



Imposing VAT on imported goods value less than 1,500 Baht

The Ministry of Finance and the Revenue Department have agreed to propose a scheme regarding the collection of Value-Added Tax (“VAT”) from imported goods without any exception on goods with a value less than 1,500 Baht in order to tackle problems in relation to small and medium size domestic businesses.

Currently, according to the international trade agreement, it sets out a condition that any goods with the value less than 1,500 Baht is exempted from imported duty and VAT for a purpose of convenience. The Ministry of Finance and the Revenue Department is undergoing the draft of the bill to impose VAT on imported products from oversea platforms, import duty. However, the exemption of import duty on goods with the value less than 1,500 Baht still remains the same. The main reasons for imposing VAT are to create trade fairness for domestic businesses and to stimulate the domestic economies. Additionally, the Ministry of Finance expects to collect approximately 100 million Baht from the total value of imported goods of 18,000 million Baht. This tax proposal will be in line with the tax schemes under the Organization for Economic Co-operation and Development (“OECD”) by collecting VAT via platforms or Vendor Collection Model, which will remit the payments of VAT to the government.