



**GUIDEBOOK**

**TAX INCENTIVES**

The Customs Department

# Preface

Having been enacting since 13th November 2017, the Customs Act B.E. 2560 has repealed all the previous Customs Acts and consists of 262 sections which are divided into 9 chapters. Three of the chapters prescribing tax incentives are as follows:

- 1) Chapter II Part 3 relates to refund of duty having Section 29 as the key provision.
- 2) Chapter V relates to bonded warehouse, godown, place of security, and permitted port.
- 3) Chapter VI relates to duty free zone and a person who operates a business in a duty free zone.

As aforementioned, the provisions of all three chapters in the Act have established the principles of obtaining tax incentives in various dimensions including granting the Minister to issue Ministerial regulations and authorizing the Director-General to prescribe rules, procedures, and conditions for granting permission, establishment, operation, revocation and cancellation of activities concerning tax incentives under the Customs Act.

The publication of Tax Incentives Guidebook is therefore the summary of provisions of the Customs Act, the Ministerial regulations and the regulations of the Customs Department in a form of concise and intelligible descriptions together with flow charts which allow anyone interested to easily learn and understand relating contents and principles of tax incentives and used as practice guidelines.

However, the Tax Incentive Guidebook is only a part of public relation materials for investment alternatives. For people who are interested in further information of using tax incentives according to the provisions in the 3 chapters of the Customs Act, as well as requesting for detailed tax and tax reimbursement of exported goods produced in the Kingdom, please contact the Tax Incentives Clinic, on the 2nd floor of Chalermprakit Building, Tel. 0-2667-7000 Ext. 5179 or E-mail: [taxinclinic@customs.go.th](mailto:taxinclinic@customs.go.th) or [taxinclinic@gmail.com](mailto:taxinclinic@gmail.com), available every Monday to Friday from 8:30 A.M. to 4:30 P.M.

Tax Incentives Division  
The Customs Department  
9th September 2021

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# Duty Drawback for Exportation under Section 29\*

## Principle

It is the exercise of right for duty drawback under Section 29 which includes Customs Duty, Excise Tax, Anti-Dumping Duty, Countervailing Duty and Local Government Tax (Depending on the official announcement of the Ministry of Commerce) **but excludes VAT** for imported goods that the import duty has been paid or the guarantee has been deposited when being imported and could be proven that such goods has gone through production, mix, assembly, packing, or processing of goods in any manner which result as exported goods. Duties and any relevant taxes will be consequently refunded according to Kor Sor Kor. 96 (Production Formula form) under the condition that such goods obtained from the said processes must be exported within 1 year from the date of importation of such goods, and the request for duty drawback must be made within 6 months from the date of exportation of such goods.

## Type of Guarantee

1. Bank Guarantee
2. e - Guarantee System
3. A guarantee issued by the Ministry of Finance in lieu of the payment of import duty

\* In case the contexts indicate only sections but do not specify the act or related regulations, it shall be referred to the Customs Act B.E. 2560 (2017).

## Goods Eligible for Duty Drawback under Section 29

01

The raw materials which are obviously seen in the exported goods such as fabric, buttons, zippers and thread in finished garment products; plastic pellets and plastic sheets in plastic products; etc.

02

The raw materials which are directly contained in the exported goods, but not obviously seen such as preservatives in canned food products, stiffening agents in garments, solvents for glue in cellophane, and anti-rust agents in integrated circuits (I.C.) products, etc.

03

The raw materials which are significantly required for the manufacturing process e.g. sizing materials and bleaching agents used in textile products, sandpaper, abrasive powder, felt polishes, abrasive agents, abrasive materials, chalk, carbon paper and pattern, etc.

## Goods Ineligible for Duty Drawback under Section 29

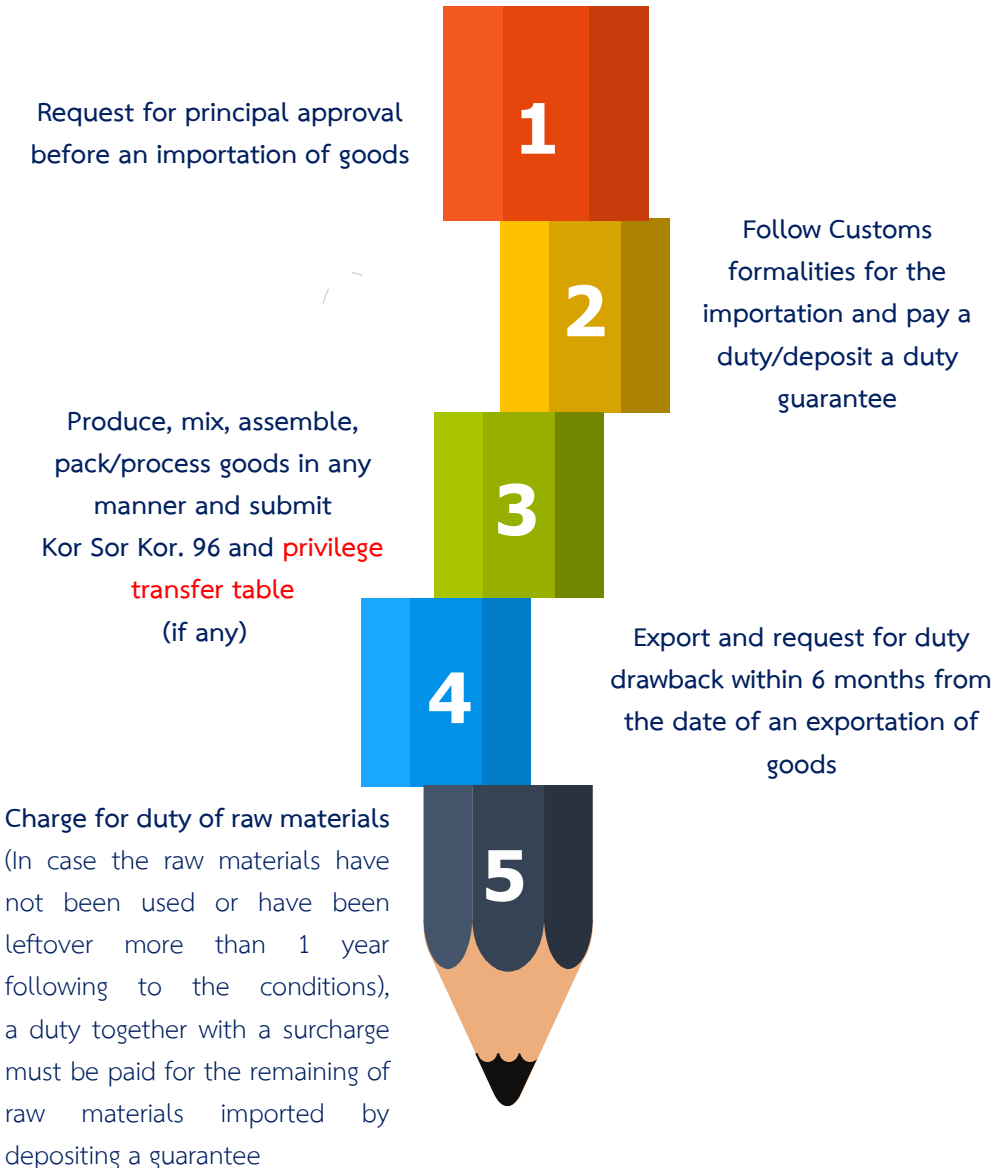
Machinery, tools, long-term and repetitive use appliances e.g. mold, grinding ball for ores, tools and appliances made of Tungsten Carbide used in the manufacturing of watches, etc.

