

## **Thailand 4.0: Phuket and Chiang Mai as Digital Economy Clusters**

On 16th September 2016, the Prime Minister Prayut Chan-o-cha attended the opening of the "Start-up Thailand and Digital Thailand 2016" event in Phuket. He reiterated the commitment of the Government to promote startups and to transform Phuket into a smart city. The ultimate aim of the Government is to digitalize the economy and society of Thailand so Thailand starts the fourth industrial revolution (Thailand 4.0).

Phuket and Chiang Mai have been selected as Digital Economy Clusters. The Government launched the cluster development policy in 2015 to increase competitiveness in the industrial activities that have high potential using knowledge-based and digital advance technologies. Companies investing in the eligible activities under the Digital Economy Cluster in Phuket or Chiang Mai are encouraged to obtain investment incentives from the Board of Investment ("BOI").

### **Digital Economy Cluster Incentive Package**

The BOI incentives under the Digital Economy Cluster incentive package are available for software (embedded software, enterprise software, digital content), cloud service, data center, software park, movie town and motion picture production, and motion picture support services.

The applicant for the incentives must cooperate with the relevant academic institutions, research institutions and/or centers of excellence of the designated provinces. The application for investment promotion must be submitted to the BOI before 31 December 2016 and business operations must commence within 2017. Extensions of time may be granted for largescale projects on a case by case basis.

### **More Incentives for the Digital Economy Cluster**

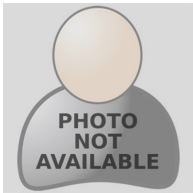
In addition to the general BOI incentives (such as 100% foreign ownership and work permits and visas for foreign skilled employees), eligible companies investing in the Digital Economy Cluster may be granted the following tax and other incentives:-

<b>Tax Incentives</b>	<b>Other Incentives</b>
Corporate income tax exemption for 8 years and 50% corporate tax income reduction for additional 5-years.	Permanent residence to non-Thai leading specialists.
For important future-driven industries, corporate income tax exemption for 10 to 15 years may be granted.	Land ownership for implementing promoted businesses.
Import duty exemption for machinery import	
Personal income tax exemption for Thai and non-Thai specialists in some specified areas.	

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