



Tax & Legal Symposium

Navigation the new normal for tax & legal

Compliance management

e-Tax Invoice & e-Receipt in Thailand and APAC trends

17 January 2023

e-Invoicing in Thailand



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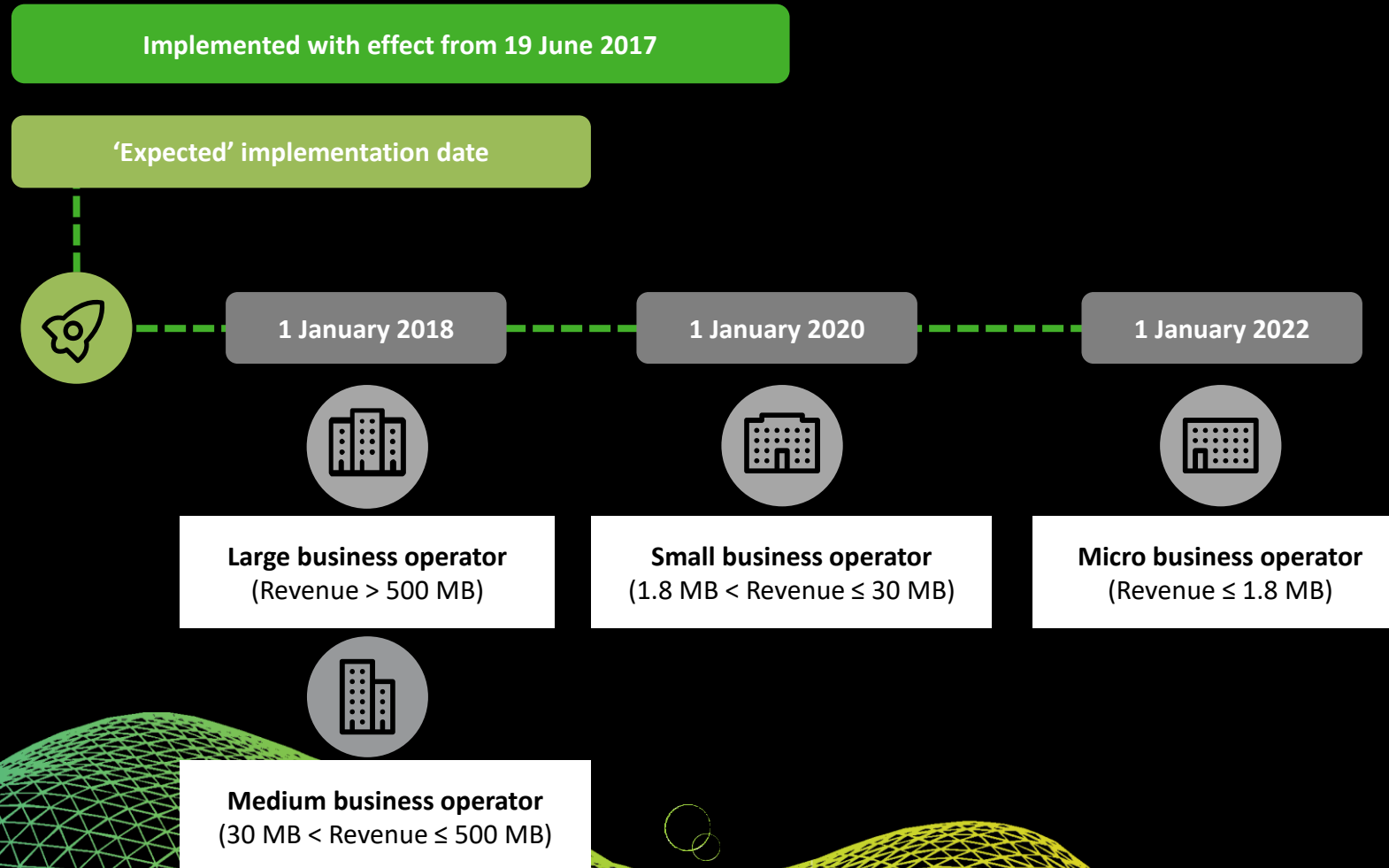
Agenda

- **Background**
- **e-Tax Invoice & e-Receipt Overview**
- **Registration process**
- **Preparation of e-Tax Document**
- **Delivery of e-Tax Document to customers**
- **Submission of information to the TRD**
- **Storage of e-Tax Document**
- **Conclusion**
- **APAC trends**
- **Initiatives and Challenges**

Background

Background

Proposed Implementation



Background

Current uptake

Number of VAT registrants granted the approval for adopting e-Tax invoice & e-Receipt and e-Tax Invoice by Email

| e-Tax Invoice & e-Receipt system | e-Tax Invoice by Email system |
|----------------------------------|-------------------------------|
| 1,822 | 1,031 |

(information as at 10 January 2023)

Background

Objectives and benefits



Objectives of e-Tax Invoice & e-Receipt system

- To encourage and support the national policy of Thailand 4.0 as well as the National e-Payment
- To support the entire electronic transactions
- To reduce costs and expenses relevant to the administration of government sector and private sector
- To reduce paper documents and relieve global warming
- To ensure the international standard of information transfer security



Benefits from adopting e-Tax Invoice & e-Receipt system

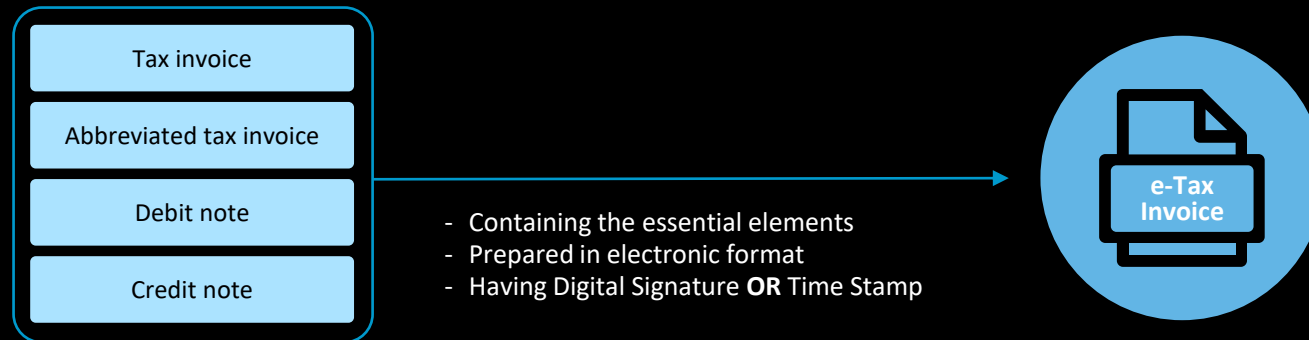
- Reduce information/documents duplication and problems relevant to management of information/documents in hard copies
- Save time and expenses incurred from transfer/submission of information/documents
- Be able to promptly process the information via the organization's information system
- Be prepared for supporting electronic transactions
- Have reliable and legal binding electronic information

Background

Basic knowledge

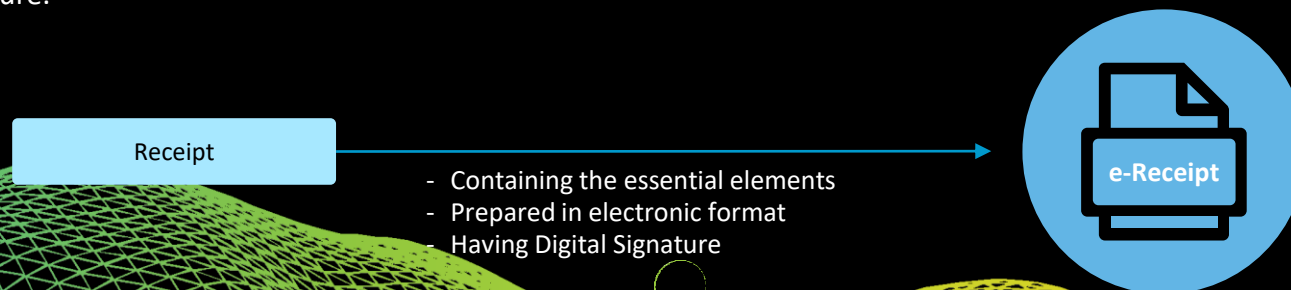
What is e-Tax Invoice

- e-Tax Invoice refers to a tax invoice, including an abbreviated tax invoice, a debit note and a credit note containing the essential elements as required under the Thai tax law, prepared in electronic format (e.g., PDF, PDF/A-3, XML), and having Digital Signature (in case of e-Tax Invoice & e-Receipt) or Time Stamp (in case of e-Tax Invoice by Email).



What is e-Receipt

- e-Receipt refers to a receipt containing the essential elements as required under the Thai tax law, prepared in electronic format (e.g., PDF, PDF/A-3, XML), and having Digital Signature.



e-Tax Invoice & e-Receipt Overview

e-Tax Invoice & e-Receipt

Qualifications of the eligible operators

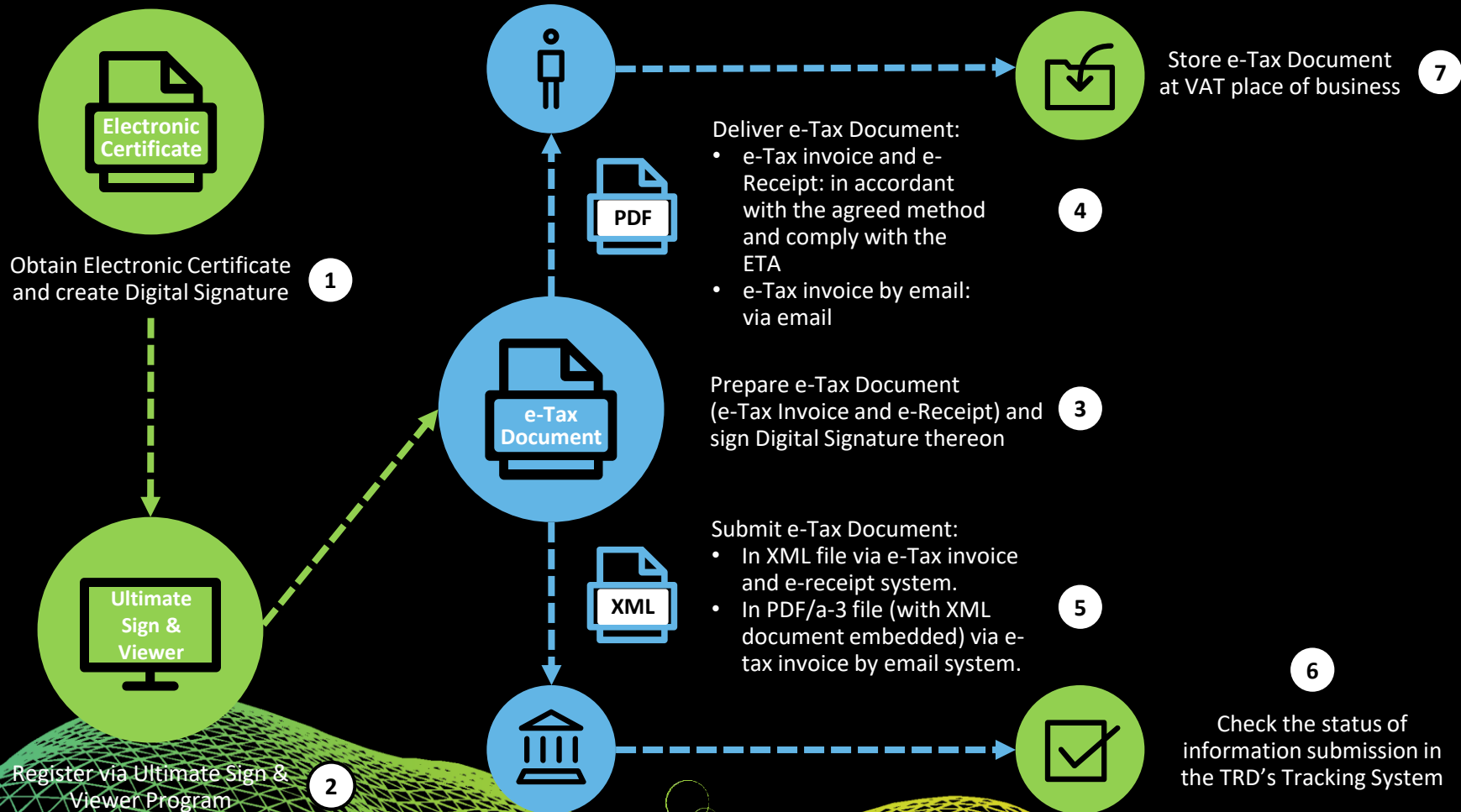
Qualifications of the operators eligible for adopting e-Tax Invoice & e-Receipt