01

Fuel for manufacturing including lubricants used for manufacturing machines, e.g. oil, firewood, coal, gas and lubricating oil etc.

02

# Duty Drawback under Section 29: Overview



# Duty Drawback under Section 29: Processes

1

Request for Principal Approval

An importer shall request for principal approval before an importation of goods by submitting Kor Sor Kor. 29 form with the attachment and/or specify the numbers of written evidences, as follows

- Certificate from Ministry of Commerce issued within 6 months
- Factory Operation Notification (Ror Ngor. 2) or Factory Operation Permit (Ror Ngor. 4), or Business Operation Certificate from government, or lease agreement/work contract (In case the importer has no factories/operates by using OEM),
- Documents describing raw materials and final products information
- Documents describing product manufacturing processes

Consider for Principal Approval

Customs Officer shall verify qualifications and approve the principal. The 14-digit tax-incentives registration number will be issued in this process to later use for customs formalities.

For the first request!

The first principal request will be approved only for cash payment.

Deposit a Guarantee instead of Duty Payment by Cash

The importer who would like to use the guarantee issued by the Ministry of Finance, Bank Guarantee, or e-Guarantee system instead of duty payment by cash must have the following qualifications:

- Full payment of duty by cash for not less than 2 years, with stable financial status of business by earning profit in the last accounting period, and having no unpaid tax/duty, or;
- Being an AEO importer/exporter

\*The approved principle with no records of importation for Duty Drawback under Section 29 for 3 consecutive years shall be withdrawn.\*



2

**Follow Customs Formalities for the importation and Pay a Duty/Deposit A Guarantee**

(1) During Customs formalities for the importation, the importer shall declare the exercise of tax incentives under Section 29, together with the 14-digit tax-incentive registration number.

(2) Duty payment for imported raw materials must be in accordance with the principal approval

- Cash Payment
- Guarantee issued by the Ministry of / Bank Guarantee/ e-Guarantee system

3

**Submit Kor Sor Kor.96 (Production Formula form)**

(1) Prior to an exportation, the importer who has produced, mixed, assembled, packed, or processed goods in any manner, must submit Kor Sor Kor.96 and the following documents:

- Kor Sor Kor. 96 (Production Formula form)
- Electronics media containing description of exported products according to the form specified by the Customs Department

- Production processes or procedures
- Samples of raw materials or products

(2) The importer who would like to use standard formula under notification of standard formula, or intends to use mutual formula with another importer, shall submit Production Formula form (Kor Sor Kor. 96) together with documents and electronics media according to the form specified by the Customs Department.

Production Formula is valid for 5 years from the specific date of raw material write off. The formula must be requested for extension before the expiration date of Product Formula.

- In case the formula expired within a year, it will be considered as an offence and the formula extension can be requested.
- In case the formula has expired over a year, the formula will be withdrawn.

Submit Privilege  
Transfer Table  
(if any)

(1) An exporter who would like to transfer the privilege of imported raw materials to the importer, shall prepare the privilege transfer table by declaring information in privilege transfer list according to Kor Sor Kor. 96/6 form and electronics media according to the specified form including copies and submit them to Customs Department in order to input them into Customs computer system before proceeding Customs formalities for exportation.

(2) Should any inaccurate information of the privilege transfer and/or receiving be later found in the privilege transfer table, the exporter must re-prepare and submit the new table as request for amendment is not allowed.

4

Export and  
Request for  
Duty Drawback

During Customs formalities, the exporter shall declare the exercise of tax incentives under Section 29, together with 14-digit tax-incentives registration number, the Production Formular number, and the privilege transfer table (if any)

Requesting for Duty Drawback under Section 29 requires documents as follows;

- Duty Drawback request according to Kor Sor Kor. 111 form
- List of attachment of Duty Drawback request
- Computer report showing lists of goods and requested amount of duty to be refunded.

Consider for  
Duty Drawback

The Customs Officer validates the details of documents /  
proposes for approval



Transfer money to the account / return the Guarantee issued by the Ministry of Finance / return Bank Guarantee / notify the bank to return e-Guarantee through online channel

5

### Charge for Duty of Raw Materials

In case imported raw materials for production, mix, assembly, packing, or processing of goods in any manner have not been used or have been leftover under the conditions, the importer must submit the summary of import duty (Kor Sor Kor. 112)

The Customs Officer validates and calculates amount of duty and surcharge.

The importer pays for duty and surcharge.

Guarantee issued by the Ministry of Finance / Bank Guarantee shall be returned to the importer at the import port.

6

### Detection of Incorrect Duty Drawback

After the approval of Duty Drawback, if the duty was found exceedingly refunded, the importer must follow the following procedures:

**1. Surcharge:** The importer must return an exceeding amount including a surcharge at the rate of one percent per month to the Customs Department within 30 days from the date of receiving written notification from the Customs Department. However, if such mistake is caused by an importer or an agent, the Customs Department shall assume that it is an offence.

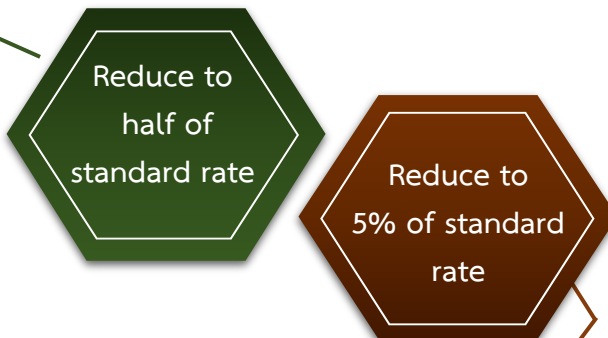
**2. Criminal Penalty:** Any importer who submits a claim for a Duty Drawback under Section 29 by declaring a false statement, fraud, deception or any other likewise means in order to obtain the Duty Drawback more than the eligible amount, shall be liable to an imprisonment for a term not exceeding five years or a fine not exceeding either five hundred thousand baht or four times of the sum of the excess Duty Drawback being claimed, whichever is higher, or both the imprisonment and the fine.

# Customs Privileges

## Duty Reduction Privileges

In addition to owing no debts to the Customs Department, a person who is eligible to benefit from duty rate reduction to half of standard rate must have not only no history of fraud in the Duty Drawback under Section 29 but also one of the following qualifications;

1. Being a public company
2. Being a member of the Federation of Thai Industries
3. Being a member of the Chamber of Commerce of Thailand.
4. Having a financial statement according to the regulations of the Ministry of Commerce, which is certified by the Certified Public Accountant that such business has earned profits for at least 2 consecutive fiscal years.



### Privileges of AEO Importer / Exporter / Customs Broker

1. Request for the duty rate reduction to be 5% of standard rate
2. Select either of the methods of Production Formula submission as follows;
  - Submit the Production Formula which shall be approved within 10 days from the date a Customs officer has received all complete documents.
  - Submit the Production Formula which has been certified by government agencies, the Federation of Thai Industries, institutes, or agencies specified by Tax Incentives Division of the Customs Department, or
  - Submit self-certified Production Formula, in case of one-on-one formula or exported goods.
3. Immediately be approved for the Duty Drawback which shall be post audited later for AEO importer / exporter / Customs broker.

# Tax Reimbursement

under Tax Reimbursement of Exported Goods  
Produced in the Kingdom Act B.E. 2524 (1981)

**Tax Reimbursement** is one of government measures to increase potential in production of exported goods and encourage greater exportation of goods produced in the kingdom to foreign countries so that they are able to compete in international market. Therefore, the Committee of Tax Reimbursement of Exported Goods Produced in the Kingdom shall determine tax reimbursement rate for exported goods, and the reimbursement of such goods is paid in form of a tax card.

