granted, the right to own 100% of a company makes this promotion interesting especially for foreign service providers and traders who are not eligible for any other investment promotion.

Generally, the requirements are rather broad; therefore, many companies would notionally qualify. The most important restriction, however, is the requirement of selling and administrative expenses of more than THB 10 million per year. Accordingly, promotion is only granted to companies of a certain size.



*We hope that the information provided in this newsletter was helpful for you.  
If you have any further questions please do not hesitate to contact us.*

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