To be eligible for adopting e-Tax Invoice & e-Receipt, an operator must have all of the following qualifications:

- Being a Thai VAT registrant or a person responsible for issuing receipts under the Thai tax law.
- Having an Electronic Certificate.
- Having an effective internal control system and being able to prove that e-Tax Documents (e-Tax Invoice and e-Receipt) issued to the recipients contain the information which is as accurate and complete as when they are prepared, delivered and received, by using reliable means which can illustrate the identical information afterwards and also having a system to verify that there is no trackless modification or any modification of details of the e-Tax Documents in transit.

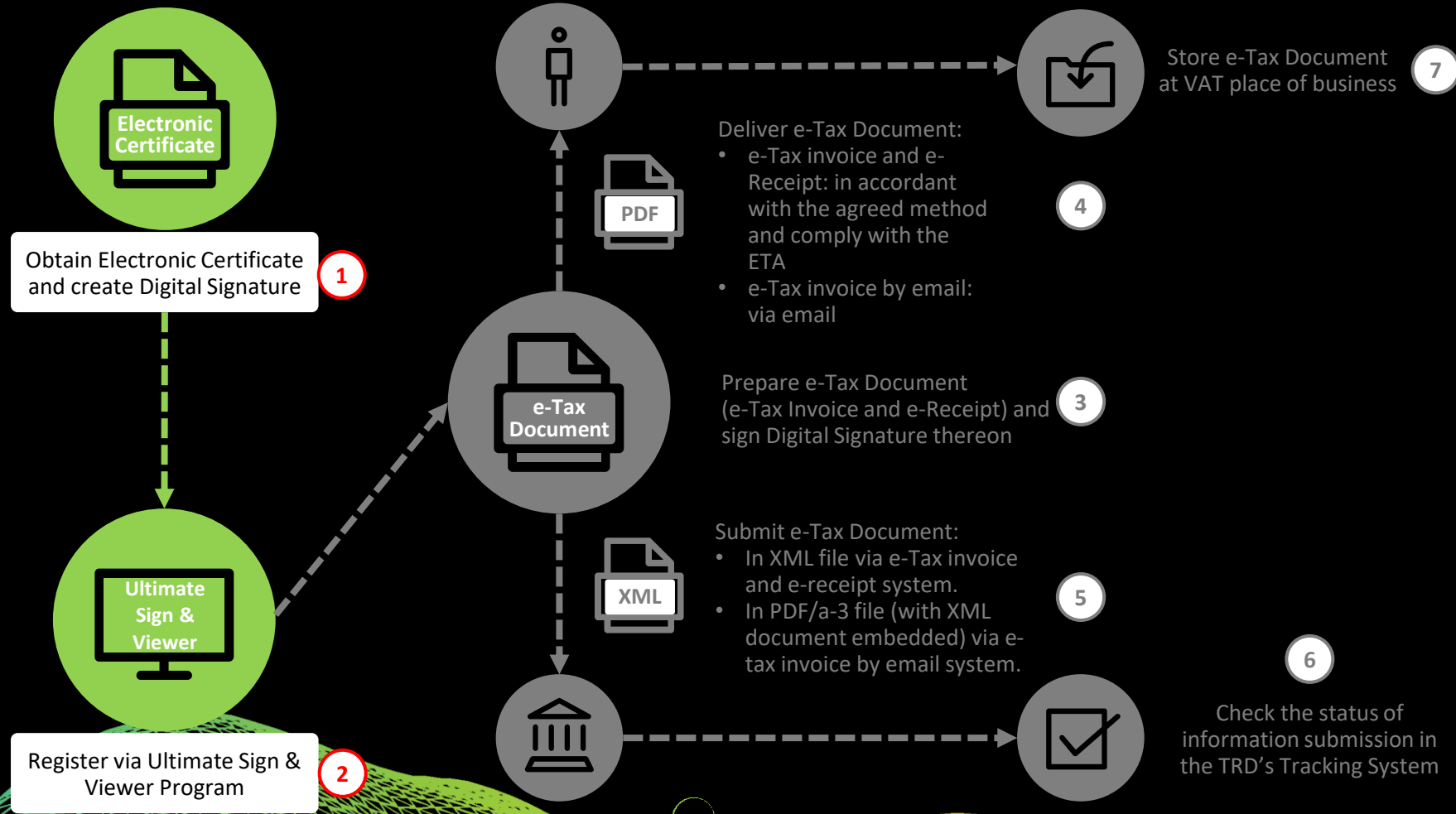
e-Tax Invoice & e-Receipt

Overall process



Registration process

Registration process



Registration process

How to obtain Electronic Certificate

Electronic Certificate is a set of electronic data or any other records which verifies the connection between the owner of Digital Signature and the information used for creating the Digital Signature.

Prior to the registration, the eligible operators wishing to adopt e-Tax Invoice & e-Receipt must first obtain Electronic Certificate for Enterprise from the certified Certificate Authority. Currently, the certified Certificate Authorities in Thailand are TDID and INET.

Electronic Certificate request process (via TDID)

1. Create Electronic Certificate Request Form on ASCH system – Click [here](#) (only available in Thai)
2. Submit hard copy of the request form and the required documents to TDID
3. Obtain authorization code via email
4. Use the authorization code to obtain Electronic Certificate via WCE system
5. Activate the Electronic Certificate with OTP

Documents required for obtaining Electronic Certificate (via TDID)

Documents required for obtaining Electronic Certificate include:

1. Copy of company's affidavit (issued no longer than 90 days) certified by the authorized director and affixed with the company's seal (if any); and
2. Copy of ID card (or copy of passport, in case of a foreigner) of the authorized director, certified by the director himself.

In case the company's authorized director appoints other person(s) to be responsible for this matter,

- Power of attorney with Baht 30 stamp duty affixed per each appointed person; and
- Copy of ID card of the person appointed by the authorized person, certified by the appointed person.

If all required documents are provided to TDID, Electronic Certificate should be obtained within 5 working days.

Registration process

How to obtain Electronic Certificate (cont.)

Price of Electronic Certificate

Price of Electronic Certificate varies by the validity period of Electronic Certificate. [When the expiry date of Electronic Certificate is approaching, TDID will send an email to notify the Electronic Certificate's owner about the expiration and suggest the Electronic Certificate's owner to obtain a new Electronic Certificate.] (price as at 6 January 2023 – for update, click [here](#))

| Validity period | Price (exclusive of 7% VAT) |
|-----------------|--------------------------------|
| 1 year | 3,000 |
| 2 years | 5,000 |

Hardware for storage of Electronic Certificate

To store Electronic Certificate, a hardware is needed. This hardware will be used when Digital Signature verification is required and used together with a software, for signing Digital Signature on e-Tax Document. The volume of transactions (e-Tax Document) to be issued per month is an important key factor in determining an appropriate hardware.

Types of hardware include:

- USB Token (eToken): USB token takes a longer processing time compared to HSM
- HSM (Hardware Security Module): suitable for a company issuing more than 10,000 transactions/month

