

TRADE FLASH

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CUSTOMS ISSUES

Thai Customs to Re-launch Voluntary Disclosure Program in June 2014

The Thai Customs Department is currently considering a re-launch of a voluntary disclosure program in June 2014. The re-launching date and duration of the program is yet to be confirmed.

The voluntary disclosure program allows the importers, exporters and related parties to audit themselves and voluntarily disclose to the Customs on any potential customs risks or customs offences found from their self-audit. Those who voluntarily reports to the Customs Department on the potential customs risks and/or customs offences that result in shortage of import duties and taxes, (e.g. false declaration of tariff code, undervalue declaration, and misuse of customs privilege and BOI privilege) will be eligible for a waiver of import duty penalty and VAT penalty. In other words, they shall only be subjected to the payment of import duty shortage, VAT shortage and VAT surcharge of 1.5% per month. Such waiver is based on 2 conditions as follows:

- 1) The customs risks and/or customs offences are not caused or made intentionally; and
- 2) The right to participate in the Customs Voluntary Disclosure Program is only once per customs issue per company (those

who previously participated in this program is not allowed to repeatedly declare the same customs issue in the next session of customs voluntary disclosure program)

It should be noted that importation of restricted goods without import licenses and hand-carrying or smuggling goods into Thailand without duly processing import customs formality will be deemed as intentional customs offences and will not be eligible for a waiver of penalties under the Customs voluntary disclosure scheme.

Importers as well as relevant parties therefore are advised to take this opportunity to make self-audit and declare any potential customs risks found to the Customs Department by participating in the scheme once it is re-launched, in order to minimize duty exposures and comply with customs regulations.

Should you require additional information on conditions and procedures for participating in the aforesaid voluntary disclosure scheme, please feel free to contact us at malika.bhumivarn@bolliger-consulting.com.