



Thailand–United States Framework on Reciprocal Trade Introduction

The Framework for an Agreement on Reciprocal Trade announced by Thailand and the United States on 27 October 2025 represents a notable shift in bilateral trade relations. Although the Framework is not yet legally binding, it signals a policy direction toward reciprocal market access, enhanced regulatory cooperation, and stronger standards relating to customs administration, labor rights, and environmental protection. From the perspective of Thai law, the Framework is significant not for its immediate legal effects, but for the structural reforms it foreshadows within Thailand's trade and customs regime.

This commentary analyzes the key legal implications of the Framework, with particular emphasis on customs enforcement, rules of origin, and regulatory alignment.

Thailand and the United States have historically relied on multilateral WTO rules and sector-specific arrangements rather than a comprehensive bilateral trade agreement. Under constitution of Thailand, a binding trade agreement with material economic implications would require parliamentary approval. Accordingly, the Framework currently functions as a policy instrument rather than a source of enforceable legal rights or obligations.

Nevertheless, experience from Thailand's participation in ASEAN and other regional trade agreements suggests that such frameworks often precede legislative and regulatory reform. The Framework should therefore be understood as a catalyst for domestic legal adjustments rather than a purely declaratory statement.

A central legal commitment under the Framework is Thailand's intention to amend the Customs Act B.E. 2560 (2017) to remove the customs reward system under Section 255. This system, which allocates a portion of penalties to enforcement officials, has long been criticized for encouraging discretionary or overly aggressive enforcement.

Its removal may lead to a more transparent and rule-based customs environment. However, this reform is likely to be accompanied by increased reliance on post-clearance audits and document-based compliance reviews. As a result, while physical inspections at ports may decline, businesses could face broader retrospective exposure and heightened documentation requirements.

The Framework also implies stricter scrutiny of country-of-origin determinations for goods seeking preferential tariff treatment in the US market. Origin concepts applied by US Customs and Border Protection—such as substantial transformation and essential character—may differ in emphasis from those commonly applied under ASEAN or RCEP regimes.

For Thai exporters, this creates legal risk where production relies heavily on imported inputs. The distinction between the country of export and the country of origin becomes legally decisive, and inaccurate origin declarations may result in denial of tariff benefits or enforcement action. Origin verification may also extend along the value chain, affecting upstream suppliers.

Proposed regulatory cooperation, including possible recognition of US certifications in areas such as food and agriculture, may reduce procedural barriers to trade. However, such cooperation must be implemented consistently with Thai administrative law and statutory mandates governing public health and consumer protection. Regulatory alignment, while facilitating trade, may also lead to increased scrutiny of product standards and compliance systems.

The Framework reflects a broader global trend toward shifting trade regulation from border controls to compliance-based and audit-driven enforcement models. While this approach enhances trade facilitation, it also places greater legal responsibility on businesses to maintain accurate records, internal controls, and compliance programs.

Comparatively, the US has long emphasized origin enforcement and post-import audits as core compliance tools. The Framework may therefore import a more stringent enforcement culture into Thailand–US trade relations, potentially influencing sourcing decisions and supply-chain structuring.

Although non-binding, the Thailand–United States Framework on Reciprocal Trade signals an impending transformation in Thailand’s trade and customs law landscape. Anticipated reforms to customs enforcement, heightened origin scrutiny, and deeper regulatory cooperation suggest a move toward a more rules-based and compliance-intensive trade regime.

For businesses and legal practitioners, early engagement with these developments will be essential. The Framework’s ultimate impact will depend on how effectively its commitments are translated into domestic law and administrative practice, and whether legal certainty and transparency are maintained throughout the reform process.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com