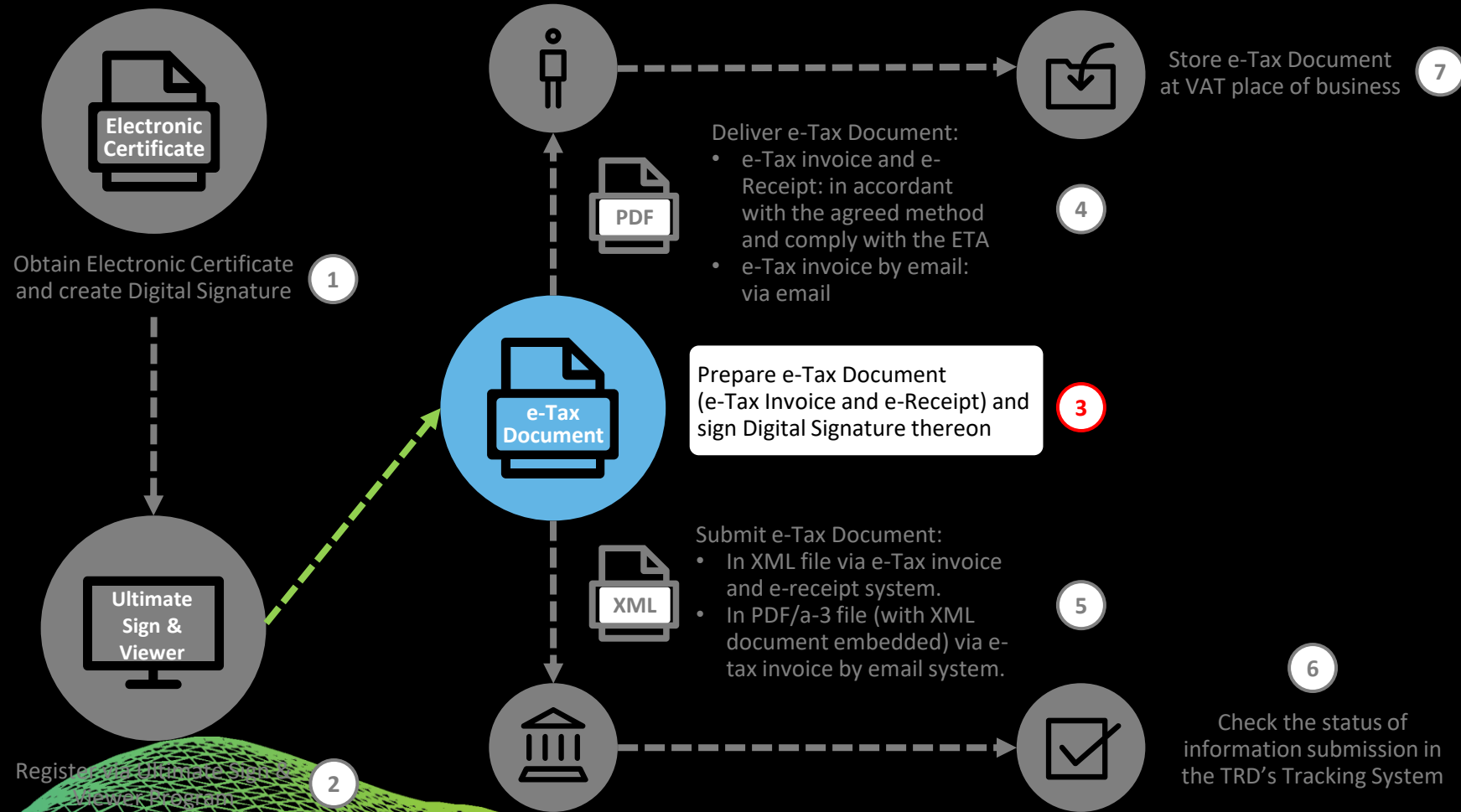
The use of Electronic Certificate

The TRD requires Electronic Certificate be used for Digital Signature verification in the following cases:

- Submit a registration form (Form Bor.Or.01) for adopting e-Tax Invoice & e-Receipt
- Submit a notification form (Form Bor.Or.09) for new password request, change of email address and deregistration of e-Tax Invoice & e-Receipt system
- Sign Digital Signature on e-Tax Document

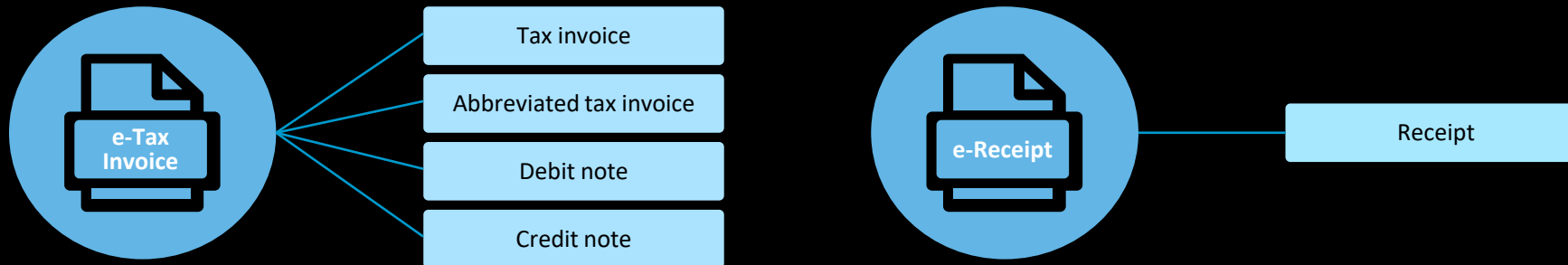
Preparation of e-Tax Document

Preparation of e-Tax Document



Preparation of e-Tax Document

How to prepare e-Tax Document



About e-Tax Document

Aside from the essential elements as required under the Thai tax law, Digital Signature created from Electronic Certificate of the e-Tax Document issuer must be signed on tax invoices, abbreviated tax invoices, debit notes, credit notes and receipts which are prepared in electronic format (e.g., PDF, PDF/A-3, XML).

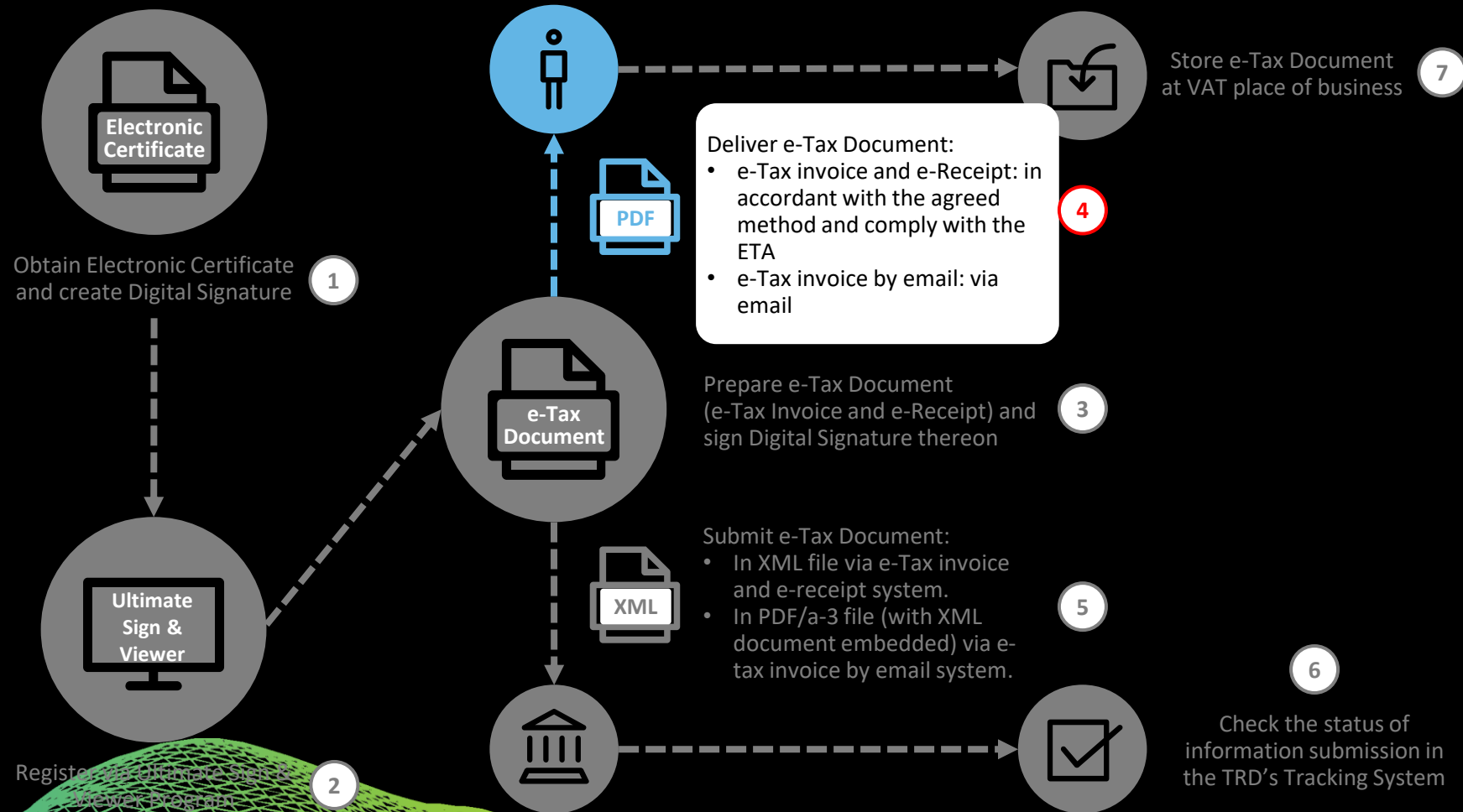
In case the customers wish to receive e-Tax Document in paper format, the e-Tax Document issuer is required to print out e-Tax Document which contains the clause specifying that ***“This document is electronically prepared, and the information thereon is electronically submitted to the Thai Revenue Department”*** and deliver it to the customers.

Do the approved operators need to prepare e-Tax Document for all transactions?

There is no requirement that the operators granted an approval to adopt e-Tax Invoice & e-Receipt must prepare all tax invoices, abbreviated tax invoices, debit notes, credit notes and receipts in electronic format for every sale of goods or provision of services. It is acceptable to prepare e-Tax Document for certain transactions.

Delivery of e-Tax Document to customers

Delivery of e-Tax Document to customers



Delivery of e-Tax Document to customers

How to deliver e-Tax Document to customers

How can the e-Tax Document be delivered to customers?

The e-Tax Document issuer is required to deliver e-Tax Document to customers as agreed, or a hardcopy depending on customers' requests.

What if customers do not wish to receive e-Tax Document via the electronic means?

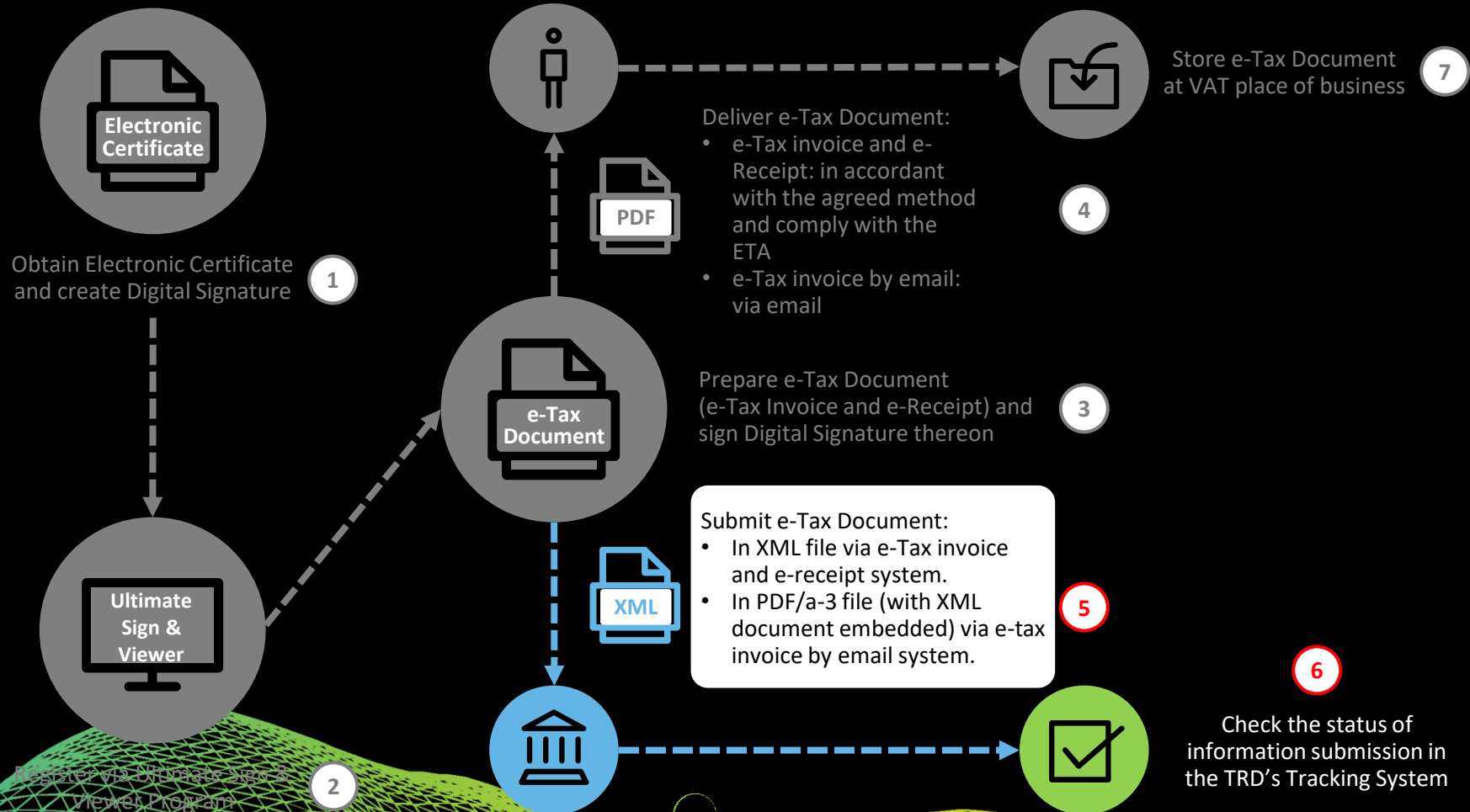
In case the e-Tax Document issuer has prepared e-Tax Document and successfully delivered the e-Tax Document to customers via an electronic means; however, the customers do not wish to receive e-Tax Document via the electronic means, the e-Tax Document issuer is required to print out the e-Tax Document with the clause ***“This document is electronically prepared and the information thereon is electronically submitted to the Thai Revenue Department”*** appeared thereon and deliver the printed e-Tax Document to the customers. The said clause may be electronically prepared, rubber-stamped, written in ink, typewritten or made visible by any other means of a similar nature.

