

**THE CUSTOMS ACT (NO.18) B.E. 2543**

**BY COMMAND OF THE KING'S MOST**

**EXCELLENT MAJESTY.**

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Was promulgated on the 8th

Day of November 2543

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that

Whereas it is expedient to amend the law on customs.

This Act contains certain provisions concerning the restriction of personal rights and liberties, which, under Section 29 together with Section 48 of the Constitution of the Kingdom of Thailand, may be made by virtue of the provisions of the law.

Be it, therefore, enacted by the King, by and with the advice and consent of the Assembly of the Parliament as follows:

Section 1. This act shall be called the "Customs Act (No. 18) B.E. 2543".

Section 2. This Act shall enter into force on and from the day following the date of its publication in the Government Gazette.

Section 3. The following definition is added after the definition "WAREHOUSE" in Section 2 of the Customs Act B.E.2469 as follows:

"DUTY FREE ZONE" shall mean the area that is specified for conducting industrial, commercial or any other activities for the benefit of the country economy. The goods that are brought in such zone shall receive the duty benefit as specified by law."

Section 4. Section 8 bis of the Customs Act B.E. 2469 as amended by the Announcement of the National Executive Council No. 329 dated 13th December B.E.2515 is repealed and replaced as follows:

"Section 8 bis. The Director-General is empowered to:

(1) approve the establishment of a bonded warehouse for exhibition and sale of goods stored therein subject to the regulations laid down by the Director-General,

(2) approve the establishment of a bonded warehouse for producing, mixing, assembling, packing or any other kind of processing of the goods imported and stored therein, subject to the regulations laid down by the Director-General.

Unless otherwise provided, the bonded warehouse under (1) and (2) shall be subject to the provisions on bonded warehouse.”

Section 5. Section 10 bis of the Customs Act B.E. 2469 as amended by the Announcement of the National Executive Council No. 329 dated 13th December B.E.2515 is repealed and replaced as follows:

“Section 10 bis. The liability to pay duty of importation shall be incurred at the time when the importation thereof comes into effect.

Subject to Section 87 and Section 88, the calculation of duty shall be in accordance with the nature and value of goods and corresponding customs tariff at the time when the liability to pay duty is incurred. But in the case of goods stored in a bonded warehouse, the calculation of duty shall be in accordance with the customs tariff in force at the time when such goods are withdrawn from the bonded warehouse, either in the same nature as imported or in the nature of having been produced, mixed, assembled, packaged or processed as other goods.

In the case when goods are withdrawn from the duty free zone, the calculation of duty shall be in accordance with the nature and value of goods and corresponding customs tariff in force at the time when such goods are withdrawn from the duty free zone. The right to claim a refund or waiver of the duty of such imported goods shall lapse. The value of such goods shall not be included in the duty calculation subject to the rules laid down or specified by the Director-General.”

Section 6. Section 88 of the Customs Act B.E. 2469 as amended by the Announcement of the National Executive Council No. 329 dated 13th December B.E.2515 is repealed and replaced as follows:

“Section 88. The particular account of the goods taken under Section 87 shall be used for assessing the amount of duty on such goods; but in the case of goods being used for producing, mixing, assembling, packing or any kind of processing in a bonded warehouse, the quantity of goods used shall be calculated in accordance with the formula approved or specified by the Director-General.

Both import duty and export duty shall be exempted for goods removed from a bonded warehouse for exportation, regardless of being exported in the same nature as imported or in the nature of having be produced, mixed, assembled, packaged or processed as other goods.

If any goods in a bonded warehouse are removed to another bonded warehouse, or are sold to an importer under Section 19 bis of the Customs Act (No. 9) B.E. 2482 or to a person who is entitled to the waiver of the duty under the Customs law or other laws, it shall be deemed as the exportation of

such goods occurred at the time of the removal from the bonded warehouse subject to the rules laid down by the Director-General.

The receipt of removed or sold goods under paragraph three shall be deemed as the importation or importation thereof comes into effect at the time such goods are withdrawn from the bonded warehouse subject to the rules laid down by the Director-General.”

Section 7. Section 97 bis of Chapter 10 Warehousing of the Customs Act B.E. 2469 is added as follows:

“Section 97 bis. In case there is reason to suspect that there is unpaid duty imported goods or evasion of duty or importation of restricted or forbidden goods or any goods that are not allowed to store in the bonded warehouse, the Competent Officer may enter in the bonded warehouse to ask for facts or to examine documents or any relevant subject matter including the examination of the factory, building, conveyance and any person in the bonded warehouse without a search warrant.”

Section 8. Chapter 10 bis, Section 97 ter, Section 97 quarter, Section 97 quinque, Section 97 sex, Section 97 septem, Section 97 octo, Section 97 novem, and Section 97 decem of the Customs Act B.E. 2469 are added as follows:

“Chapter X bis  
THE DUTY FREE ZONE

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Section 97 ter. The Director-General is empowered to establish the duty free zone for the industrial, commercial or any other activities for the benefit of the country economy and to lay down rules, procedures and conditions for the application and the approval of the establishment of the duty free zone.

