



Digital Tax Compensation System is slated to begin in Thailand

The Customs Department of Thailand (the “Department”) announced that its online payment system is successfully operational, and the digital tax compensation (“DTC”) system was effective on 21 September 2021. The Department hopes that by implementing this system, the risk of Covid-19 transmission between the general public and customs officers will be reduced.

This is a collaborative endeavor between the Customs Department, the Revenue Department, and the Excise Department intended to support the government and the Ministry of Finance's National Electronic Payment System (“National e-Payment”) policy.

According to customs law of Thailand, previously, the Department issued a tax refund to exporters and importers in the form of a paper coupon that they can use to pay their next import or export customs duty. They must bring the paper coupon to a customs office for the next customs payment. However, with the advancement of technology, the DTC system gives an electronic coupon (the “e-Coupon”) that traders can utilize at their convenience. The e-Coupons are available to importers and exporters through an internet portal.

The Department intends to issue a credit line for the e-Coupon's value, averaging 8,000 million baht per year. The e-Coupon is valid for three years and can be renewed twice, not exceeding three years from the date of issue, for a total time frame of approximately nine years. The Department previously had two electronic payment systems, which are as follows: 1. e-Payment by debiting the bank account and 2. e-Payment through the bank's service channel/Bill Payment agent. As a result of the most recent implementation of the, DTC and the e-Coupon, the Department's payment system will become 100 percent on electronic system.

Consequently, the Department intends to encourage practically all importers and exporters to pay their customs duties electronically, as less than 5 percent of customs duties are paid in cash.