What are the electronic means allowed to be used for delivery of e-Tax Document to customers?

Any electronic means are allowed to be used for delivery of e-Tax Document to customers, provided that the delivery procedures comply with the procedures prescribed under ETDA RECOMMENDATION ON ICT STANDARD FOR ELECTRONIC TRANSACTION.

Submission of information to the TRD

Submission of information to the TRD



Submission of information to the TRD

Information required to be submitted to the TRD

What are the information required to be submitted to the TRD?

The information of the following documents are required to be prepared in the specified electronic format and submitted to the TRD:

| | |
|---|---|
| Electronic tax invoice under Section 86/4 of the TRC | Electronic VAT credit note under Section 86/10 of the TRC |
| Electronic VAT debit note under Section 86/9 of the TRC | Electronic receipt under Section 105 bis of the TRC |

Is there any specific format of information required to be submitted to the TRD?

The required information must be prepared in XML format in accordance with ETDA's guideline (i.e., Khor Mor Thor Or. 3-2560) with Digital Signature signed thereon.

To ensure the validity of the XML file and Digital Signature, it is recommended that the e-Tax Document issuer validate the XML file by using XML Validate Tool (e.g., XMLSpy, Oxygen) or via the TRD's e-tax website ([click here](#)) or via ETDA's website ([click here](#)) before submitting the information to the TRD.

What is the due date for submission of the required information to the TRD?

The e-Tax Document issuer can submit the required information to the TRD immediately after delivering e-Tax Document to customers, at the end of the day, on a weekly basis or at any frequency depending on the convenience of the e-Tax Document issuer.

However, the information must be submitted to the TRD within 15th day of the month following the month in which the e-Tax Document is prepared and delivered to customers.

Based on our discussion with the tax authority responsible for e-Tax Invoice & e-Receipt matter, the first information submission should be done within 3 months after granted the approval to adopt e-Tax Invoice & e-Receipt.

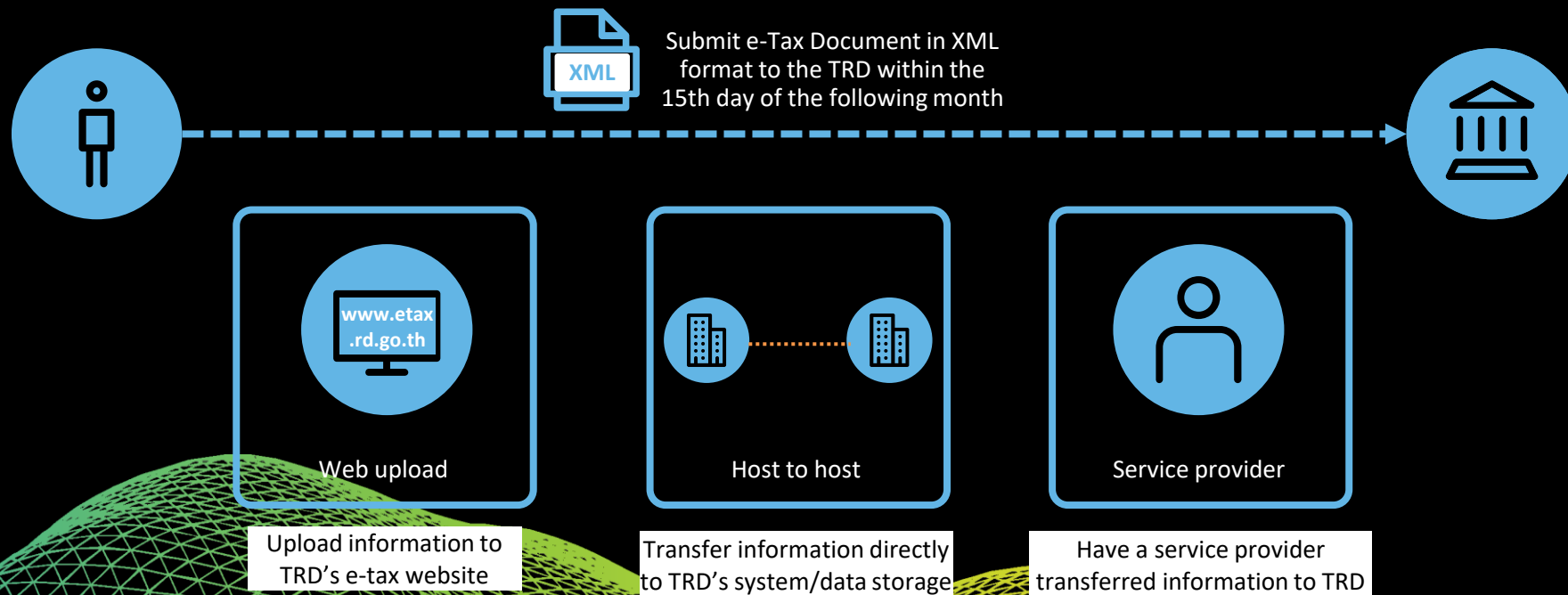
Submission of information to the TRD

Means of information submission

What are the means available for submitting the required information to the TRD?

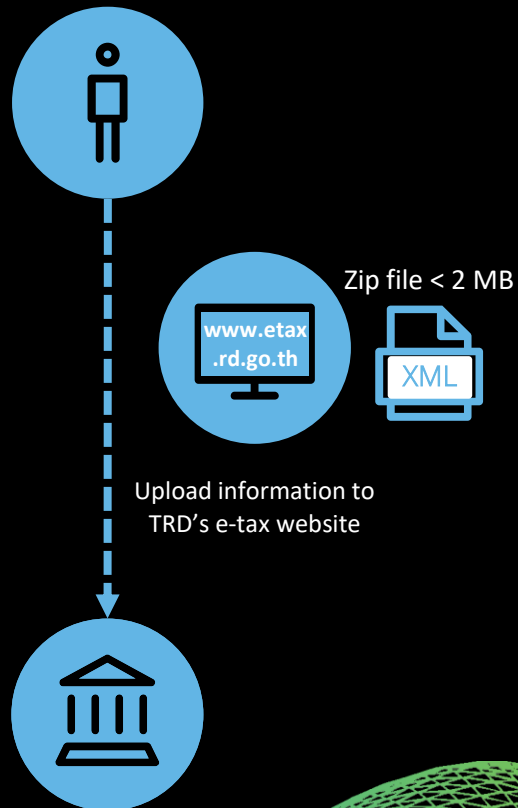
The e-Tax Document issuer can submit the required information to the TRD through 3 channels, which are: -

- Web upload
- Host to host
- Service provider



Submission of information to the TRD

Means of information submission: Web upload



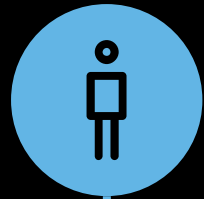
How to submit the required information to the TRD via web upload?

The procedures for uploading the required information to the TRD's e-tax website are as follows:

1. Prepare the information file by adding them into a zip file (.zip);
 - Each zip file must contain only one type of document (e.g., information of tax invoice and that of debit note cannot be in the same zip file).
 - The size of each zip file must not exceed 2 MB.
 - Only one zip file can be uploaded at a time.
2. Log into user account in the TRD's e-tax website and click 'Upload XML';
3. Choose the type of documents to be submitted and browse for the file;
4. Upload the file and let the system proceeds with XML validation (XML Schema and Schematron); and
5. Check the status of information submission from Tracking System in the TRD's e-tax website.

Submission of information to the TRD

Means of information submission: Host to host



XML file (no file size limit)



Transfer information directly to TRD's system/data storage



About host to host

Host to host is the means for transfer of information where the e-Tax Document issuer connects his information transfer system directly with that of the TRD.

This means of information transfer is designed for the large operators who have huge volume of information and are ready to develop the information transfer system in accordance with ebXML (Electronic Business Extensible Markup Language) standard under Khor Mor Thor Or. 14-2560 ([click here](#) – only available in Thai).

In order to use this means for transfer of the required information to the TRD, the operators must be granted an approval from the TRD and have the information transfer system tested with the TRD first.

The qualified large operator must issue at least 500,000 e-Tax Documents (excluding e-Tax Invoice being abbreviated tax invoices) per month. In case of the operators newly adopting e-Tax Invoice & e-Receipt (no history of e-Tax Document information submission to the TRD), the operators need to present their plan (e.g., business plan, projected number of e-Tax Document to be issued per month) for the TRD's consideration.

Submission of information to the TRD

Means of information submission: Host to host (cont.)

