



Customs and Trade Alert

Duty privilege updates for EV manufacturers or EV part importers in Thailand

Introduction

In response to the growth of the electronic vehicle (EV) industry, there have been a series of incentives to promote the EV production in the country by various authorities including the Customs Department, Excise Department and the BOI. In continuation of the trend, the Ministry of Finance has recently announced the Ministry of Finance Notification (MFN) on duty exemption for battery electric vehicle (BEV) parts or battery powered electric ships.

What to know?

Based on this Notification, from 26 May 2023 until 31 December 2025, the following parts/components are eligible for the duty exemption if they are imported for assembling or used in the manufacture of new electronic vehicles and battery powered electric ships.

1. Battery
2. Traction motor
3. Compressor for EV
4. Battery Management System (BMS)
5. Driving control system
6. On-board charger
7. DC/DC converter
8. Inverter including PCU inverter
9. Reduction gear

The import of the parts/components by themselves or an assembled unit of more than two of the parts/components together are eligible for the duty exemption. However, in case these parts/components are imported as an attachment to other goods that are not in this list, they will not be eligible for the duty exemption. In addition, this exemption does not cover imports of the listed parts/components used to modify EVs or ships.

To obtain this duty exemption, the importer must have the certificate from the Thailand Automotive Institute (TAI) to prove that the parts/components are imported for assembling or used in the manufacturing of electronic vehicles and battery powered electric ships.

Before the import of the parts and components, the importer has to request the Customs Department for an approval of the duty exemption.

One year after the import, such parts/components must be assembled or used in the manufacture of electronic vehicles and battery powered electric ships. Otherwise, the importer will be required to export them or pay for the import duty based on the conditions, values and duty rates on the imported date of the goods.

What can you do?

EV manufacturing companies are encouraged to check whether they import the listed parts and components and review whether they meet the criteria and conditions of this duty exemption scheme to assess the potential duty saving benefits.

For more information or support, do not hesitate to reach out to our Deloitte Customs & Trade professionals.

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