## A Person Eligible for Tax Reimbursement Claims

1

Being an exporter under the Customs Act, whether being a manufacturer or not, and correctly and completely exporting goods following to the rules, and procedures specified by the Customs Department.

2

Being a local merchant who distributes products to the government or state enterprises under foreign loan offer or subsidies.

3

Being a merchant distributing goods which are classified as duty-exempted goods according to the law on customs tariff to international organizations or agencies who are eligible to import such goods into the Kingdom with duty exemption under the determination of the Committee.



## Goods Eligible for Tax Reimbursement Claims

**1. Goods must be produced in Thailand**

**2. Goods must be exported for commercial purposes and receive payment**

**3. An exporter shall not exercise the right of duty refund, duty exemption, or duty reduction as follows**

- Duty Drawback under Section 29 of Customs Act
- Import duty exemption for goods released from Production Plant Bonded Warehouse for an exportation out of the Kingdom under the Customs Act
- Import duty exemption regarding to Free Operation Zone under the law and regulations of Industrial Estate Authority of Thailand
- Import duty exemption or reduction for non-machinery goods under the Investment Promotion Act
- Import duty exemption regarding to duty free zone under Chapter 6 of the Customs Act

**4. Goods must not be prohibited from tax reimbursement**

- Minerals under Minerals Act
- Dutiable goods or goods with fee when being exported
- Goods that are prescribed by the Committee to be ineligible for Tax Reimbursement (Currently, there are Notifications of Committee of Tax Reimbursement on Exported Goods Produced in the Kingdom No. 3/2527 and 1/2535)

## Documents Required for Tax Reimbursement Claims

Tax Reimbursement claims form (Kor Sor Kor.20/1)

Goods declaration form (Kor Sor Kor.20/1 η)

Copy of Invoice and payment evidences for exported goods

Request form for tax card transfer acquisition  
(Kor Sor Kor. 22/1) in case of tax card transfer

AIRWAY BILL specifying freight charge in case of air  
exportation

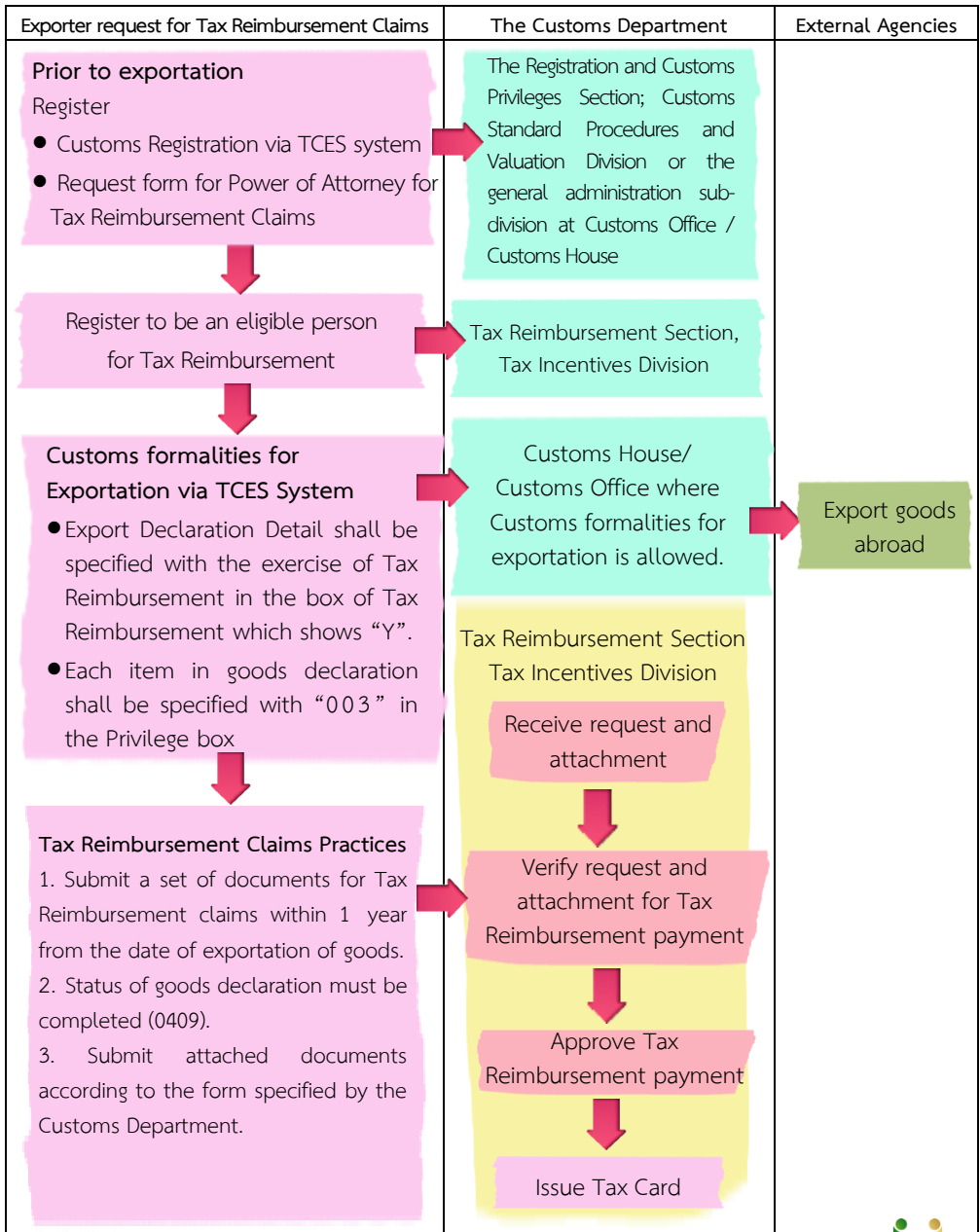
Certificate of Ministry of Commerce in case of new-entry for Tax  
Reimbursement Claims

## Rate of Tax Reimbursement

Determination of rate of Tax Reimbursement is in accordance with the Notification of Committee of Tax Reimbursement on Exported Goods Produced in the Kingdom  
For checking, the rate of Tax Reimbursement is available at [www.ratchakitcha.soc.go.th](http://www.ratchakitcha.soc.go.th)



## Tax Reimbursement Claims Processes and Practices





# Bonded Warehouse

## Bonded Warehouse

is an area permitted under the Customs Act and proposed for storage of goods; display and sale of goods stored therein; or production, mix, assembly, packing or processing in any manner of goods stored therein.

### ● Types of Bonded Warehouse

#### 1. Bonded Warehouse for storage of goods

- 1.1 General Bonded Warehouse
- 1.2 Bonded Warehouse for liquefied petroleum gas (LPG)
- 1.3 Bonded Warehouse for dock or shipyard
- 1.4 Bonded Warehouse for petroleum

#### 2. Bonded Warehouse for display and sale of goods stored therein

- 2.1 Duty-free shop
- 2.2 Bonded Warehouse for display or exhibition
- 2.3 Bonded Warehouse for international in-flight duty free sales

#### 3. Bonded Warehouse for production, mix, assembly, packing or processing in any manner of goods stored therein

- 3.1 Manufacturing Bonded Warehouse
- 3.2 Bonded Warehouse for in-flight services supplies