Host to host application

1st step: Submit a request

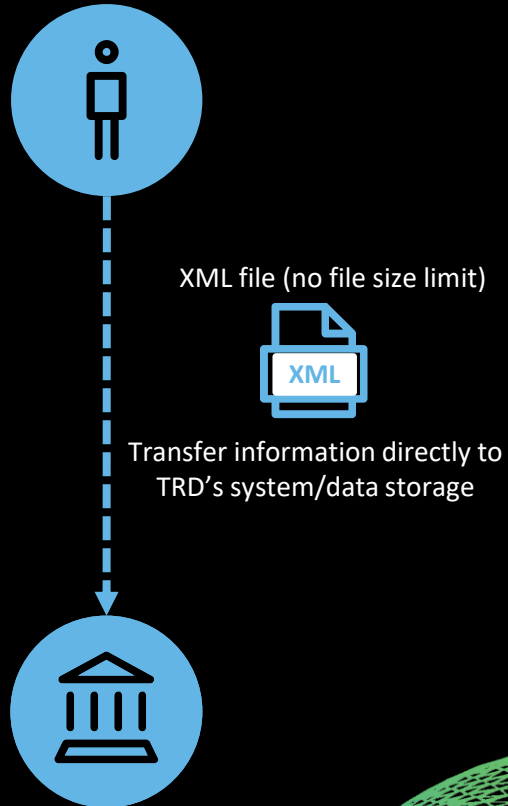
- i. Submit a request to transfer required information via host-to-host system.
- ii. The TRD considers and grants an approval.
- iii. The operator prepares SSL certificate and data to indicate the CPA.
- iv. CPA will be generated, and the TRD will inform the password for testing via email.

2nd step: Data transfer test

- i. Download the testing CPA.
- ii. Setting the CPA with the operator's system that connected to the TRD's system.
- iii. Generating the XML file of tax invoice and receipt to be used for the testing.
- iv. Transferring the testing data.
- v. The XML file will be validated by the system, and the transferring result will be informed via email.

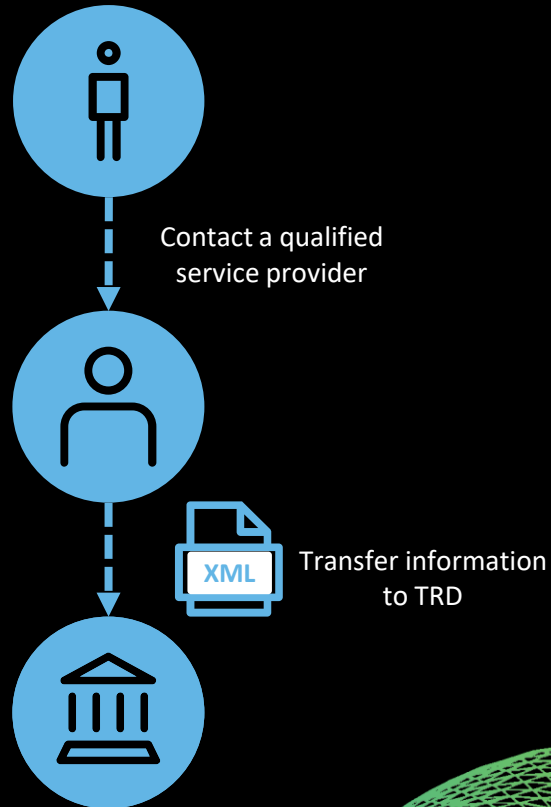
3rd step: Download CPA for actual use (if passing the test)

- i. Download CPA for actual use and set on the operator's system.
- ii. Transfer required information to the TRD.



Submission of information to the TRD

Means of information submission: Service provider



About service provider

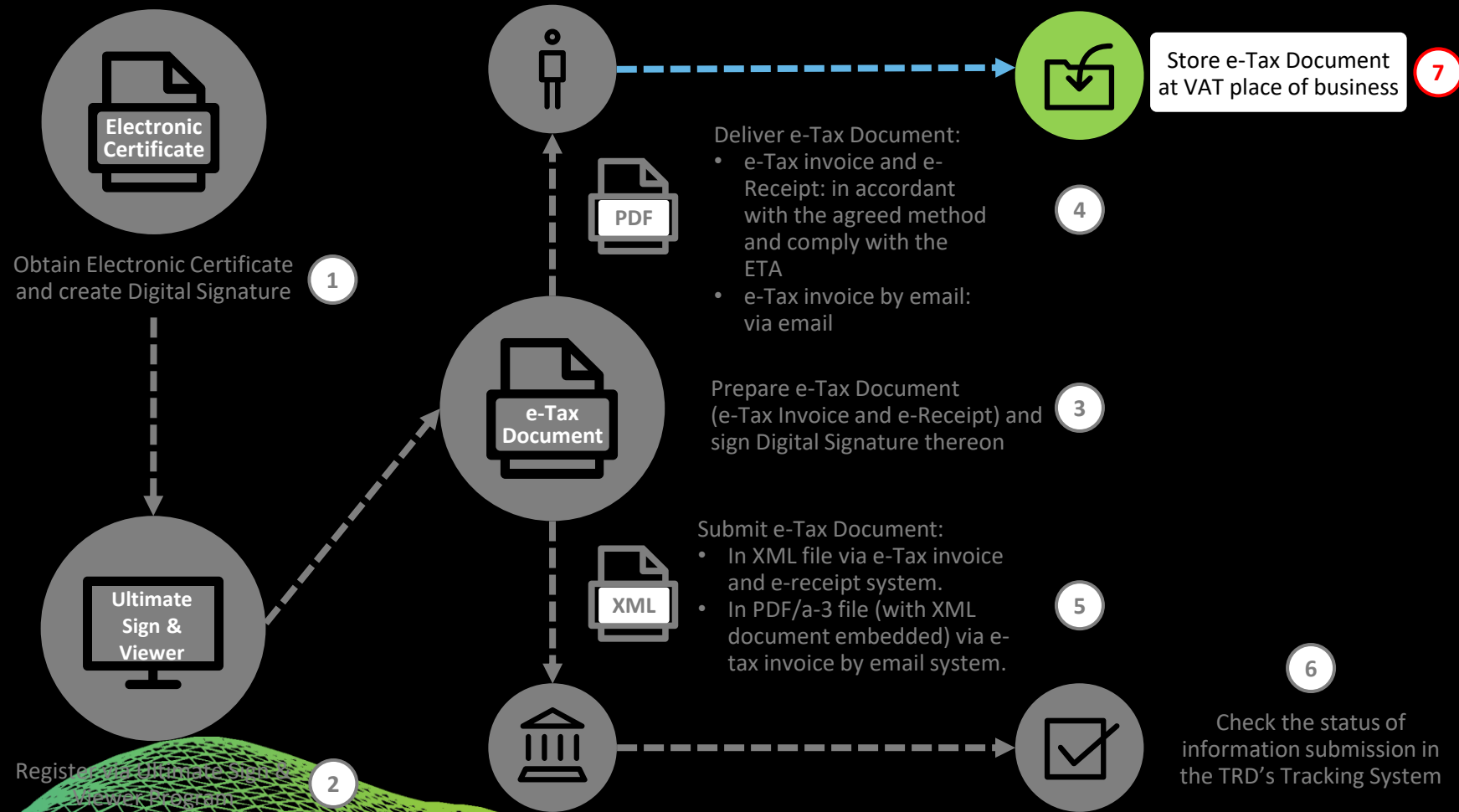
Service provider is an intermediate between the e-Tax Document issuer and the TRD. Subject to the conditions to be prescribed by the Director-General of the TRD, the e-Tax Document issuer may appoint a service provider to prepare, deliver and store e-Tax Document on his behalf.

The qualified service providers will be allowed to transfer the information of e-Tax Document on behalf of the e-Tax Document issuer directly to the TRD via the information transfer system which is connected to the TRD's system.

The qualified service providers must have a support system to provide advice and assistance to the e-Tax Document issuers in accordance with conditions and qualifications prescribed by the TRD.

Storage of e-Tax Document

Storage of e-Tax Document



Storage of e-Tax Document

Rules for storage of e-Tax Document



Store e-Tax Document
at VAT place of business

Who are required to store e-Tax Document in electronic format?

- The e-Tax Document issuer; and
- The VAT registrant being the purchaser of goods or the recipient of services who receives e-Tax Document.

What e-Tax Document is required to be stored in electronic format?

- e-Tax Document prepared and delivered to customers (e.g., PDF format);
- e-Tax Document submitted to the TRD (e.g., XML format); and
- e-Tax Document received from the sellers or service providers being e-Tax Document issuer (e.g., PDF format).

How to store e-Tax Document

e-Tax Document must be stored in accordance with the following conditions:

- It is stored in the way that it can be accessed and reused without any changes of the information thereon;
- It is stored in the same format as when it was prepared, delivered and received or in the format that can accurately present the information prepared, delivered and received; and
- The information indicating the source, origin and destination of e-Tax Document as well as the date and time of delivery and receipt of e-Tax Document (if any) must be stored.

The storage of e-Tax Document must be in accordance with Section 87/3 of the TRC (i.e., store at VAT registrant's place of business for the period of at least 5 years) and the Accounting Act B.E. 2543.

Conclusion

e-Invoicing is now trending across the region due to the efficiency of the tax collection from creating the taxpayers' database. By using the database, the Revenue Department can retrieve the needed data for tax analysis which helps enhance government's tax policies including tax transparency.

There is a high possibility that Thailand will change the practice of e-Tax invoicing from **voluntary basis to mandatory basis**. Therefore, businesses may need to start preparing for the upcoming change.

Considering the time necessary to change your systems and negotiate with customers and suppliers, the identification of key issues should start as soon as possible to secure a sufficient time to resolve any potential issues and make any necessary preparation

APAC trends

Current indirect tax trends

What elements make up the digitalisation of indirect tax?

E-invoicing

Refers to the process of issuing and receiving invoices in an electronic format. E-invoicing can be implemented via the **clearance method** or the **post-audit method**.

E-filing

Refers to the extinction of paper filing and requirement to submit indirect tax returns electronically, usually **via a portal** managed by the tax authorities.

E-reporting

Refers to the electronic exchange of tax relevant data with the tax authorities on an **aggregate** or **transaction level** which can be required on a **periodical** or **upon request** basis (including SAF-T).

E-reporting can take any form or periodicity (i.e., real-time, near real-time, monthly, annually).

E-storage

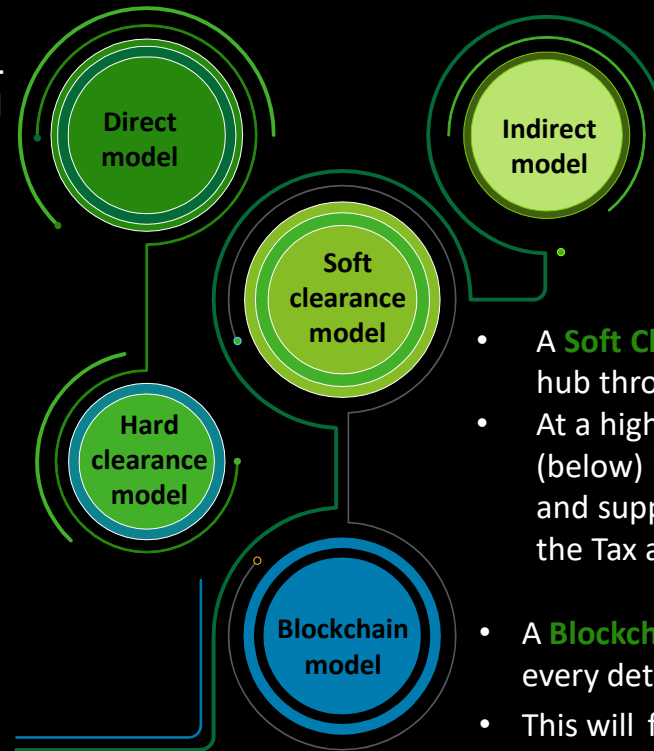
Refers to the electronic storage of tax relevant data based on the record retention guidelines set forth in local regulations.