The person who gets the approval to establish the duty free zone shall pay the annual fees subject to the Ministerial Regulations laid down by the Director-General.

Section 97 quarter. The Director-General is empowered to specify the type or kind of goods to be brought in or to be removed from the duty free zone and to lay down rules, procedures and conditions for such action.

Section 97 quinque. Both import duty and export duty shall be exempted for imported goods to the duty free zone as follows:

(1) goods that are machinery, accessories, tools and implements including the components thereof for the industrial, commercial or any other activities use for the benefit of the country economy or,

(2) imported goods to the duty free zone for the industrial, commercial or any other activities use for the benefit of the country economy or,

(3) goods that are removed from another duty free zone.

The export duty for the withdrawn goods from the duty free zone shall be exempted.

Section 97 sex. The importation and the production of goods in the duty free zone shall be exempted from excise taxes under the Excise Tax laws.

The importation and the production of goods in the duty free zone shall be exempted from liquor taxes, duty stamp and fees under the Liquor Tax laws, Tobacco laws and Card laws. The provision for exemption and the collection provided in the excise tax law is applicable, mutatis mutandis.

Section 97 septem. In the case of imported goods or raw materials to the duty free zone for producing, mixing, assembling, packing or any other kind of processing for exportation, such goods shall be exempted from the laws on the control of standard and quality. The branding or marking on such goods is subject to the rules laid down by the Director-General.

Section 97 octo. In the case that any goods are exempted or the duty refunded after exportation under any laws, and if such goods are brought in the duty free zone, the goods shall be deemed to have been exported at the time of bringing such goods in the duty free zone subject to the rules laid down by the Director-General.

Section 97 novem. The removal of goods from the duty free zone to be used or sold in the Kingdom or to be removed to another bonded warehouse or sold to the importer under Section 19 bis of the Customs Act (No.9) B.E.2482 or any person who is entitled to the waiver of duty under the Customs laws or other laws shall be deemed as the importation or importation thereof comes into effect at the time such goods are withdrawn from the bonded warehouse subject to the rules laid down by the Director-General.

The removal of goods from the duty free zone for consumption or for other uses beyond the purposes of the establishment of the duty free zone shall be deemed the removal of the goods from the duty free zone under paragraph one except for the disposal or destruction of remnants, damaged goods, unusable goods within the duty free zone subject to the approval from the Director-General and subject to the rules laid down by the Director-General.

Section 97 decem. Chapter 10 Warehousing and the punishment relevant to such provisions shall be applicable to the importation, the warehousing, the exportation, the control, the removal, and the power of the Competent Officer, mutatis mutandis.

Section 9. Paragraph one (d) of Section 19 bis of the Customs Act B.E. 2469 as amended by the Announcement of the National Executive Council No. 329 dated 13th December B.E.2515 is repealed and replaced as follows:

“(d) the goods are exported within one year from the date of importation of the goods used in producing, mixing, assembling, packing exported goods except forces majeure is proven, and such goods cannot be exported within the time limit, the Director-General may extend this time limit for not more than six months, and”

Section 10. Section 19 ter of the Customs Act B.E. 2469 as amended by the Announcement of the National Executive Council No. 329 dated 13th December B.E.2515 is repealed and replaced as follows:

“Section 19 ter. When the importer expresses his intention to use the imported goods solely in the process of producing, mixing, assembling or packing goods to be exported to a foreign port or as stored for use on board a ship proceeding to a foreign port, the Director-General or the person designated by him may accept the guarantee under the condition he deems fit, of the Ministry of Finance or a bank or any other security in lieu of the payment of import duty, and after the exportation of the goods for which drawback is allowed under Section 19 bis, the guarantee shall be returned as drawback.”

Section 11. Section 19 quarter of the Customs Act (No.9) B.E. 2482 is added as follows:

“Section 19 quarter. If the imported goods for the producing, mixing, assembling or packaging under Section 19 bis are removed to the bonded warehouse or sold to the person who is entitled to the waiver under the Customs laws or other laws, such goods are deemed to be exported under Section 19 bis at the time the goods are removed or sold subject to the rules laid down by the Director-General.

The receipt of goods removed or sold under paragraph one shall be deemed importation or importation comes into effect at the time of removal or sale subject to the rules laid down by the Director-General.”

Countersigned by

Banyat Bantadatan

Deputy Prime Minister

**Note:** The reason for proclaiming the use of this Act is that the international trade is highly competitive at present. The support and export promotion is important because it will increase the capability to compete with other countries. It is, therefore, expedient to establish the duty free zone in Thailand to promote exportation by producing, mixing, assembling, packaging or any other processing of such goods for exportation. The establishment of the duty free zone shall only be applied for approval from the Director-General for convenience and speed. The principle is in accordance with international standard as provided in the Tokyo Round of the World Customs Organization. The exporter shall have more alternatives that will be suitable for his business. It is also expedient to amend some provisions on bonded warehouse to expand the scope. Some other provisions are also amended to give more flexibility and beneficial to the trader. The Act is therefore enacted.

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