

## EEC Town Plan Unlocked

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The Head of the National Council for Peace and Order has recently announced an order aiming to fill in the gap and speed up the implementation of the Eastern Economic Corridor scheme. According to such order, new town planning legislations governing the EEC area should be announced in a couple of year from now.

The Eastern Economic Corridor, or so-called the EEC, is now one of the promising stratagems applied by the Thai Government to enhance Thai economy and gear up for the opening of Thailand 4.0 chapter.

It covers the area in Chachoengsao, Rayong and Chonburi Provinces, the most successful areas of the eastern seaboard. The government has been enthusiastically pushing this project forward through the law and policies involving several government agencies to achieve this EEC aspiration. The investors in the EEC may be entitled to tax and non-tax privileges granted under the investment promotion law including corporate income tax exemption/reduction and land ownership right. However, those privileges may vary based on the activities promoted by the Board of Investment of Thailand (BOI).

Although the privileges granted by the BOI are encouraged and persuasive, many investors are still being uncertain whether the EEC development plan could be expectedly emerged due to limitation imposed by the current Town Planning Act B.E. 2518 (1945) which prohibits certain areas in those provinces becoming industrial.

Since the law hinders the land use for EEC purpose and gives rise to investors' concern, the Thai Government has been attempting to revise and amend it; however, the process seems to be longer than the investors' endurance lasts. Therefore, the Head of the National Council for Peace and Order has given an order no. 47/2560 on 25 October 2017 setting out regulations for land use in the EEC area. According to the order, in summary, the Eastern Economic Corridor Office (EECO) shall prepare the policy and conceptual plans for land use and infrastructures under the EEC scheme for the EEC Board's approval. Once it is approved, the EECO shall, together with the Department of Public Works and Town and Country Planning and other relevant governmental authorities, prepare and complete the relevant town plan with provisions on land use and infrastructure plan within six months before referring it to the Cabinet for approval.

The interesting aspect under the order is that during the preparation of the new EEC town plan, the town planning regulations currently in force in the subject area shall not be taken into account and, once the new EEC town plan is completed and approved by the Cabinet, it will become effective in the EEC areas of those provinces without regard to their town planning regulations then in force.

That somehow shows commitment from the Thai Government and regains confidence from the investors, yet another big step toward a future of the EEC development.

For more information, please contact:



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#### Important Note and Disclaimer

The content of this Newsletter is prepared as of 1 November 2017.

This Newsletter is informational in nature and is not to be considered as legal advice. It does not exhaustively cover the subjects which it treats, and is only intended to address some of the key issues. When specific questions arise in practice, it is necessary to obtain appropriate legal advice.

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