Trade (Trade Regulations)

The ministry of Commerce has designated certain classes of goods as being subject to import controls in the form of license requirements. These are principally goods considered to be directly competitive with domestic products. Export controls seek primarily to ensure that certain items, principally food staples such as rice and sugar, are available in sufficient quantities to meet domestic demand before exports can be permitted. The regulations also seek to ensure that product qualities and exporter management standards are maintained.

1.) Import controls

According to the Controlling Importation and Exportation of Goods Act of B.E. 2522 (1979), the Ministry of Commerce has the authority to designate classes of goods as being subject to import controls, in the form of license requirements.

Import licenses are usually required only for goods considered to be direct competition with domestic products, such as certain kinds of food, metals and minerals, textiles and apparel, paper products, plywood, fiberboard and some household articles. There are currently 45 classes of controlled goods. The importation of such goods requires an application to be made to the Ministry of Commerce for an import license, together with a supplier order, confirmation to the order and invoice. An import license will be usually being issued for a certain period of time, rather than for a single shipment. There are in addition, a number of goods which are not subject to the Controlling Importation and Exportation of Goods Act, but are still subject to controls under other laws and regulations. In such cases, the approval or consent of the relevant authorities must be obtained.

2.) Export Controls

Thailand's chief exports are rice, sugar, corn and other agricultural products. Certain items, principally food staples such as rice and sugar, are reserved by law to ensure that domestic needs are net first before exports can be permitted. Therefore, certain kinds of goods require an export license according to the Export Standard Act (N0. 2) of B.E. 2522 (1979), administered by the commodity standards office of the Ministry of commerce. Together with some other laws, this act aims to control the quality of the goods exported as well as to assure the financial and management capabilities of exporting companies.

3.) Exchange Controls

-Import

Import transactions require Exchange Control approval. The procedures differ according to the method of payment. Most payments for imports may be approved by authorized banks upon submission of documents such as invoices, collection bills and import permits (if required). A Certificate of Payment from an authorized bank or the Bank of Thailand, as the case may be, is required before the Customs Department will clear imported goods. This certificate of Payment is required to check every payment for imports, which result in goods being brought into the country.

-Export

As a general rule, there are few exchange control restrictions on export transactions. Any controls which do exist seek to ensure that the proceeds are sold to an authorized bank. With certain exceptions, exporters are required to obtain a certificate of Exportation from an authorized bank, in order to authorize the Customs Department to clear the goods for export, by submission of such documents as invoices, sales contracts or evidence of sales negotiations, export permits, copies of letters of credit received, and other relevant documents. The proceeds from exports must be collected and sold to an authorized bank within the periods prescribed.

4.) Customer Duties

Customs duties are governed by the Customs Law B.E.2469 (1926), as amended, and the Customs tariff Decree B.E. 2503 (1906), as amended. The first tariff under the customs tariff decree B.E.2503 (1960) is based upon the Brussels Tariff Nomenclature system covering about 2,000 items with both specific and ad valorem rates. The export tariff is imposed only on a few items including rice, raw hide, rubber, wood, raw silk, iron scrap and powdered fish. Apart from tariff duties, certain imports and exports are also subject to business tax.

Import arriving by air, sea or land has a clearance process which is similar to that carried out in most other countries. However, import entry and supporting documents may be filled and processed at any time prior to the arrival of goods. In order to clear goods arriving by sea, the importer has to go to the customs House and file an entry form, together with all relevant documents, such as the invoice, packing list, a copy of the bill of lading, import declaration, and a certificate of payment, (E.C.Form 21) issued under the Exchange Control Act. In cases where imports are subject to business tax, the importer is also required to have a business tax registration number.

After these documents have been processed, and the goods have arrived, the importer must pay tariff duties and business tax. In cases where total duties have not been determined or where urgent clearance is necessary, a deposit may be made. The documents must be taken to the warehouses and presented to an inspector who will make a report on the entry form. If there is a discrepancy, the goods will be retained until additional duty or a fine is paid.

The Port Authority will then calculate is landing and storage charges based upon the size or gross weight of the package. After paying these charges, the importer must submit receipts and the release order of delivery order to obtain a go dawn receipt which will allow him to claim the imported goods. Customs practices for the exporter are similar to those of the importer.

Source: Department of Export Promotion, Thailand