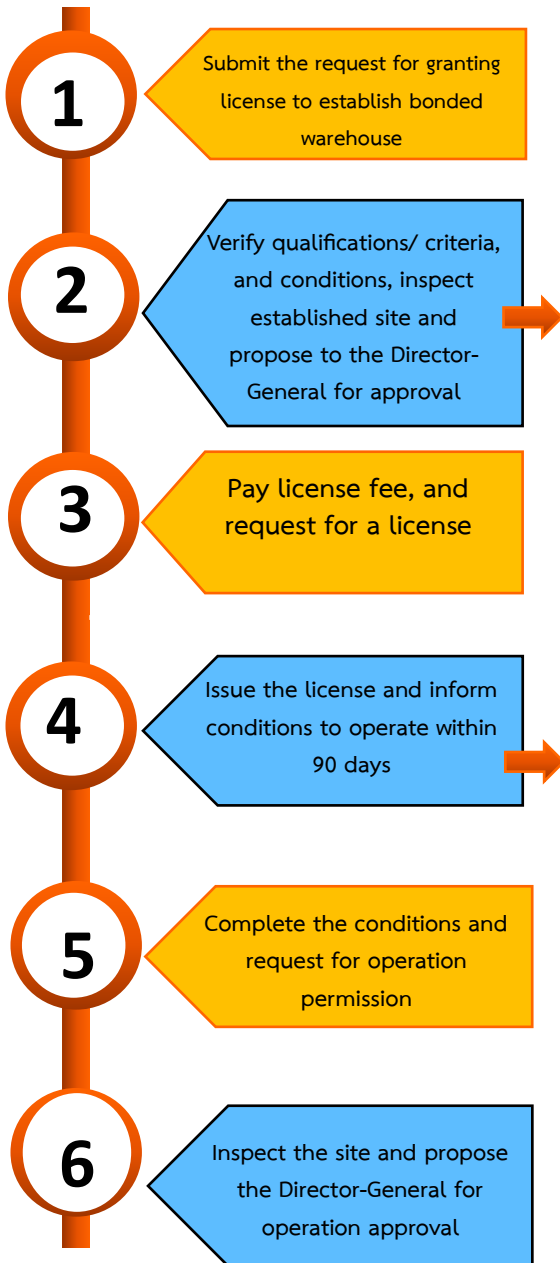
### ● Privileges of Bonded Warehouse

Exemption of import and export duty for goods released from a bonded warehouse to be exported out of the Kingdom, whether or not they are in the same condition as at the time of their importation. However, this shall not be applied to a transportation into the bonded warehouse of domestic goods, which are subject to an export duty and have been exported in the same condition.

Exemption of import and export duty for goods released from the bonded warehouse. If they are transferred to another bonded warehouse, or distributed to the importer under Section 29 or any person entitled to a duty exemption under the law on customs tariff or other laws, it shall be deemed as an exportation out of the Kingdom at the time such goods have been released from the bonded warehouse. An acceptance of the transferred or distributed goods shall be deemed as an importation into the Kingdom, or an importation has been completed at the time such goods have been released from the bonded warehouse.



• Request for Permission to Establish Bonded Warehouse



Qualifications of a requester for a license to establish Bonded Warehouse

- State Enterprise / Government Agencies/ Company or Juristic Partnership, with a stable financial status and no deficit.
- Having no records of offence under Customs act for the past 3 years
- Having Ownership in the established area
- Not being a person whose license is being suspended
- Not being a person whose license has been revoked

Criteria and conditions for requesting a permission to operate bonded warehouse

- The construction is in accordance with the layout submitted to the Customs Department
- Building surrounded by secured and strong fence and entrance.
- An office for Customs officer
- Computer system connected to the Customs Department
- Closed circuit television / surveillance camera system
- Inventory control system

Customs  
 Entrepreneur



## ● License Fee and Annual Fee

### License Fee

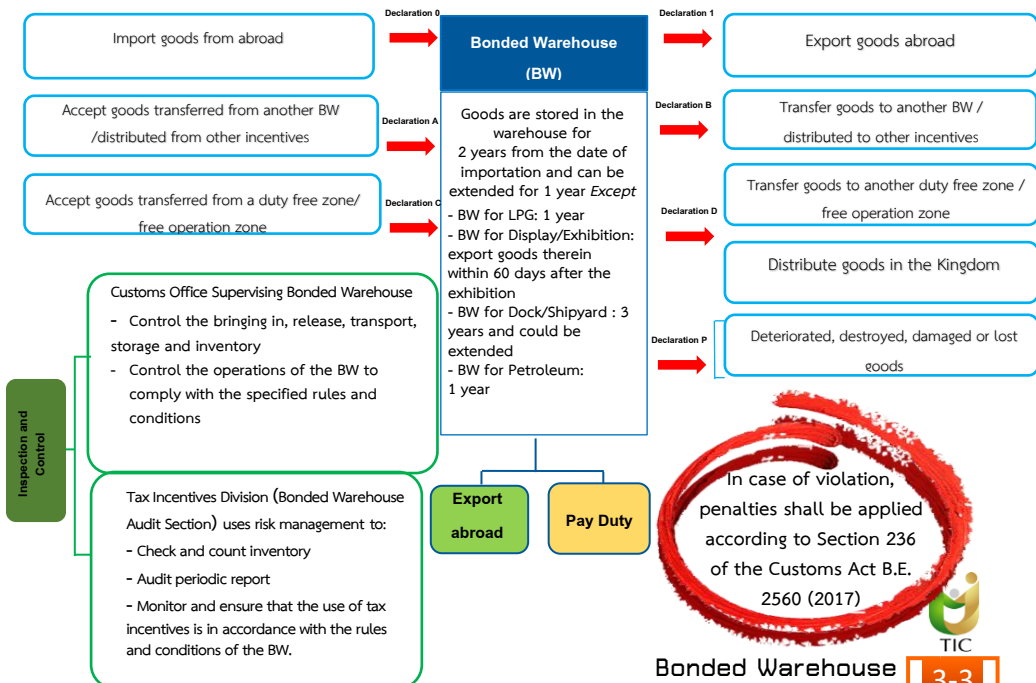
- 10,000 Baht

### Annual Fee

- Bonded Warehouse for storage of goods = 30,000 Baht
- Bonded Warehouse for display and sale of goods stored therein = 30,000 Baht
- Bonded Warehouse for production, mix, assembly, packing or processing in any manner of goods stored therein = 10,000 Baht

## ● Operations of Bonded Warehouse

### Bringing in, Storage, and Release of Goods from Bonded Warehouse



## ● Responsibilities of Bonded Warehouse Licensee

- Prepare and submit the periodic report according to the form specified by the Customs Department
- Facilitate control and monitoring of the use of tax incentives
- Deposit a guarantee as specified by the Customs Department
- Pay annual fee
- Strictly comply with Customs Act, regulations, notifications and bond with security

## ● Dissolution of Bonded Warehouse Operations

- Provide a written notification not less than 30 days prior to the date of dissolving the business
- Cease an operation
- Goods stored in the bonded warehouse shall be subject to the following measures:
  - ✓ Inform an importer to bring the goods out of the bonded warehouse and duly pay a duty.
  - ✓ Export goods out of the Kingdom, or move to another bonded warehouse, duty free zone or free operation zone under the law on Industrial Estate Authority of Thailand, or distribute to the importer under Section 29 or a person entitled to a duty exemption under the law of Customs tariff or other laws, as the case maybe.



# Godown, Place of Security, and Permitted Port

## Godown

is the area permitted to establish a depot with a stable and strong storage building to be a place for inspection, storage or clearance of imported or exported goods which have not been paid duty and are still in Customs custody.



## Place of Security

Is the area permitted to establish as a place of security used as a place of inspection, storage or clearance of imported or exported goods that have not been paid duty and are still in Customs custody, with closed fence that can be controlled by the Customs, whether with a depot for storage or not.

## Permitted Port

is a port permitted to establish under the Customs Act for an importation of goods into or an exportation of goods out of the Kingdom, transit or transshipment.



