



Customs Alert

March 2017

2017 Customs Special Voluntary Disclosure Program (“VDP”)

A great opportunity for importers to address any potential Thai customs exposures has been extended. Announced in late February 2017, Thailand’s Customs Department has extended the period for the Special Voluntary Disclosure Program (“VDP”), a program which allows importers to voluntarily disclose unintentional under-declared customs duty and other border taxes.

Under the special VDP, importers can avoid penalties that would otherwise have been imposed during a customs audit. It is also easier to settle issues comparing to normal voluntary disclosure, provided that the Customs Audit Bureau will facilitate the collection of any underpaid taxes - avoiding the need for importers to settle with individual customs ports. The special VDP therefore provides an opportunity for importers to manage their customs exposures in a cost and time efficient manner.

However, importers will not be eligible to apply for the special VDP under the following conditions:

- If the case is currently under investigation by the Customs Department and/or the Department of Special Investigation (“DSI”);
- For certain customs offences (i.e. smuggling, importing of prohibited or restricted good without proper license, or those concerning the infringement of intellectual property rights).

Open since January 2016 and originally expected to close at the end of December 2016, the special VDP is now extended until 31 December 2017.

What this means for you

The key benefits for importers accepted into this program are:

- The importer would only be required to pay additional customs duty, import VAT and VAT monthly surcharge of 1.5%.
- Monthly duty surcharge of 1% would not be imposed.
- Import duty penalty and VAT penalty can be waived.

Recommended next steps

Importers who wish to take advantage of the VDP should first perform an internal review of the import/export activities, identify potential issues and; if issues are identified, apply to join the VDP program before the closing date.

How can we support

Deloitte’s Southeast Asia Customs & Global Trade Services team has dedicated specialists who are able to support you and your company in the following areas:

- Assessment of existing processes and procedures to identify any potential duty (and other border tax) exposures.
- Advise on corrective actions that could be taken should any underpayments be discovered.
- Support in preparing the VDP submission to Thailand’s Customs Department.

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