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BOI Fund Expansion and legal implications for foreign investors

Thailand's Board of Investment (BOI) recently announced a significant policy development: an additional THB 10 billion allocation to its Competitiveness Enhancement Fund. The funding aims to mitigate the adverse effects of global tax and trade policy shifts, while furthering Thailand's long-term investment attractiveness in key technology sectors. This move underscores Thailand's proactive legal and economic strategies to remain competitive in the evolving global investment landscape.

Legal Objectives of the BOI Fund Expansion

The expanded funding serves three primary legal and policy objectives:

1. Offsetting External Regulatory Pressures

The fund is intended to help businesses operating in Thailand manage the impact of:

- The OECD's Global Minimum Tax (GMT) initiative, which limits the effectiveness of aggressive tax planning.
- US reciprocal tariff measures, which may affect exports and foreign investment flows.

2. Promoting Targeted Industries

The BOI continues to prioritize value-added, innovation-driven sectors, such as:

- Advanced semiconductors and electronics
- Upstream battery manufacturing
- AI and advanced digital technologies

- Biotechnology

3. These industries are eligible for BOI privileges, including tax incentives, import duty exemptions, and streamlined permit processes, under current investment promotion regulations.

4. Facilitating Technology Transfer and Talent Development
The BOI also aims to attract foreign investment that supports technology transfer, upskilling, and domestic personnel development, thus aligning with Thailand's 20-Year National Strategy and digital transformation agenda.

Regulatory Reforms for Foreign Talent and Digital Investment

Foreign investors and tech-sector employers have consistently raised concerns about Thailand's restrictive regulatory environment, particularly in relation to:

- Work permits and visa regulations for foreign professionals
- Recognition of foreign academic and professional qualifications
- Limited legal pathways for digital nomads, startup founders, and tech freelancers

To address these challenges, policy commentators have called for legal reforms to remove regulatory barriers and enhance Thailand's appeal as a regional digital hub. Proposed changes include:

- Simplification of visa and work permit requirements
- Integration of digital governance tools for permit applications
- Enactment of legal frameworks recognising foreign expertise in science, technology, engineering, and mathematics (STEM)

Legal Implications of AI and Data Governance Policies

Alongside regulatory and investment strategies, stakeholders have urged the Thai government to adopt comprehensive AI and data governance frameworks that extend beyond privacy law. Key legal principles being recommended include:

- Fairness and non-discrimination in algorithmic decision-making
- Protection of human rights in AI development
- Ethical AI design incorporating human-centred principles
- Statutory clarity on data ownership, storage obligations, and cross-border data access

These policy recommendations suggest a growing need for cross-sector legal compliance, particularly for tech companies, financial institutions, and businesses leveraging machine learning and predictive analytics.

Outlook for Investors and Legal Practitioners

Thailand’s legal and investment landscape is undergoing a dynamic shift. Investors in BOI-targeted industries should closely monitor updates to:

- BOI investment promotion criteria and sectoral lists
- Tax law and transfer pricing regulations in light of OECD standards
- Immigration laws and labour regulations affecting foreign talent mobility
- Digital and data legislation, including forthcoming AI policies

Legal practitioners advising multinational corporations, startups, and digital businesses must be prepared to navigate a complex interplay of regulatory incentives, trade compliance, and technological governance.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com