E-invoicing and potential models

Overview of models

- A **Direct Model** allows business to customer connection. It is a P2P (peer to peer) process where the supplier and buyer directly share e-documents with each other's systems, typically sending /receiving EDI or XML file structures
- Tax authorities are required to design and introduce a standard (such as open PEPPOL). An example is Estonia
- A **Hard Clearance Model** is where a central entity (often a government agency) acts as the hub by which all transactions flow between Access Points
- This model is often used in government sponsored initiatives where central government wants to track tax commitments
- Latin America, Asian and some European countries implemented the Hard Clearance Model. An example is the Philippines and Indonesia







- An **Indirect Model** allows buyers and suppliers to be linked to one provider
- The supplier/buyer use the same third-party service provider to exchange e-documents between them
- It is best practice that Tax authorities design and introduce a standard (such as open PEPPOL) which is to be adopted by the access points. An example is Singapore
- A **Soft Clearance Model** is where the Tax authorities still act as a hub through which all transactions between supplier and buyer flow
- At a high-level the main difference to a 'Hard' Clearance Model (below) is, that validation of the invoices takes place at a later stage and supplier and buyer are able to trade without pre-interference of the Tax authorities. An example is Costa Rica
- A **Blockchain Model** is based on blockchain technology which stores every detail of every transaction at every level
- This will facilitate increased fraud control, and it will also offer transparency into issues of legality
- To date this technology has not been fully deployed for a national scale E-Invoicing solution
- **Thailand** is exploring Blockchain to improve revenue collection of VAT

E-invoicing localisations - APAC

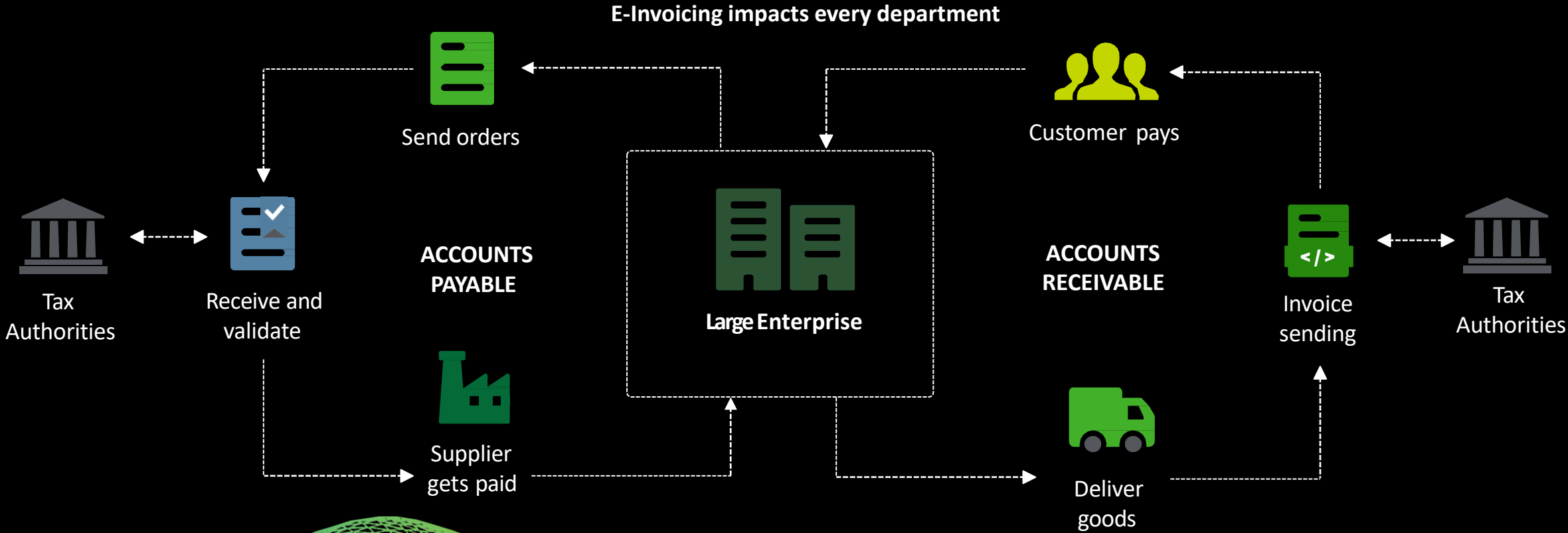
| Country | Peppol Interface | Government Based Clearance (other formats) | | Real Time Invoice Reporting (RTIR) | Digital Signature |
|-------------|---|---|-----|---|----------------------|
| Australia | B2G (mandatory), B2B (voluntary but becoming mandatory July 2023) | N/A | | N/A | ✗ |
| Indonesia | N/A | B2G & B2B (mandatory) | AND | B2C (mandatory) | ✓ |
| Japan | Planned (voluntary Oct. 2022, mandatory 2023) | N/A | | N/A | ✗ |
| Singapore | B2G (mandatory), B2B (voluntary) | N/A | | N/A | ✗ |
| South Korea | N/A | B2G, B2B (mandatory), B2C (conditional) | OR | B2G, B2B (mandatory), B2C (conditional) | ✓ |
| New Zealand | B2G (mandatory), B2B (voluntary) | N/A | | N/A | ✗ |
| Philippines | N/A | B2B, B2G (Top 100 taxpayers July 2022, all other businesses planned 2023) | OR | B2B, B2G (Top 100 taxpayers July 2022, all other businesses planned 2023) | ✓ |
| Taiwan | N/A | N/A | | B2G, B2B & B2C (mandatory) | ✓ |
| Thailand | N/A | B2G, B2B (voluntary) | | N/A | ✓ |
| Vietnam | N/A | B2G, B2B (mandatory July 2022) | | N/A | ✓ |
| China | N/A | B2G, B2B (mandatory for all new taxpayers in China as of 1 Jan 2021, remaining companies voluntary) | | N/A | ✓ |
| India | N/A | B2G, B2B (mandatory for invoice value over 100 Rs Crore) | | N/A | ✓ |
| Malaysia | | Announced but no detailed plan yet | | | |

Business drivers for e-invoicing

Global strategy approach

| | Local approach | Global approach |
|---|--|---|
|  IT Integration efforts | Individual per country <ul style="list-style-type: none">• Ad hoc country by country implementation | Centralized <ul style="list-style-type: none">• Global Steering Committee |
|  Project management | <ul style="list-style-type: none">• Multiple service providers or individual developments | <ul style="list-style-type: none">• Global data canonicalization |
|  Roll out | <ul style="list-style-type: none">• Learning curve and change management per country | <ul style="list-style-type: none">• Delegation of country specific complexity• Single connection |
|  Ongoing changes/new requirements/internal changes | <ul style="list-style-type: none">• Security complexity increased due to multi-channels | <ul style="list-style-type: none">• Security complexity centralized |

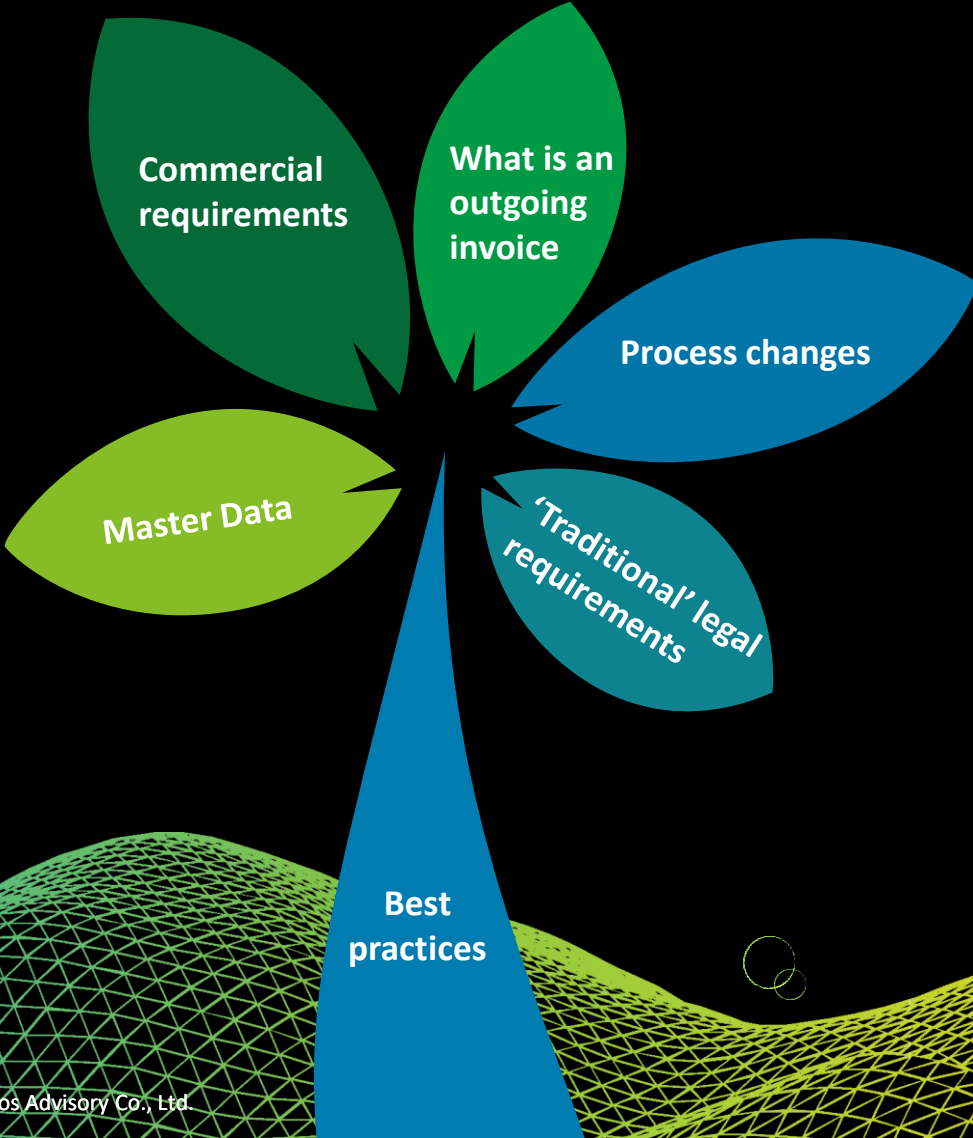
360° Vision global e-invoicing initiatives



Initiatives and Challenges

Practical implications—e-invoicing

Lessons learnt



Master Data
Master Data best practices and fields delivered as part of the ERP framework

