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Thailand's New Customs Measures on Low-Value Imports

Thailand's Customs Department has recently implemented significant changes to the treatment of low-value imported parcels, marking a shift in the country's approach to cross-border e-commerce. Under the new measures, the long-standing de minimis threshold—previously allowing imported goods valued below THB 1,500 to be exempt from import duty and value-added tax (VAT)—has been abolished. As a result, all imported parcels with a declared value exceeding THB 1 are subject to both import duty and VAT. This policy aims to address structural imbalances in the taxation of foreign-sourced goods, particularly those sold via online platforms and delivered directly to Thai consumers.

In addition to removing the tax exemption, the Customs Department has introduced stricter compliance requirements, including a mandate for importers to clearly declare the value of goods on the front of each parcel. This measure is designed to mitigate the widespread issue of under-declaration, which has historically undermined effective tax collection. Early data from the Department indicates that these reforms have already increased government revenue by approximately THB 300 million per month. However, authorities have emphasized that revenue generation is not the primary objective; rather, the policy seeks to create a more level playing field for domestic businesses.

The economic effects of the reform are already visible. According to surveys conducted by the Customs Department, the retail prices of certain imported goods—particularly low-cost consumer items—have increased following the imposition of duties and VAT. For example, products such as eyeglasses have seen notable price adjustments. This suggests that the tax burden is being passed on to consumers, potentially reducing the price competitiveness of imported goods that previously benefited from preferential tax treatment. Given that approximately 200 million low-value parcels are imported into Thailand annually, the aggregate impact on consumer behavior and market dynamics is likely to be substantial.

From a legal and regulatory perspective, these developments signal a notable recalibration of Thailand's trade and tax framework in response to the rapid growth of cross-border e-commerce. The removal of the de minimis exemption aligns Thailand with a growing number of jurisdictions seeking to tighten controls over low-value imports, though it may also raise questions regarding compliance burdens, enforcement consistency, and potential tensions with international trade commitments. In practice, the measures are likely to strengthen the domestic tax base and enhance regulatory oversight, while also prompting closer scrutiny of foreign digital platforms operating in the Thai market. Overall, this reform represents a shift toward a more protectionist and enforcement-driven customs regime, with significant implications for both businesses and consumers within Thailand's evolving digital economy.

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