# ❖ Permission for Godown, Place of Security, and Permitted Port

## Establishment

**01** Submit the request for granting license to establish godown, place of security, and permitted port

**02** Verify qualifications / criteria, and conditions, inspect established site and propose the Director-General for approval

**03** Pay license fee, and request for a license

**04** Issue the license and inform conditions to operate within 90 days

**05** Complete the conditions and request for operation permission

**06** Inspect the site and propose the Director-General for operation approval



Entrepreneur



Customs

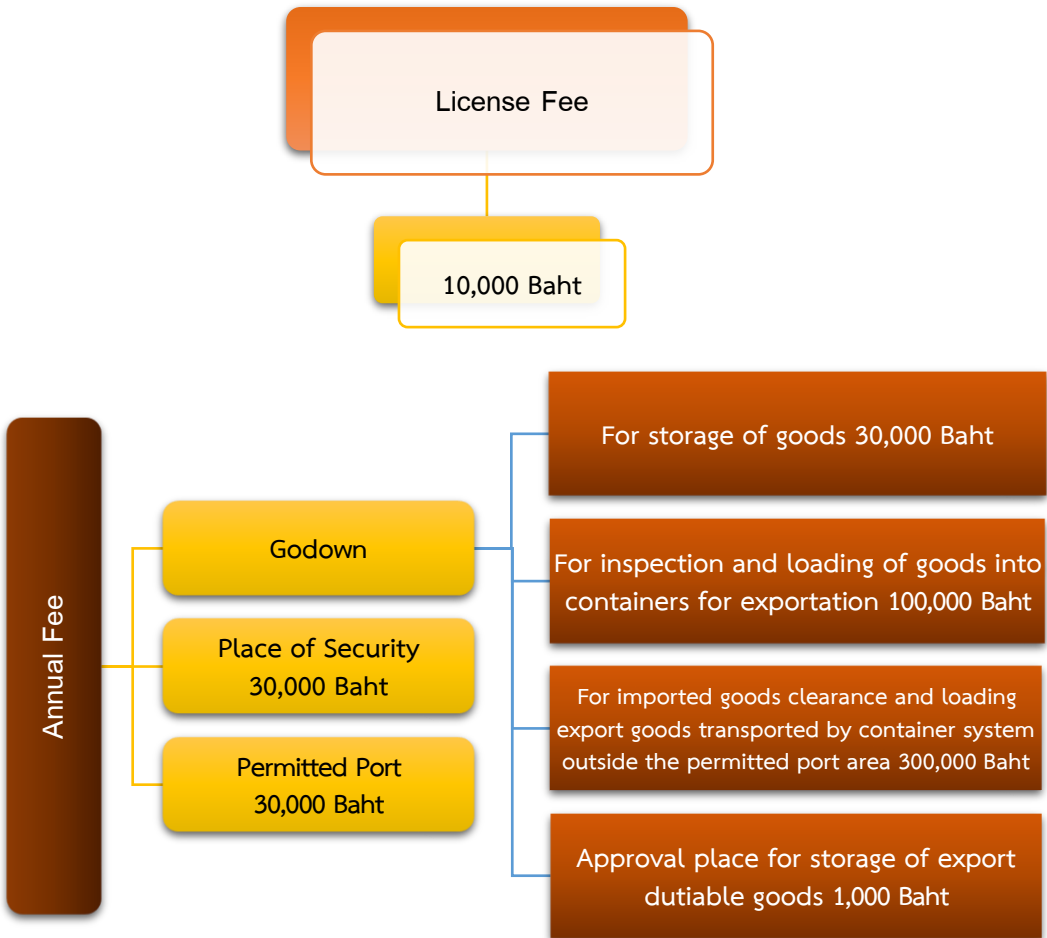
Qualifications of a requester for a license to establish Godown, Place of Security, and Permitted Port

- State Enterprise / Government / Company or Juristic Partnership
- Having no records of offence under Customs act for the past 3 years
- Having ownership in the established area
- Not being a person whose license is suspended.
- Not being a person whose license has been revoked.

Criteria and conditions for request a permission to operate Godown, Place of Security, and Permitted Port

- The construction is in accordance with the layout submitted to the Customs Department
- Building surrounded by secured and strong fence and entrance
- An office for Customs officer
- Computer system connected to the Customs Department
- Closed circuit television / surveillance camera system

## ❖ License Fee and Annual Fee



## ❖ Operations of Godown, Place of Security, and Permitted Port

- A transfer of goods from a vessel or loading of goods onto a vessel shall be done within the permitted port area.
- Prepare a Container Tally Sheet of the container transferred from or loaded onto the vessel and deliver a copy of the Container Tally Sheet to the Customs officer at the import or export office as the case may be
- An importer who intends to transfer goods from the vehicle and bring it into a godown or a place of security shall submit goods declaration or a request for inspection, or a permission to transfer goods. Such goods shall not be prohibited to be stored in a godown or a place of security
- Goods transferred from the vehicles shall be stored in the godown or the place of security. In case of being kept outside the godown or the place of security, such goods shall be permitted by the Customs officer at the godown or the place of security
- Amount, marks, and numbers of cases of goods stored therein shall be counted and inspected. If false description is found, a person who detects such fault shall immediately report the Customs officer at the godown or the place of security within 24 hours since the detection.
- Delivering goods from the godown or the place of security shall have release information from Thai Customs electronic systems. In case of system failure, the release evidence signed by the Customs officer shall be applied.

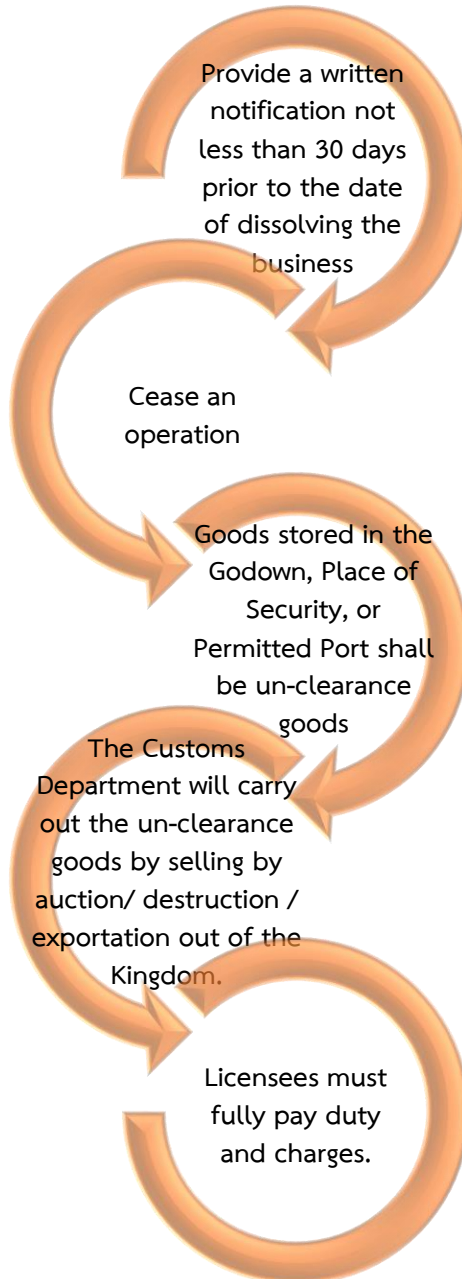
## ❖ Responsibilities of Licensee

- Pay annual fee
- Strictly comply with Customs Act, regulations, notifications and bond with security





## ❖ Dissolution of Operations



TIC

# Duty Free Zone

## Duty Free Zone

is an area designated for a benefit of a Customs duty in an industrial operation, commercial operation or operations of other activities beneficial to the nation's economy. Any person wishing to establish a duty free zone shall be granted a license from the Director-General.

