



## SEA Customs and Trade Alert

### Stay informed of changes

Greetings from your SEA Customs and Global Trade Services group. This newsletter is your reference for practical information on relevant customs issues. We are pleased to enclose for your information the latest Customs and Trade Alert on:

#### [Update on Thailand's Progress Towards Establishment of Export Control on Dual-use Items](#)

As an update to our [last alert](#) on Thailand's progress towards establishment of export control on dual-use items (DUIs), in June 2015, the Cabinet have approved "in principle" the **Ministry of Commerce's (MOC)** proposal to establish the regulations to enforce this control.

The regulations, when in force, will enable Thailand to meet the requirements of the United Nations Security Council Resolution 1540 on the non-proliferation of weapons of mass destruction

(WMDs). The regulation will control exports of not only dual-use items, but also any items that are suspected to be used for proliferation of WMD by the end-user.

The controls will also extend to controlled components in non-controlled products. Non-controlled goods containing one or more controlled components shall be considered as being controlled if the controlled components are the principal element of the non-controlled goods and can feasibly be removed or used for other purposes.

### What this means for you

Under the current practice, DUIs fall under the control of its respective competent authorities (CAs), namely; Defence Industry Department, Department of Industrial Works, Department of Medical Sciences, Office of Atoms for Peace, and Office of the National Broadcasting and Telecommunications Commission. However, these CAs do not supervise the export of all DUIs.

This is where the new regulation comes into effect as the MOC is able to supervise the DUIs that do not directly concern the other CAs.

### Scope of Control

Under the new regulation, exporters whose products could potentially be classified as DUIs, are required to seek approval from MOC before exporting. Some examples of such commonly used products classified as DUIs include:

Items	Commercial Use	Potential WMD Use
<b>Carbon fibre preforms</b>	Widely used in commercial and industrial applications for weight savings and precision engineering	Potential military uses: Used by the military as components to be used for weapons systems and military aircraft applications
<b>Triethanolamine</b>	Industrial applications include manufacturing of soap, detergent and lotions	Potential military uses: Chemical and biological warfare agents, radioactive materials, and protective and decontamination equipment

<b>Castor oil</b>	Food and preservative, and a precursor to industrial chemicals	Potential military uses: Chemical and biological warfare agents
<b>Tungsten wire</b>	Used for lighting products and other goods where its high temperature properties are of use	Potential military uses: Materials used for the fabrication of 'missiles' component

### What to do

Companies exporting dual-use items, currently listed under the European Union (EU) Control List, from Thailand need to:

- Raise their awareness on export control of dual-use items and how it impacts the company's business;
- Assess whether their goods for exports would likely be caught under the EU Control List (2012);
- Review current processes to ensure that they have the appropriate processes and procedures in place to monitor outward movement of their items from Thailand;
- Assess whether systems enhancements need to be introduced to ensure that dual-use items subject to export control could be flagged.

## How can we support

Deloitte can support your company in the following areas:

- Provide bespoke training on export control on dual-use items and its impact on your business processes and procedures;
- Assess the impact of the establishment of export control on dual-use items, and to your company's existing procedures and processes, and advice on the necessary measures to be taken to maintain a secure supply chain;

**Note:** Deloitte Thailand will be conducting a series of Outreach sessions, commencing July 2015, to provide insights on the controls and processes industries will likely have to adopt following implementation of the regulation to control export of dual-use items. Please reach out to your Deloitte's local contacts to secure an invitation to these sessions.

- Assessment on whether your company's product may likely be subject to Thailand export control regime.

## Contacts

For more information on the above or any Customs and Global Trade matters, please contact **Stuart Simons** (Thailand) +662 676 5700, ext. 5021; or **Diyanah Anuar** (SEA Export Control team) +65 6216 3351; or your usual Customs and Global Trade Services contact in Deloitte.

Name	Contact Number	Email
<b>Singapore</b> <a href="#">Bob Fletcher</a> Director, Leader of SEA Customs & Global Trade Services	+65 6216 3338	<a href="mailto:bobfletcher@deloitte.com">bobfletcher@deloitte.com</a>
<b>Indonesia</b> <a href="#">Turmanto</a> Partner	+62 21 2992 3100 (ext. 33891)	<a href="mailto:tturmanto@deloitte.com">tturmanto@deloitte.com</a>
<b>Malaysia</b> <a href="#">Eng Yew Tan</a> Executive Director	+60 3 7712 5164	<a href="mailto:etan@deloitte.com">etan@deloitte.com</a>
<b>Philippines</b> <a href="#">Richard R. Lapres</a> Partner	+63 2 510 9044	<a href="mailto:rlapres@deloitte.com">rlapres@deloitte.com</a>
<b>Thailand</b> <a href="#">Stuart Simons</a> Partner	+662 676 5700, ext. 5021	<a href="mailto:ssimons@deloitte.com">ssimons@deloitte.com</a>
<b>Vietnam</b> <a href="#">Tuan Bui</a> Partner	+84 4 6288 3568, ext. 2103	<a href="mailto:tbui@deloitte.com">tbui@deloitte.com</a>

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6 Shenton Way, OUE Downtown 2, #33-00,  
 Singapore 068809

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