

Eastern Economic Corridor Act B.E. 2561 of Thailand

On 8th February 2018, the National Legislative Assembly passed the Eastern Economic Corridor Act B.E. 2561 (“**EEC Act**”) as a law. The EEC Act sets out the rules and procedures for promoting, facilitating and granting certain special privileges to businesses in the EEC area for development and enhancement of the economy and competitiveness of Thailand.

The EEC area covers Chonburi, Rayong, Chacheongsao and other provinces to be announced later by a royal decree. The 10 targeted industries in the EEC area are next-generation automotive, smart electronics, affluent and wellness tourism, agriculture and biotechnology, food for the future, robotics, aviation and logistics, biofuels and bio-chemicals, digital and medical hub. To enhance the competitiveness of certain industries, several Special Economic Promotion Zones (“**SEPZ**”) will be created inside the EEC. Each of them will focus on one or more targeted industries.

The EEC Policy Committee chaired by the Prime Minister, the EEC Secretary-General (“**EEC SG**”) and the EEC Policy Committee Office are established to act as the main governing authorities. The EEC Policy Committee will prepare a land use plan, an infrastructure development plan, a project plan and a government service plan (collectively refer to as the “**Blueprint**”). The details of the land use plan and the infrastructure development plan will be prepared within one year from the Blueprint approval date.

Tax and non-tax incentives under the EEC Act include the followings:-

1. Foreigners can own land in the SEPZ for business operation and they can own condominium for both business operation and residential purposes.
2. A lease of land and other immovable properties in the SEPZ can be for a period of 50 years plus one-time renewal for not more than 49 years.
3. Skilled labors, executives and specialists working for businesses in the SEPZ and their spouses, children, ascendants and dependents can obtain visas from the EEC SG.
4. Skilled labors, executives and specialists working for businesses in the SEPZ can work in Thailand, without a work permit, upon receiving a permit from the EEC SG.
5. Exemption or reduction of taxes and duties for businesses in the SEPZ are available, subject to the limits under the investment promotion law and the law on enhancement of competitiveness for the targeted industries.
6. Exemption from compliance to all or part of the customs law is available.

7. Foreign currencies can be used for payment of goods and services within the SEPZ, subject to restrictions and requirements to be imposed by the EEC Policy Committee.
8. Licensed foreign professionals can practice in the SEPZ, subject to requirements and conditions to be specified by the EEC Policy Committee.
9. Other rights and privileges under the investment promotion law and the law on enhancement of competitiveness for targeted industries can be granted to investors and professionals by the EEC Policy Committee on a case-by-case basis.

The EEC Act will become effective on the date immediately following the date of its publication in the Royal Gazette. But some of its provisions will commence only after the Blueprint and implementation regulations have been issued.

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