

CUSTOMS INCENTIVE SCHEMES

CUSTOMS-BUSINESS CONFERENCE

7 JULY 2016

By Dr.Thee Jitpitaklert
Chief of Establishment of Free Zone sub-division,
Tax Incentives Bureau,
Thai Customs Department



STRUCTURE

Tax Incentive Schemes in Thailand

Customs Free Zone

New Customs Free Zone Notification 2016



CUSTOMS
Facilitation

กรมศุลกากร กระทรวงพาณิชย์





**TAX
INCENTIVES
SCHEMES IN
THAILAND**

**Bonded
Warehouse**

**Free
Zone**

**Duty
Drawback**

BOI

IEAT

**Tax
Reimbursement**

CUSTOMS FREE ZONE

*“designated areas for industrial or commercial operations or any other activities beneficial to economic growth and development,
foreign and domestic merchandise removed into Free Zones is eligible for tax and duty privileges as indicated by the law”*

Customs Duty

Excise tax

Value Added Tax (VAT)



กรมศุลกากร
The Customs Department

Customs Free Zone Privileges



Examples of eligible goods

- ✓Machinery, equipment, parts
- ✓Foreign merchandise
- ✓Merchandise transferred from other Free Zones



Customs Free Zone Privileges



By Customs department

- ✓Relief from import and internal taxes/duties
- ✓Relief from export duty on re-exports
- ✓Relief from standard/quality control requirements
- ✓Duty exemption on waste, scrap, and yield loss
- ✓Eligible for export tax refund/exemption schemes

By Excise department

- ✓Exempt excise tax

By Ministry of Finance notification

- ✓40% Local Content
- ✓FTAs privilege maintained

By Revenue department

- ✓Exempt VAT
- ✓Zero% VAT



Non-eligible for duty/tax privileges

- Prohibited goods
- Consumed goods in Free Zone
- Personal belongings except special uniform for specific type of work
- Cars, motorcycles (needed to register and pay yearly tax indicated by law)

New Customs Free Zone Notification 2016

- to support Thai government policy in developing Special Economic Zone (SEZ) and cluster business
- to improve and strengthen investors qualification

Customs Notification no.87/2546 dated 25 December 2003 is cancelled, and replaced by ...
[Customs Notification no.32 / 2559 issued dated 23 march 2016](#)

New Notification updates criteria how to apply to be Free Zone Establisher/Free Zone User, privileges, and how to cancel the status



Comparison between 2003 and 2016

FZ Establisher	2003	2016
Paid registered capital	Minimum of 20 million baht	Minimum of 60 million baht (in SEZ, minimum of 10 MB)
Size	n/a	Minimum of 50 rais (1 rai = 1,600 sqm)
Location (Commercial FZ)	n/a	Within radius 50 km of international airport/port, economic corridor
Cluster (Commercial FZ)	n/a	Cluster, provide service to public
Secure financial status	yes	Last 3 years with profit statement (newly registered company submit feasibility study)
Bank guarantee (during application, will get back after FZ is ready to open)	5 MB in BKK metro area, 2 MB other areas	5 MB (in SEZ, 2 MB)
Annual fee	300,000 baht	300,000 baht