Commercial requirements
Formats lack option for commercial information

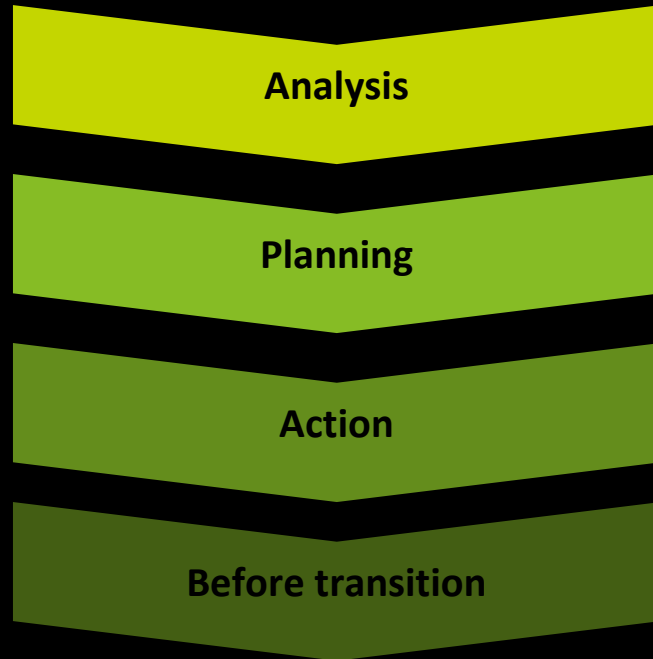
What is an outgoing invoice for e-invoicing
Billing invoice, rebate settlement, self billing, sales invoice are technically different

Process changes
For some requirements, it is mandatory to adapt underlying 'template' process

Tax determination/tax code
VAT/GST determination or tax code must be correct in the source system

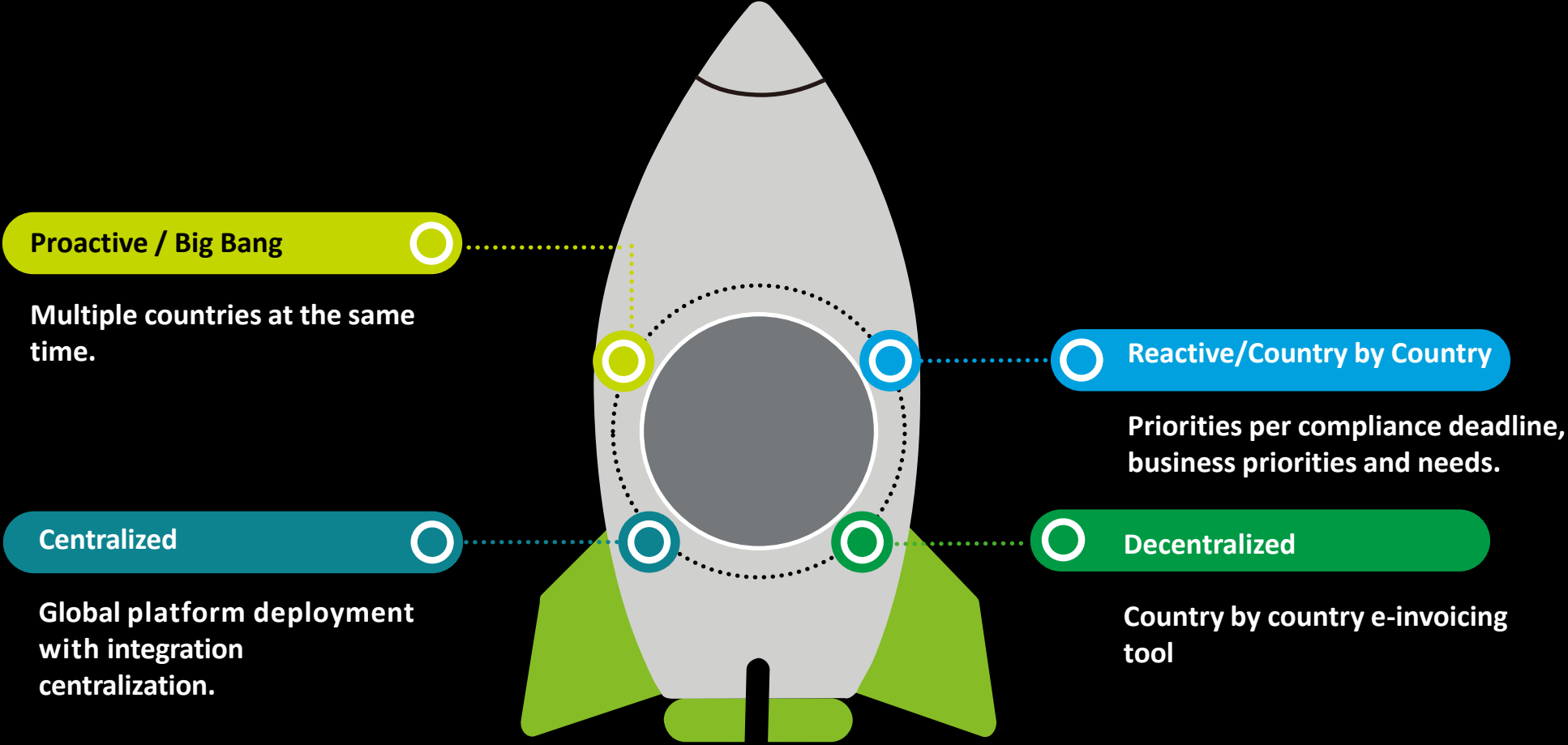
Preparation and action plan

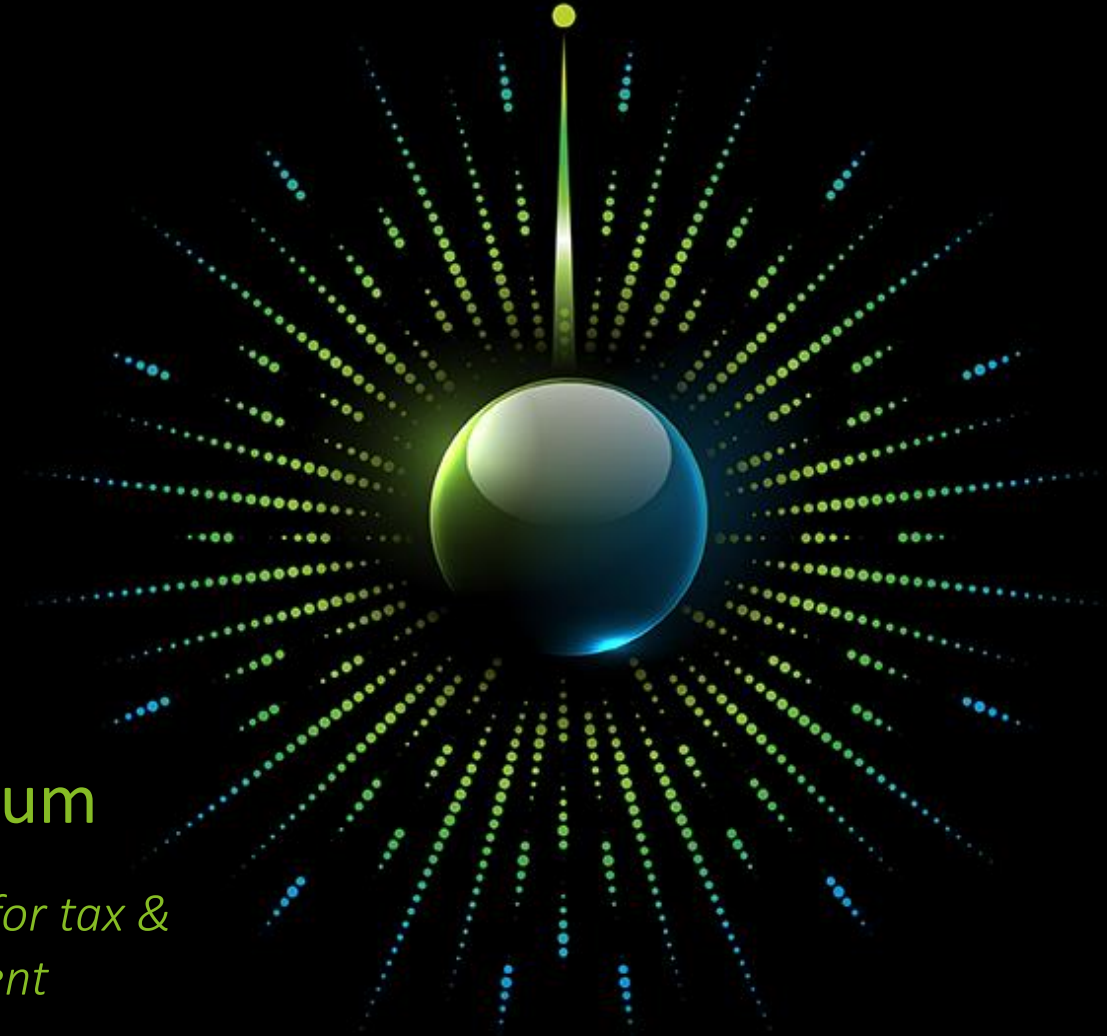
You may think that you still have time to go before the start of e-invoicing but considering the time necessary to change your systems and negotiate with customers and suppliers, the identification of key issues should start now to secure a sufficient time to resolve any issue and make any necessary preparation



- Identify & prioritise issues based on current state analysis
- Define the TO-BE state and prepare a roadmap
- Analyse key issues in detail to determine what to be tackled
- Prepare for system & processes improvements in transactional systems (ERP)
- Communicate with relevant stakeholders including customers/supplier
- Implement functional e-Invoicing system
- Prepare to transition to new operational process
- Ensure all registered permits approved and received from Tax Authority and in place
- Make a final check of operational process for rollout

Implementation strategy





Tax & Legal Symposium

Navigating the new normal for tax & legal compliance management

Recent trends in customs audit, important trade updates & interesting case sharing

17 January 2023

Recent trends in customs audit, important trade updates & interesting case sharing



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Recent Customs Audit Trends

Recent Customs Audit Trends

Overview of issues challenged by Customs



Recent Customs Audit Trends

Customs Valuation

Royalty/ License fee

- During an audit, Thai Customs normally looks at overseas payments to related companies especially on **royalty or license fee payments**.
 - This includes payments for **patents, know-how, trademarks, distribution rights** to related companies.
 - Thai Customs usually takes a position that the values of these payments **have not yet been included** in the imported prices unless provided with supporting documents.
-

Assist

- An assist transaction is a form of production support provided directly or indirectly by the buyer of the product to the seller, mostly for free or at reduced priced including **tools, dies, molds, drawing or engineering design**.
- Thai Customs usually assumes that the value related to the assist has not yet been included to the transaction value of the imported goods unless there is an evidence to support otherwise.