## A Licensee granted a permission to operate a business in Duty Free Zone

is a person granted the permission from the Director-General to operate the business in industrial operation, commercial operation or operation of other activities beneficial to the nation's economy in the duty free zone.



## Privileges according to the Customs Act

### Import Duty Exemption

Goods imported into the Kingdom to be brought into a Duty Free Zone

- A machinery, an equipment, a tool, and an appliance, including components thereof, which are necessary for a business operation, as well as goods to be used in a construction, an assembly or an installation of a factory or a building in the duty free zone.
- Goods imported to be used in an industrial operation, a commercial operation or operation of other activities beneficial to the nation's economy
- Goods released from other duty free zones

### Export Duty Exemption

Goods released from a duty free zone to be exported out of the Kingdom

### Exported goods with duty exemption / Duty Refund

If such goods are brought into a duty free zone, they shall be granted the duty exemption or the duty refund assuming that such goods have been exported out of the Kingdom at the time they have been brought into the duty free zone.

### Exemption of Laws and Regulations

- **Exemption from applications of the laws** related to a control of standard or quality, and a stamp or a marking of goods imported into the Kingdom, or local materials brought into the duty free zone to be produced, mixed, assembled, packed or processed in any manner for a purpose of exportation out of the Kingdom.

- **Exemption from applications of the laws** related to a control of importation into or exportation out of the Kingdom, a possession, or a use of goods imported into the Kingdom, or local materials brought into the duty free zone to be produced, mixed, assembled, packed or processed in any manner for a purpose of exportation out of the Kingdom only in the duty free zones at Don Muang Airport, Suvarnabhumi Airport, and U-Tapao Airport, the duty free zones established in Special Economic Zone, and the duty free zones established in the Eastern Economic Corridor.

## Privileges according to Notifications of Ministry of Finance

### Duty Rate Reduction to 0%

Goods obtained from raw materials imported for the purpose of production, mix, assembly, packing or processing of goods in any industrial manner into a duty free zone, distributed or consumed in the country are under the following significant criteria and conditions.

1. Such goods must have the sum of Thailand-originating raw materials and/or the combined value of raw materials originated from ASEAN member countries, labor costs, and other actual production costs in Thailand in order to obtain such goods and profit (the difference between Ex-Factory price and the production cost for each goods) not less than 40% of its Ex-Factory price.
2. Such goods must have gone through essential production process in duty free zone, and must be in accordance with the official announcement of the Office of Industrial Economics or other government agencies who have authorities and duties to supervise the production process for such goods.

### Duty Rate Reduction to 5%

For waste, parings and scrap, of plastics or unusable plastic under Chapter 39.15 of tariff classification from the imported goods irrespective of whether or not in which chapters they are classified, having gone through production, mix, or assembly in a duty free zone for an exportation, not out of the Kingdom, but distributed or used for any other purposes

### Duty Exemption

For the products obtained from domestic or duty-paid imported goods which are not entitled to duty refund or exemption according to the Customs Act or other laws brought into a duty free zone for the purpose of production, mix, assembly, packing or processing in any manner without using parts of any goods in the duty free zone in such products, and distributed or consumed in the country.

### Customs Duty Reduction/Exemption to be Equal to Duty Rate Granting Privileges under an International Treaty or Agreement, at the Time of Importation of Such Goods into the Kingdom

For the goods that are entitled to Customs privileges under international treaty or agreement and imported into the Kingdom and brought into a duty free zone for commercial manner without changing headings of tariff classification and parts of any goods in the duty free zone in such goods, distributed or consumed in the country.

# Request for License

## Request for License to Establish a Duty Free Zone

1. Submit the request for granting a license to establish a duty free zone

2. Verify qualifications/ criteria and conditions / established site inspection

3. Obtain the license to establish the duty free zone

4. Construct/Establish the duty free zone

5. Submit the request for operations

6. Inspect the readiness before operations

7. Announce the opening of the duty free zone

Begin the construction / establishment within 90 days from the date of receiving the license, and the construction must be completed within 2 years

## Request for License to Operate a Business in a Duty Free Zone

1. Submit the request for granting license to operate a business in a duty free zone

2. Verify qualifications / criteria and conditions

3. Obtain the license to operate a business in the duty free zone

**Note!**

A licensee granted a permission shall display a license or a substitute license at a noticeable place within his place of business

## Qualifications of Requester for License

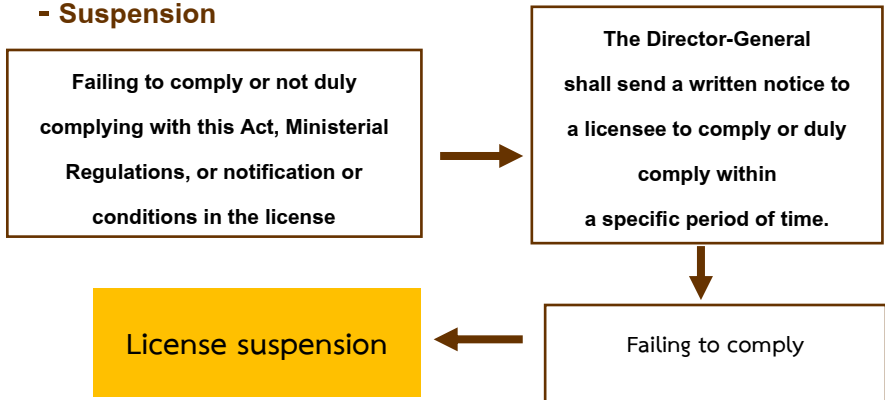
Qualifications	A Requester for a License to Establish a Duty Free Zone	A Requester for a License to Operate a Business in a Duty Free Zone
Type of Operated Business	<ul style="list-style-type: none"> <li>✓ State enterprise</li> <li>✓ Limited Company</li> <li>✓ Public Limited Company</li> </ul>	<ul style="list-style-type: none"> <li>✓ Juristic person</li> </ul>
Authorized Capital	<p>In case of limited company - Paid-up capital shall not be less than <b>60 million Baht.</b></p> <p>Except established in a special economic zone or the area of model city under “stable, prosperous and sustainable triangle” project - Paid-up capital shall not be less than <b>10 million Baht.</b></p>	<p>In case of limited company - Paid-up capital shall not be less than <b>5 million Baht.</b></p> <p>Except established in a special economic zone or the area of model city under “stable, prosperous and sustainable triangle” project - Paid-up capital shall not be less than <b>1 million Baht.</b></p>
Established Area	<ul style="list-style-type: none"> <li>✓ Having an ownership <b>or</b></li> <li>✓ Having possessory right <b>or</b></li> <li>✓ Having a management right in the area</li> </ul>	<p>Having an ownership / a possessory right <b>and</b> granted a consent from a licensee to establish the duty free zone to operate a business</p>
Financial Status	<ul style="list-style-type: none"> <li>✓ Have a stable financial status</li> </ul>	
Prohibited Condition	<ul style="list-style-type: none"> <li>X Not being a person whose license is suspended</li> <li>X Not being a person whose license has been revoked unless the revocation was ordered more than three years prior to the date of a request for the license submission</li> </ul>	

