



## Digital Tax Compensation System is slated to begin in Thailand

### Tax Matters

The Customs Department of Thailand (the “Department”) announced that its online payment system successfully operates, and the Digital Tax Compensation (“DTC”) system will be effective on 21 September 2021. The Department expected that by implementing this system, the risk of Covid-19 transmission between the general population and customs officers will be decreased.

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

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. Taxpayers must bring the paper coupon to the next tax payment at the customs office. However, with the advancement of technology, the DTC system gives an electronic coupon (the “e-Coupon”) that importers or exporters 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. By this, the e-Coupon is valid for three years and can be renewed twice with each renewal lasting no more than three years. The Department has two electronic payment systems, which are as follows: (i) e-Payment by debiting the bank account and (ii) e-Payment through the bank's service channel/Bill Payment agent. As a result of the most recent implementation, DTC and e-Coupon, the Department's payment system will become 100 percent electronically.

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