Recent Customs Audit Trends

Customs Valuation

TP adjustment*

- When companies **make retroactive price adjustments** at the year end (i.e., via credit or debit notes), it is important to review implications for past shipments.
- If the **retroactive price increases** for past shipments result in a duty shortfall, companies should consider to perform a self-disclosure with the Customs Department to ensure all duty and related taxes are paid accurately.
- When the Thai Customs audits payment vouchers and finds debit or credit notes, it is likely that the Department will verify if there had been any price adjustments for past shipments and whether proper customs duty and taxes had been paid for the shipments.

Recent Customs Audit Trends

Tariff Classification – Common issues



- Declare tariff code under **HS2017 (AHTN2017)** version instead of HS2022 (AHTN2022)
- Risk of incorrect declaration and duty evasion

Utilize outdated version of HS code

Common issues

Difference in opinion/ interpretation on tariff classification



- General Rules for the Interpretation of the Harmonized System (GRI), HS and AHTN Explanatory Notes (EN), and applicable rulings must be used when determining tariff classification
- **Customs and importer** or **Customs at the port and Customs HQ (Customs Audit officer or Tariff Classification officer)** may interpret GRI and EN differently
- Risk for importer to expose to incorrect declaration and duty evasion

Recent Customs Audit Trends

Tariff Classification – Best Practices



Best practices to mitigate risks

- Internal review on current implemented tariff codes
- Assess on risks based on import volume and applicable duty rates
- Consider requesting for advance tariff classification ruling. The company may start with main imported goods first.



Recent Customs Audit Trends

Import Licensing



Cause of non-compliance: NSW Limitation

- Many importers mainly check on import license requirement based on HS code (NSW linkage between Customs and license issuance authorities)
- Some products are not linked under NSW yet



What we have seen in practice:

- Based on Customs Tariff Database and the Permission Goods List published by Customs, the product was classified under HS code which was subject to an import license from one of the license issuing authority (authority A)
- The importer fulfilled the import license requirement from authority A and was able to import the goods into Thailand without being questioned by Customs
- After importation, Customs reviewed the import transactions including considering the product specification in detail and found that this product should also be under controlled by another authority (authority B) and import permit from authority B would also be required upon importation
- The importer was subject to the offence under section 244 of Customs Act (i.e., import without proper permit)



What should you be aware of:

- The HS codes in the Customs NSW and Permissions Goods List are typically referred to by Customs as a preliminary “red flag” for Customs and importer to verify the goods
- Assessment on import license requirement based on laws, act, or regulations issued by the controlling authorities is still required to be considered by the importer



FTA Updates

FTA Updates

Regional Comprehensive Economic Partnership (RCEP) and ASEAN-Japan Comprehensive Economic Partnership (AJCEP)

RCEP:

- From 1 Jan 2023, the Product Specific Rules (PSRs) will use the HS 2022 Edition.
 - For products under chapter 25-97, if the 2022 edition tariff codes are the same as the previous ones (2012 edition), exporters can still use the same cost statement verification results until they expire.
- Indonesia has been added to a party to the RCEP from 2 Jan 2023 onwards.
- New RCEP Form with the new overleaf note will follow the new PSRs 2022 edition and will be implemented from 1 January 2024 onwards.



AJCEP:

- From 1 Mar 2023, AJCEP will adopt the HS 2017 Edition to replace the currently used HS 2002 edition.



FTA Updates: Anti-circumvention investigations

Are your exports Thai or Chinese?



FTA Updates: Anti-circumvention investigations

Are your exports Thai or Chinese?



What to do
when facing
investigation
on origin of
goods

- Prepare for surprise audit/investigation on origin of goods
- Companies may start with the following:
 - Conduct an internal review whether the products **meet non-preferential rules of origin** requirement
 - Ensure that the Certificates of Origin and supporting customs documents are consistent and meet all the formalities
 - Monitor and record supporting documents / evidence (e.g., list of materials and suppliers, invoices, import declarations, flowchart of production process, etc.) as evidence that the products meet the origin rules, if requested.

Sustainability initiatives

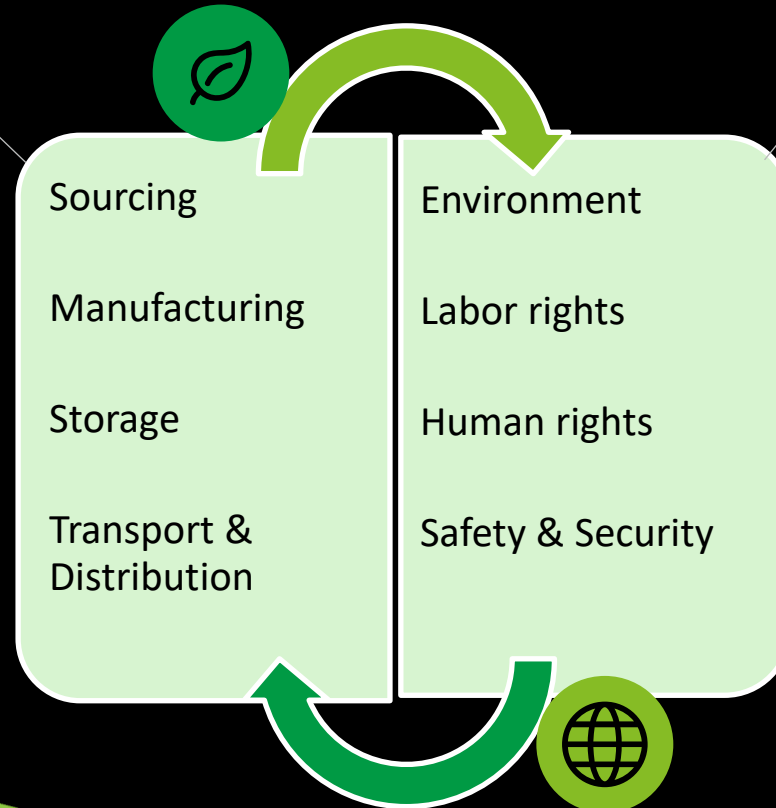
Impact on the Thai supply chain

Sustainability initiatives

Impact on the Thai supply chain

Supply chain management

SCM refers to a system to manage the supply of goods/services to consumers

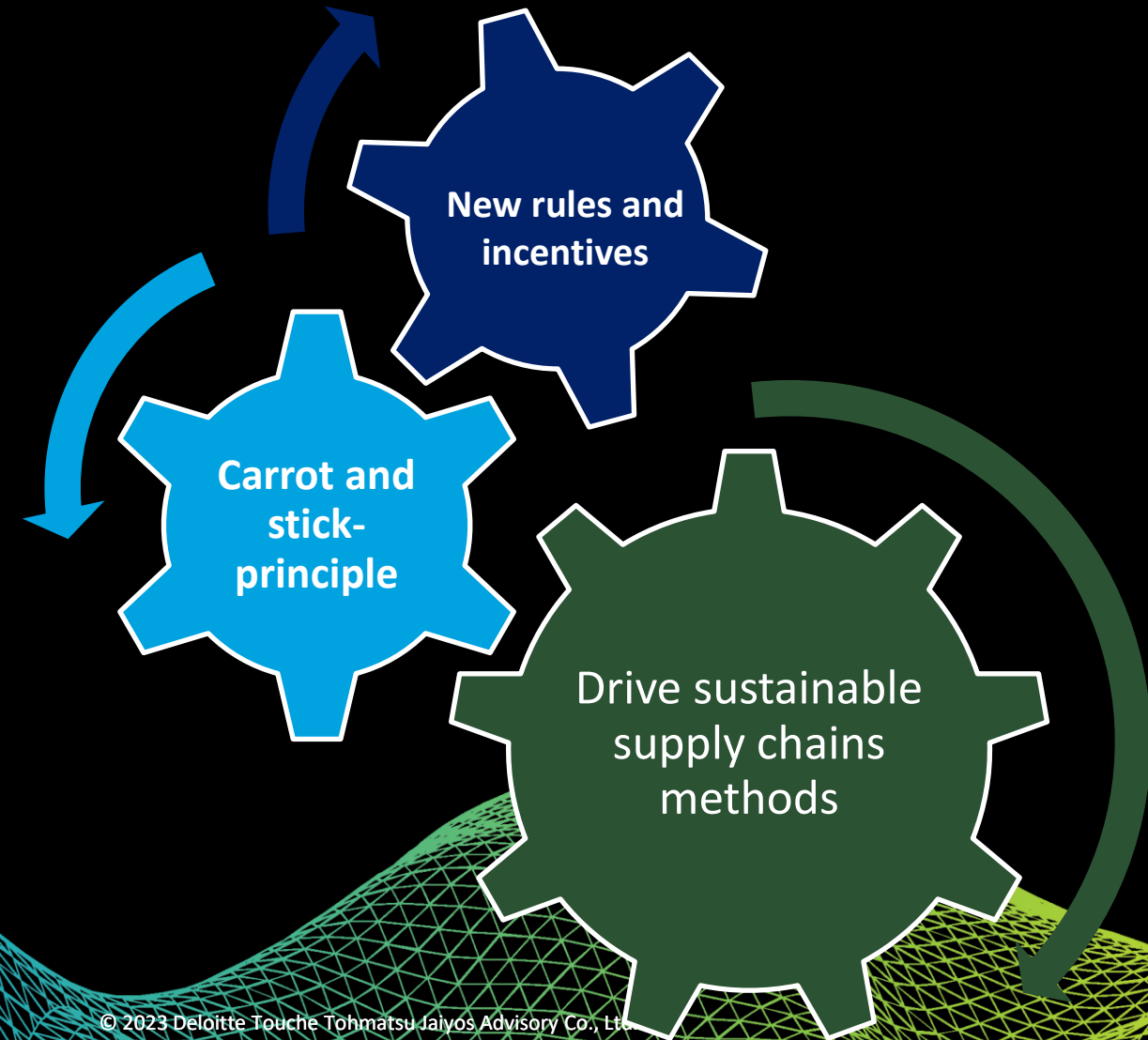


Sustainability

Sustainability in a broad sense refers to the long-term preservation and development of the environment, communities, human rights, quality of life and peace

Sustainability initiatives

Impact on the Thai supply chain



| | |
|---|---|
| BCG Policy | <ul style="list-style-type: none">• Promotion and development of bio, circular and green economy models• EEC capacity development• BOI tax and non-tax incentives for sustainable industries and solutions |
| CBAM | <ul style="list-style-type: none">• Measures to counter off-shoring due to EU Emission Trading System• Reporting of emissions embedded in imported goods and purchase of carbon certificates for entry to EU |
| Corporate sustainability due diligence | <ul style="list-style-type: none">• Obligation for EU based companies to implement due diligence measures to identify, report and mitigate adverse impacts on human rights and environment in the supply chain• Scope includes upstream sourcing activities in export countries• Non-compliance results in monetary sanctions |
| Deforestation free products | <ul style="list-style-type: none">• General ban (including for imports) on the sale of products associated with deforestation in the EU• Cattle, cocoa, coffee, palm oil, soy and wood, more to come• Reporting requirements for importers on sourcing/suppliers |



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