

Legal Update Week 37 - 38
(12 – 25 September 2022)

Thailand Legal News

Excise Department plans to collect tax on high carbon-emitting products (11 September 2022)

The Director General of the Excise Department revealed that the department is planning to impose a carbon tax on high carbon-emitting products, such as cement, iron, aluminum, and fertilizer, to adapt to the worldwide changing trend in tax collection. The measure is aimed at the reduction of carbon emission to achieve the goal of achieving carbon-neutrality by 2050 and net-zero emission by 2065.

<https://www.bangkokpost.com/business/2389560/excise-department-says-carbon-tax-in-the-pipeline>

Supreme Court rules against Toyota in 10-billion-baht tax case (15 September 2022)

The Supreme Court upheld the decision of the lower court on the assessment of extra import tax for components (which are not subject to a reduced tariff), worth a total of over THB 10 billion. The court ruled that the imported items in this case should be treated as complete knock-down kits (CKD units), since the imported products can only be assembled as a complete product. Hence, they are subjected to 80% tariff rate, instead of 30% tariff available for regular imported auto parts under the Japan-Thailand Economic Partnership Agreement (JTEPA).

<https://www.nationmultimedia.com/thailand/general/40020117>

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Council of State Office issues official comment on NBTC's authority over True-Dtac Deal (20 September 2022)

The Council of State Office issued the official comment regarding the power of the National Broadcasting and Telecommunications Commission (NBTC) over the True-Dtac deal. In essence, it states that the NBTC has no authority to approve or reject such merger under the current law (issued in 2018). The NBTC only has the authority to prescribe measures to govern the deal to protect the rights of the consumers.

<https://www.bangkokpost.com/business/2396261/nbtc-has-no-authority-to-approve-or-reject-telecom-merger>

Supreme Court rules in favour of Isuzu in 1.8-billion-baht tax case (23 September 2022)

The Supreme Court upheld the lower court's verdict and dismissed the Customs Department's and Revenue Department's claim of over THB 1.8 billion against Isuzu. Under the current ASEAN Industrial Cooperation (AICO) scheme, the court ruled that Isuzu is entitled to an import duty of 5% (instead of 42% without AICO's benefit) for the disputed transmission sets, imported from the Philippines, regardless of what types of car it was used for.

<https://www.nationthailand.com/thailand/general/40020358>

**The case was initiated because Isuzu submitted documents for AICO exemptions which included the information of certain models of cars that these transmissions will be assembled in, but Isuzu used these transmissions in different models. The court ruled that the information on the models of cars in the submitted documents is not of the essence for the application for tariff reductions under AICO.*

Emergency Decree revocation and disbandment of Centre for COVID-19 Situation Administration (CCSA) (23 September 2022)

The CCSA has lifted the Emergency Decree in connection with the COVID-19 outbreak. This decision was made in accordance with the earlier reclassification of COVID-19 as an infectious disease under watch. After the decree is revoked, the CCSA will automatically be disbanded. After that, the duties previously undertaken by the CCSA will be transferred back to various Ministries under the Communicable Disease Act, including the Centers for Disease Control and Prevention (CDC) under the Ministry of Public Health (MOPH). On 29 September 2022, the Royal Gazette published the announcement regarding the revocation, which will become effective from 1 October 2022 onwards.

<https://www.thaipbsworld.com/thailands-emergency-decree-to-end-on-september-30th/>

Government Gazette

Reclassification of COVID-19 from dangerous infectious disease to infectious disease under watch (20 August 2022)

The Ministry of Public Health issued an announcement reclassifying COVID-19 as “infectious disease under watch”, the same class as influenza and swine flu. This move by the Government, as the pandemic has come to its ending stage, is an attempt to restart the economy, especially tourism, as it will no longer require most foreign tourists to quarantine or take a COVID-19 test before entering the country.

http://www.ratchakitcha.soc.go.th/DATA/PDF/2565/E/223/T_0002.PDF

Tariff exemption for child car seats (22 September 2022)

The Ministry of Finance has issued an announcement exempting the customs duties for child car seat importation into the kingdom until **31 December 2022**. After the mentioned period, the customs duties will be 20%. The exemption coincides with the amended Land Transportation Act which stipulates that children under 6 years of age must be seated in an infant/child car seat for safety reasons.

http://www.ratchakitcha.soc.go.th/DATA/PDF/2565/E/225/T_0001.PDF

Cabinet Resolutions

Postponement of sugar tax increase (20 September 2022)

The Cabinet passed a resolution to postpone the implementation of the third-phase tax measure on sugary beverages for another 6 months. This is the second time that the measure was postponed, since its first 1-year postponement in 2021. The halt was made with the aim of helping consumers to combat the rising cost of living as a result of post-pandemic inflation.

<https://tna.mcot.net/english-news-1021503>

Reduction of Social Security Financial Contribution from October to December 2022 (20 September 2022)

The Cabinet passed the resolution for the reduction of the Social Security contribution for both employees and employers from 5% to 3%, while the government contribution will remain at 2.75%. The measure is also applied to the voluntary insurer under section 39 of the Social Security Act, which will reduce their contribution from THB 432 to THB 240. This rate will be available during October – December 2022.



Reduce Social Security Contribution

The Cabinet approved to reduce the Social Security contribute, as a financial aid for the employers and the employees under the Social Security Fund.



During: October - December 2022



	Normal rate		Reduced rate
Employer/ (Section 33)	5%		3%
Employee (Section 33)	5%		3%
Government	2.75%		2.75%
Former Employee (Section 39)	THB 432		THB 240



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