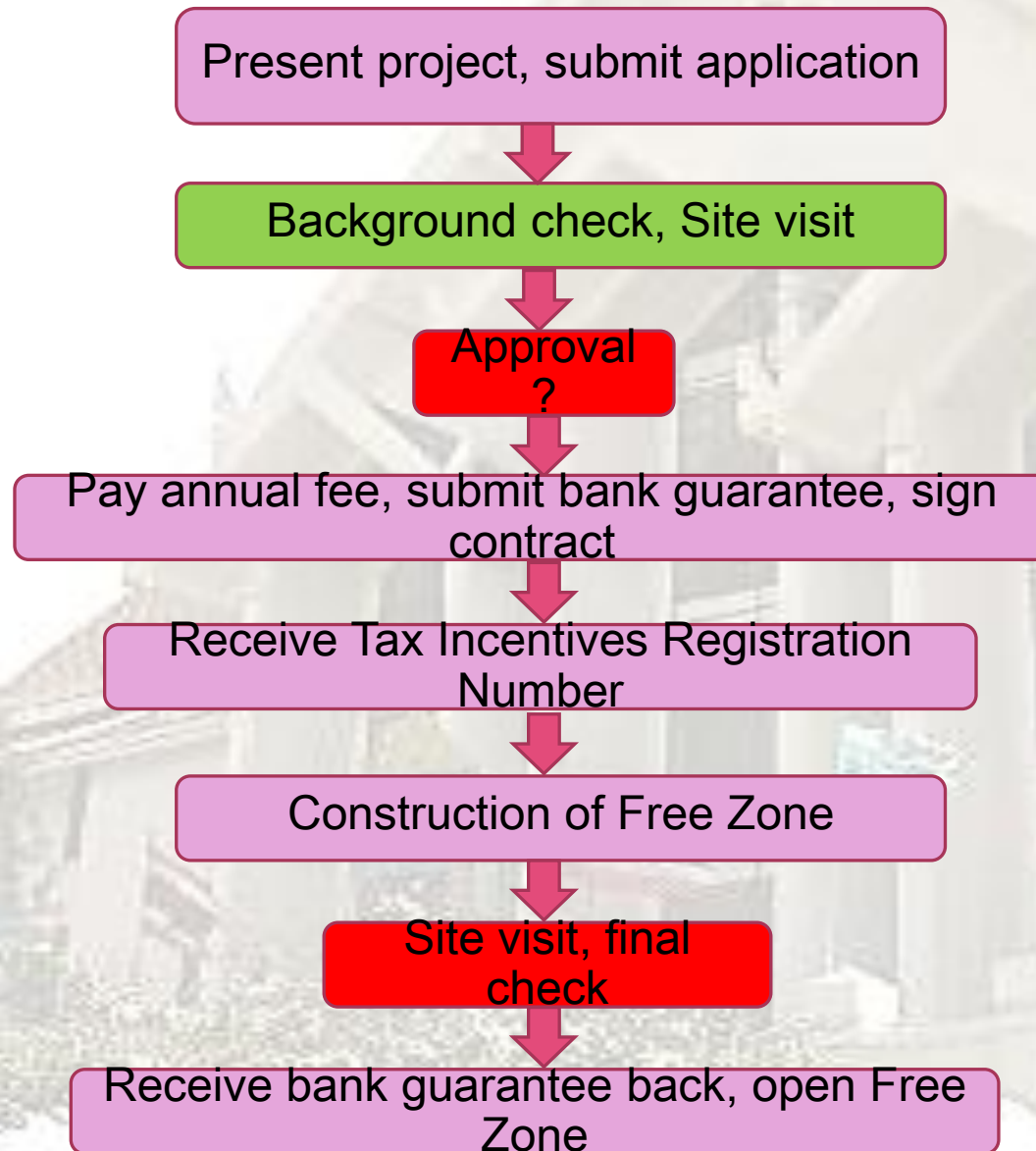
CUSTOMS
liberation
loft unesgruqannsan

Comparison between 2003 and 2016

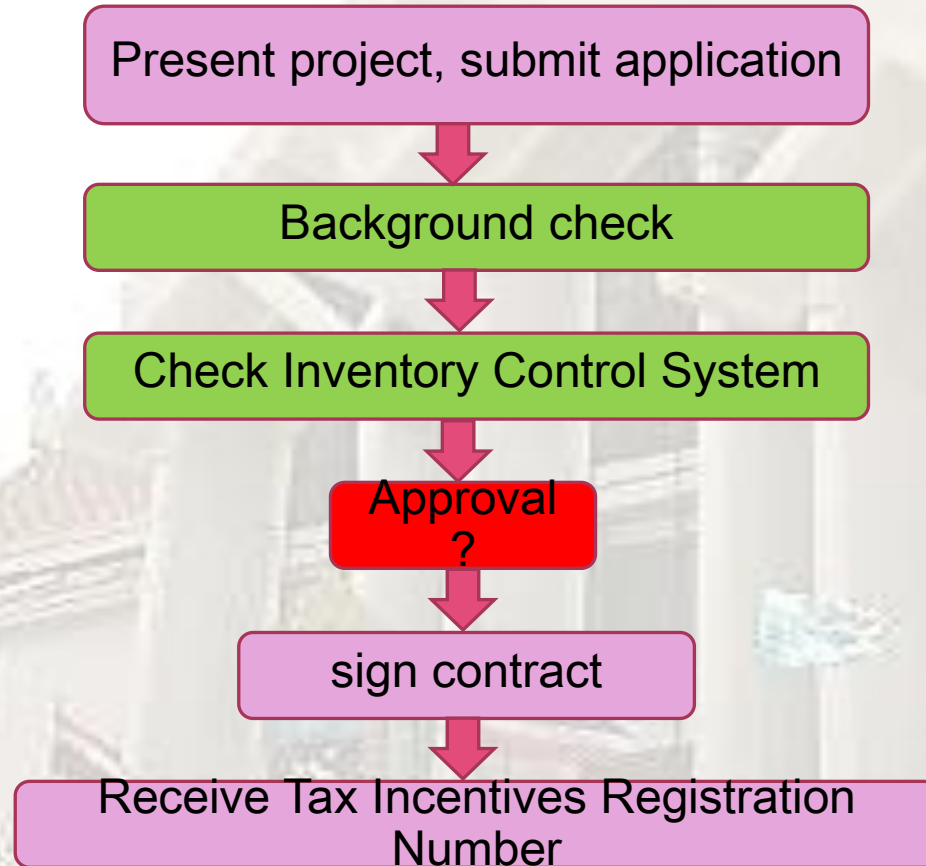


FZ User	2003	2016
Paid registered capital	n/a	Minimum of 5 million baht (in SEZ, minimum of 1 MB)
Secure financial status	yes	Last 3 years with profit statement (newly registered company submit feasibility study)
Annual fee	n/a	n/a
Bonded and security contract	Renew every 3 year	Renew every 3 year

Applying to be a Free Zone Establisher

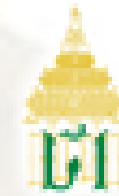


Applying to be a Free Zone User





Free Zone facts



CUSTOMS
Facilitation

กรมศุลกากร กระทรวงการคลัง

Category	2012	2013	2014	2015	2016
Free Zone that granted approval and officially open	65	73	82	86	95
Free Zone that granted approval, but prepare to open	7	8	6	4	4
Total Free Zone (kor.sor.kor.184)	72	81	88	90	99
Free Zone User (kok.sor.kor.185)	288	309	319	322	340

As of 23 June 2016

Free Zone facts



CUSTOMS

Types of Free Zone	Number of Free Zone
1.Commercial	32
2.Industrial	5
3.Commercial and Industrial	49
4. Flight kitchen	3
5. Suvarnabhumi Airport	1
6. Fix/build airport or ship	3
7.Petroluem	6
total	99



As of 23 June 2016

Free Zone facts



CUSTOMS

Information of Free Zone User

No.	Category	Amount
1	Food	12
2	Chemical Industry /Petroluem	12
3	Plastic/lens/mirror	22
4	Clothes/fabric/Stationery/Consumables	8
5	Accessories/gem/metal	4
6	Made of metal	24
7	Electrical equipment/machine	28
8	Automotive and Related Products	71
9	Airplane and releted Industrial	5
10	Furniture/woodwork/leather	5
11	Electronic products	11
12	Distribution/Logistics/packing	102
13	Others	36
<i>total</i>		<u><i>340</i></u>



As of 23 June 2016

THANK YOU