# License

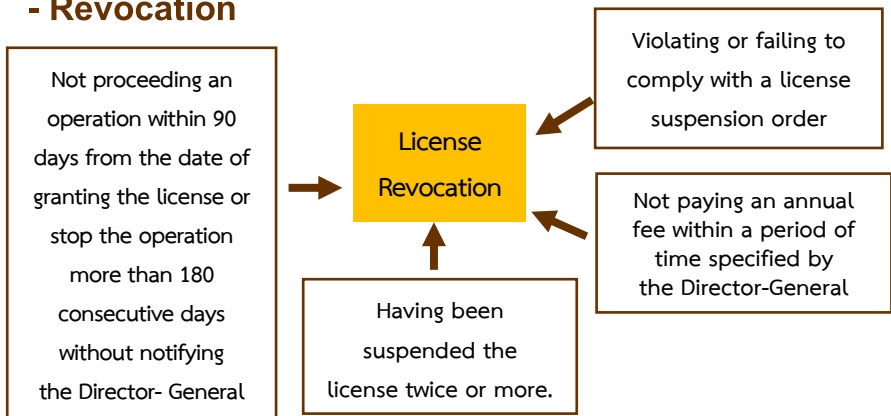
## - Fee

Type	Licensee to establish a duty free zone	Licensee to operate a business in a duty free zone
License Fee	10,000 Baht	5,000 Baht
Annual Fee	300,000 Baht	15,000 Baht

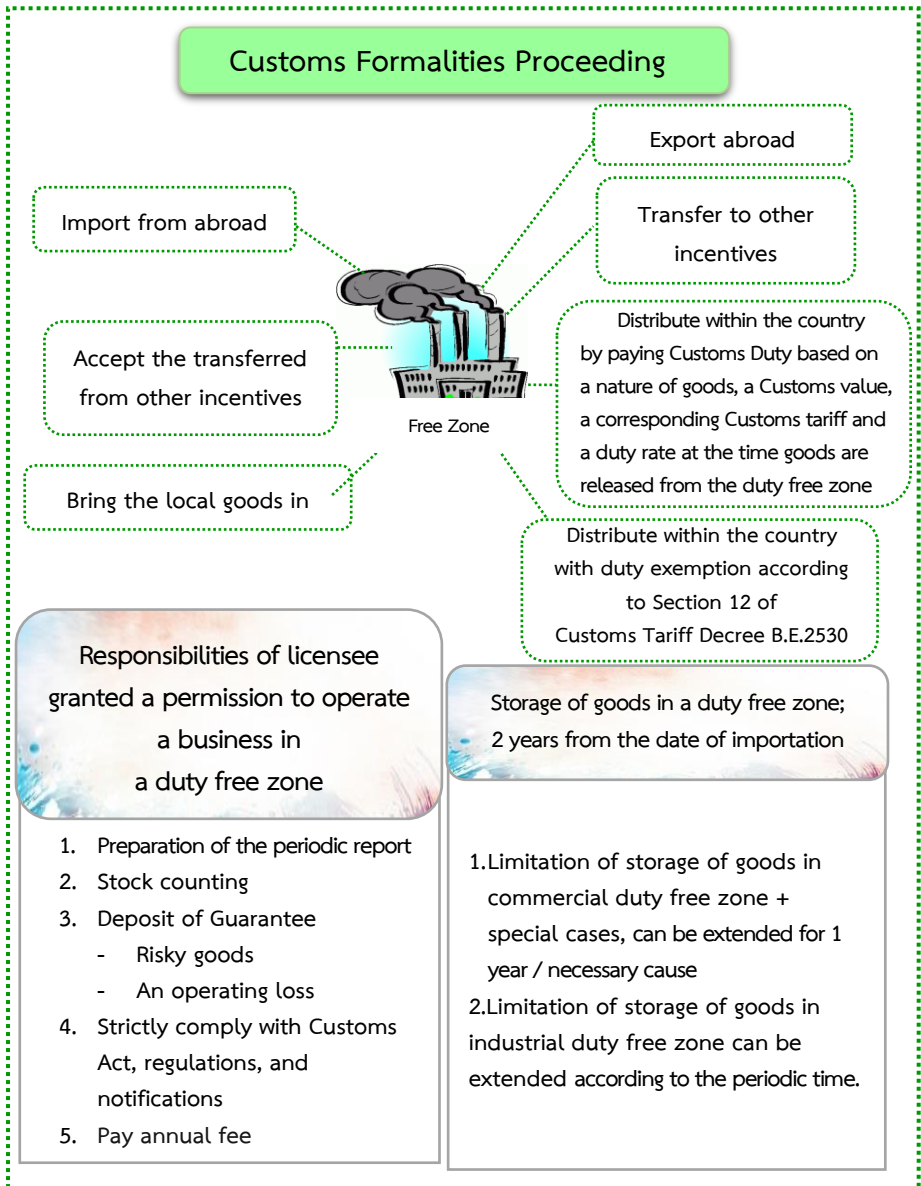
## - Suspension



## - Revocation



# Customs Formalities in Duty Free Zone

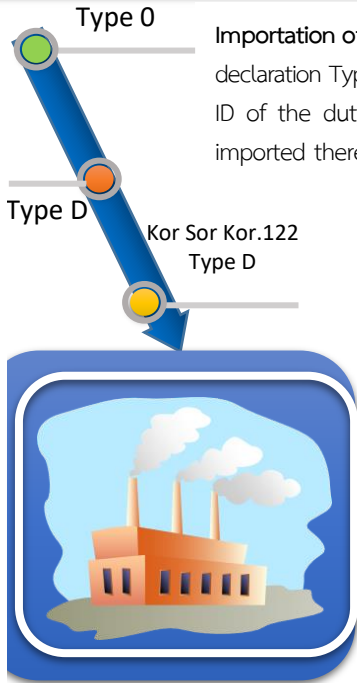




# Bringing Goods into and out of Duty Free Zone

In case of violation, penalty of a fine not exceeding 10,000 Baht is applicable

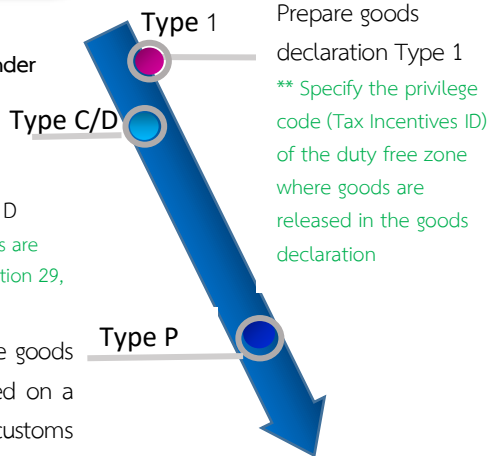
Acceptance of the transferred goods from other privileges, such as Section 29 / another bonded warehouse / other duty free zones / free operation zones / goods under investment promotion Prepare goods declaration Type D and specify the Tax Incentives ID of the duty free zone that bringing goods in  
 \*\*Specify the Tax Incentives ID of other privileges (Bonded Warehouse, Section 29, IEAT, other FZ) where the



**Importation of goods from abroad** Prepare goods declaration Type 0 and specify the Tax Incentives ID of the duty free zone where the goods are imported therein.

**Bringing in the local goods** Prepare Kor Sor Kor. 122 form or goods declaration Type D  
 \*\* the privilege code of the duty free zone in the goods declaration shall not be specified, but the Tax Incentives ID of the duty free zone shall be.

**Transfer of goods to other tax-incentives privileges**  
 → Transfer goods to Bonded Warehouse/goods under investment promotion/goods under Section 29 Prepare goods declaration Type C  
 → Transfer goods to another duty free zone / Free Operation Zone Prepare goods declaration Type D  
 \*\*Specify Tax Incentives ID of the duty free zone where goods are released and of the other privileges (Bonded Warehouse, Section 29, IEAT, other FZs) where the goods were brought in.



