

# Tax & Legal News Flash

KPMG in Thailand



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**Customs Voluntary Disclosure Program extended until 30 April 2020**

## **Customs Voluntary Disclosure Program extended until 30 April 2020**

Last month, the Thai Customs Department announced that the closing date for the Customs Voluntary Disclosure Program ("VDP") has been extended from 15 May 2019 until 30 April 2020.

Under the VDP, eligible business operators can submit a voluntary disclosure to the Thai Customs Department headquarters in order to correct unintentional underpayments of customs duties and taxes.

Business operators will be considered ineligible for the VDP if they have committed certain customs offences (e.g. smuggling, intention to evade customs duty, importation of prohibited or restricted goods), are currently undergoing a customs post-clearance audit, or are being investigated or prosecuted for customs offences by other government authorities.

If a business operator's disclosure under the VDP is accepted, the Thai Customs Department will consider granting an exemption from customs penalties and reducing the monthly customs surcharge rate from 1% of the duty shortfall to 0.25%, 0.50% or 0.75%, where the disclosure is made within one, two or three years respectively after the date of the relevant importation. Business operators, however, will not be exempt from VAT surcharges and penalties under the VDP.

## **KPMG's recommendations**

Prior to joining the VDP, we recommend that business operators conduct a customs health check involving a comprehensive review of their customs declarations, customs procedures and relevant key regulations in order to evaluate their customs compliance. If any customs non-compliance exists, business operators can then assess the potential exposure and manage the risk before they make a voluntary disclosure. Hidden or unmanaged customs issues may trigger a risk of a customs post-clearance audit which could result in significant customs penalties and monthly customs surcharges under the customs post-clearance audit rules.

In general, eligible business operators who wish to join the VDP should ensure that the disclosure would be complete, accurate and submitted on a timely basis in order to enjoy benefits under the VDP.

## **Key contacts**

**Benjamas Kullakattimas**  
Head of Tax,  
KPMG in Thailand  
[benjamas@kpmg.co.th](mailto:benjamas@kpmg.co.th)

**Abhisit Pinmaneekul**  
Tax Partner,  
TP and Trade  
[abhisit@kpmg.co.th](mailto:abhisit@kpmg.co.th)

**Sophon Dulyarassamee**  
Associate Director,  
Customs, Excise and  
International Trade  
[sophon@kpmg.co.th](mailto:sophon@kpmg.co.th)

## How KPMG can help

KPMG welcomes any opportunity to discuss the relevance of the above matters to your business. Our dedicated specialists would be pleased to assist you in the following areas:

- Completion of customs health checks;
- Advice on appropriate actions that could be taken should any customs issues be discovered; and
- Assistance with the preparation and submission of an application under the VDP.

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