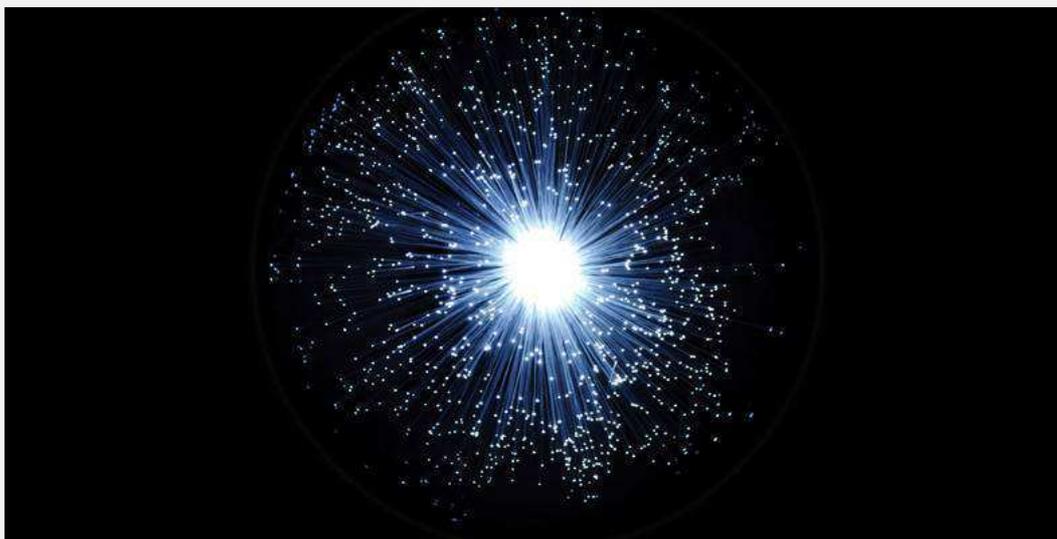


From: Autchakit, Rida (TH - Bangkok)
Sent: Friday, January 11, 2019 09:58 AM
Subject: Customs Alert Thailand Export Control update

Deloitte.

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Deloitte Customs Alert

Thai export control update and introduction of new export control tool

Introduction

Deloitte Thailand Customs & Global Trade Advisory team wishes everyone a happy new year!

A few weeks ago, the Ministry of Commerce announced that the new Thai Export Controls Act (the Trade Controls on Weapons of Mass Destruction or TCWMD Act) will not enter into force this year and will instead be postponed until 1 January 2020.

What to do?

Despite the delay, we advise Thai companies to remain committed to securing their export flows and make sure they are prepared for future compliance obligations. Export control regulations are a globally occurring phenomenon, which is gradually coming to all of Southeast Asia. Thailand will be no exception to these developments.

In order to have a secure export organization, exporters need to know:

- what products they are moving (both HS code and technical characteristics, different potential end uses);
- who are their foreign customers;
- what are the countries of destination.

Knowledge of your product will make it easier to determine what it can be (mis)used for and to know if in the future your products will likely be controlled or any license requirements may apply.

Screening of business partners may prevent you from dealing with sanctioned entities and persons, which often results in heavy penalties such as fines, export restrictions and other commercially harmful measures imposed by governments.

Some countries are embargoed or are considered more risky destinations, which can result in more stringent control requirements on your exports.

Adequate controls of the above elements require a robust internal organization with quality master data, appointed control functions and effective due diligence policies that are enacted by design. On top of that, responsible employees need to be properly trained and a recordkeeping process must be kept in place.

How can Deloitte help?

Deloitte has developed a new tool, ITC Pulse, which allows companies to independently perform export control risk assessments of their organization. The tool can be applied on one or more subsidiaries within the same company, and is typically managed centrally by a few people.

ITC Pulse contains pre-populated "smart" questions about a company's export organization and controls. The questions are sent to the responsible people of one or more locations in the same organization. The tool has a very broad and in-depth standard set of questions, but on demand of the client, Deloitte can tailor the questions to any specific needs.

After respondents answer the questions, the answers are automatically collected and screened by the tool. ITC Pulse generates automated risk ratings and suggests corrective measures based on the respondents' answers where necessary.

Reporting of the diagnosis runs immediately to the pre-selected parties who receive access to a dashboard. The dashboard offers an overview of the results in the form of different graphics, but also provides more detailed insights.

The advantage of ITC Pulse is that it offers companies an easy and cost-efficient way to assess the strength of their export organization and practical measures to improve it where necessary.

- Export compliance personnel do not have to dedicate time to designing and issuing a risk assessment;
- Corrective actions can be tracked and managed centrally through the tool;
- The questionnaire and corrective actions can be delegated to multiple parties within an organization while maintaining version control;
- Dashboard graphics can be used for leadership reporting.

We recommend this tool to any exporting companies in Thailand that wish to assess their export organization and test their readiness for future compliance obligations under the TCWMD Act.

Contact

If you are interested in Deloitte's ITC Pulse tool, you can contact one of our Customs & Global Trade Consultants for more information. We are happy to present a free demo of the tool. We can also keep you updated about the latest in related laws and regulations on the export/import process.

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