**Exportation of goods out of the Kingdom**  
 Prepare goods declaration Type 1  
 \*\* Specify the privilege code (Tax Incentives ID) of the duty free zone where goods are released in the goods declaration

**Importation of goods into the Kingdom** Prepare goods declaration Type P for paying Customs Duty based on a nature of goods, a customs value, a corresponding customs tariff and a duty rate at the time goods are released from the duty free zone \*\*Specify Tax Incentives ID of the duty free zone where goods were released in the goods declaration

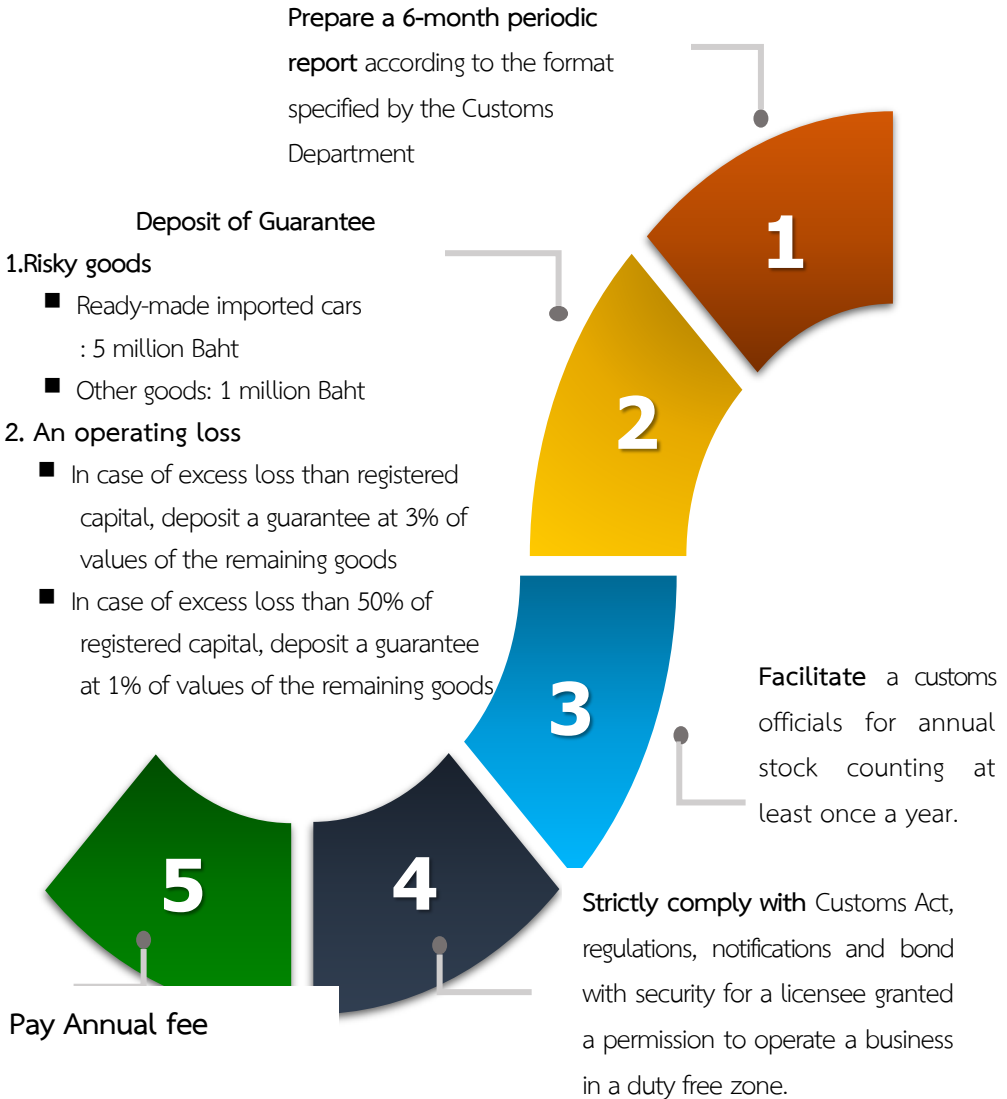
## Storage Period in Duty Free Zone

Goods imported into the Kingdom and stored in a duty free zone have been granted duty exemption under the Customs Act to be stored in the duty free zone **not exceeding 2 years** from the date of first storage. Storage period can be extended in accordance with the rules and conditions specified by the Customs Department. However, such period shall not applicable with the storage of a machinery, an equipment, a tool, and an appliance, including components thereof, which are necessary for industrial and / or commercial operation, products, by-products, and any other things obtained from imported raw materials for the purpose of production, mix, assembly, packing or processing in any manner in the duty free zone.

## Responsibilities of Licensee Granted Permission to Establish Duty Free Zone

Strictly comply with Customs Act, regulations, notifications and bond with security for a licensee granted a permission to establish a duty free zone

# Responsibilities of Licensee Granted Permission to Operate a Business in Duty Free Zone



## Dissolution of Duty Free Zone Operations

Any licensee wishing to dissolve a business shall provide a written notification to the Director-General not less than 90 days prior to the date of dissolving the business. The licensee, who had been notified the dissolution of the business, shall cease the operations under such license; in case of being the licensee granted a permission to establish a duty free zone, the licensee granted a permission to operate a business in a duty free zone must be notified, and proceed one of the following measures: (In case of violation or failure to comply with, penalty of a fine not exceeding 50,000 Baht is applicable)

- Bring goods out of the duty free zone and duly pay a duty within a period of time specified by the Director-General or
- Export goods out of the Kingdom or move to another bonded warehouse, duty free zone, or free operation zone under the law of Industrial Estate Authority of Thailand, or distribute to the importer under Section 29 or a person entitled to a duty exemption under the law of Customs Tariff or other laws as the case may be

When one of the above actions has been complied, the Director-General shall allow the licensee to dissolve the business. Such license shall be terminated on the day a permission to dissolve the business is granted.

In case the licensee, who had notified the dissolution of business, failed to comply with the said measures, the Director-General shall order to revoke the license, and incentives of goods stored therein shall be terminated. The goods therein shall be dutiable goods from the day the Director-General has ordered to revoke such license. A calculation of duty shall be based on a nature of goods, a Customs value, a corresponding customs tariff, and a duty rate at the time the incentives of duty exemption is terminated.



The objective of the Tax Incentives Guidebook is for benefits of preliminary studying and understanding in tax incentives according to the provisions of the Customs Act including requesting for tax reimbursement of exported goods produced in the Kingdom. Further details can be found in the references below.

## References

### Acts

- Customs Act B.E. 2560 (2017)
- Tax Reimbursement of Exported Goods produced in the Kingdom Act B.E. 2524 (1981)

### Ministerial Regulations

- The Ministerial Regulation Re Specification of Customs Fees and Waive of Customs Fees according to the Customs Act, B.E. 2560 (2017)
- The Ministerial Regulation Re Permission for Establishment and Operation Dissolution of of a Bonded Warehouse, a Godown, a Place of Security and a Permitted Port, B.E. 2560 (2017)
- The Ministerial Regulation Re Establishment and Operation Dissolution of a Duty Free Zone, B.E. 2560 (2017)
- The Ministerial Regulation Re Permission for Business Operation in a Duty Free Zone, B.E. 2560 (2017)
- The Ministerial Regulation Re Duty Exemption for Goods Imported into the Kingdom to Be Brought into a Duty Free Zone, and Goods Released from a Duty Free Zone for Exportation out of the Kingdom, B.E. 2560 (2017)
- The Ministerial Regulation Re Specification of Areas that are Exempted from the Provisions of the Law with Respect to a Control of Importation into and Exportation out of the Kingdom, a Possession or a Use of Goods in a Duty Free Zone, B.E. 2560 (2017)
- The Ministerial Regulations on Forms, Characteristics, Price, and Descriptions of Tax Card, B.E. 2564 (2021)