

Notification of the Board of Directors of the Industrial Estate Authority of Thailand

Re: Rules, Procedures and Conditions for Exemption from Special Fees under the Law on Investment Promotion, Import Duty, Value Added Tax and Excise Tax on Machinery, Equipment, Tools and Supplies, and Raw Materials, including Parts thereof, which Are Essential for Production of Goods or for Commercial Purpose

Whereas, it is deemed expedient to update the rules and conditions for exemption from special fees under the law on investment promotion, import duty, value added tax and excise tax in the IEAT Free Zone.

By virtue of Section 48 (1), paragraph one of Section 49, and Section 51 of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), which contain certain provisions relating to the restrictions on people's rights and liberties which Section 29, in conjunction with Sections 32, 33, 34, 41, 42 and 43 of the Constitution of the Kingdom of Thailand so permit by virtue of provisions of law, the Board of Directors of the Industrial Estate Authority of Thailand hereby issues the Notification, as follows:

Clause 1 The following shall be repealed:

(1) Notification of the Board of Directors of the Industrial Estate Authority of Thailand No. 1/2525 Re: Rules and Conditions for Application for Exemption from Special Fees under the Law on Investment Promotion, Import Duty and Business Tax in the Export Processing Zone, dated February 17, 1982;

(2) Notification of the Board of Directors of the Industrial Estate Authority of Thailand No. 2/2535 Re: Rules and Conditions for Application for Exemption from Special Fees under the Law on Investment Promotion, Import Duty, Value Added Tax and Excise Tax in the Export Processing Zone, dated April 28, 1992;

(3) Notification of the Industrial Estate Authority of Thailand No. 107/2535 Re: Application Form and Approval of Exemption from Taxes and Duties to Industrial Operators in the Export Processing Zone, dated July 13, 1992;

(4) Notification of the Industrial Estate Authority of Thailand No. 62/2537 Re: Form of List of Materials under Section 48 of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979) into the Export Processing Zone, dated July 20, 1994.

Chapter 1

Machinery, Equipment, Tools and Supplies,
including Materials for Factory or Building Construction, Assembly or Installation

Clause 2 Materials under Section 48 (1) and Section 51 of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), which are exempt from special fees under the law on investment promotion, import duty, value added tax and excise tax; and which are eligible for tax exemption or refund, include as follows:

(1) Machinery, equipment, tools and supplies, including parts thereof which are essential for production of goods or for commercial purpose, which are to be utilized by the industrial operator or commercial operator in the IEAT Free Zone, must be used for the following purposes:

- (1.1) Direct production, such as, weaving machine, sewing machine, etc.
- (1.2) Production support, such as, machine shop, etc.
- (1.3) Production management or service, such as, computer system, material handling system, etc.
- (1.4) Quality control or inspection of products or raw materials, such as, laboratory equipment, etc.
- (1.5) Product quality improvement or development.
- (1.6) Rectification or mitigation of environmental impact, such as, wastewater treatment system, air and noise pollution control systems, industrial solid waste disposal system, etc.
- (1.7) Enhancement of production efficiency or staff training, such as, books production manuals, etc.
- (1.8) Production control or safety measures for certain industries, such as, CCTV, etc.
- (1.9) Accident and risk prevention, such as, fire fighting system, etc.
- (1.10) Any other related purposes.

(2) Materials for factory or building construction, assembly or installation in the IEAT Free Zone for the following purposes:

- (2.1) Building or factory construction.
- (2.2) Installation of electrical, lighting and power systems.
- (2.3) Installation of water supply system.
- (2.4) Installation of indoor transport system, such as, elevator, etc.
- (2.5) Other parts of factory building.
- (2.6) Any other related purposes.

(3) Materials which are not exempt from special fees under the law on investment promotion, import duty, value added tax and excise tax, include as follows:

- (3.1) Consumables.
- (3.2) Automobiles, motor vehicles, and motorcycles of all types and sizes subject to registration, including annual tax under the law on automobile.

Materials under (2) shall conform with the layout plan and specifications under the permission for construction, modification or repair by the Governor or his/her designate.

Clause 3 Any person wishing to bring materials under Clause 2 into the IEAT Free Zone and applying for exemption from taxes, duties and fees, shall submit an application for duty, tax and fee privileges under Section 48 (1) and Section 51 of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), to the IEAT in the form as specified by the IEAT.

Upon the IEAT's review and consideration of such application under paragraph one and the IEAT deems it appropriate to grant approval to bring such materials under Clause 2 into the IEAT Free Zone, the IEAT shall grant permission to bring such materials into the IEAT Free Zone first and then notify the results of consideration, together with issuance of a certificate of type and quantity of such materials, to the applicant and the customs officials for further proceeding with the customs clearance formality in accordance with the rules, procedures and conditions as prescribed by the Director-General of the Customs Department. In this regard, the IEAT shall promptly report the results of consideration to the Board for consideration and approval for bringing such materials into the IEAT Free Zone.

Clause 4 Pursuant to Clause 3, if the Board considers disapproving such application to bring such materials under Clause 2 into the IEAT Free Zone, it shall be deemed that such materials are not exempt from special fees under the law on investment promotion, import duty, value added tax and excise tax; and that the applicant shall pay special fees under the law on investment promotion, import duty, value added tax and excise tax to the Customs Department in accordance with the rules, procedures and conditions as prescribed by the Director-General of the Customs Department.

Clause 5 The industrial operators or commercial operators in the IEAT Free Zone shall submit report on bringing materials under Section 48 (1) of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), into the IEAT Free Zone in the form specified by the IEAT every time such materials are brought into the IEAT Free, and shall report such arrangement to the IEAT within fifteen days from the end of each month.

Chapter 2

Materials for Production of Goods or for Commercial Purpose

Clause 6 Any person wishing to bring any materials or raw materials, which are not subject to the law relating to standard or quality control, seals or signs with respect to such materials under Section 49 of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), into the IEAT Free Zone, shall submit an application for bringing such materials or raw materials into the IEAT Free Zone for the purpose of export, to the IEAT in the form as specified by the IEAT.

Upon the IEAT's review and consideration of such application under paragraph one and the IEAT deems it appropriate to grant approval for bringing such materials into the IEAT Free Zone, the IEAT shall notify the results of consideration, together with issuance of a certificate of type of such materials or raw materials, to the applicant and the customs officials for further proceeding with the customs clearance formality under the rules, procedures and conditions as prescribed by the Director-General of the Customs Department.

The certificate under paragraph two shall be valid for not exceeding one calendar year from the date of issuance.

Clause 7 The industrial operators or commercial operators shall report to the IEAT within fifteen days from the end of each month on bringing such materials or raw materials into the IEAT Free Zone under Clause 6 in the form as specified by the IEAT.

Clause 8 In the event that the applicant for bringing such materials or raw materials under Clause 6 into the IEAT Free Zone wishes to apply for such rights and privileges under Section 48 (2) of the Industrial Estate Authority of Thailand Act B.E. 2522 (1979), as amended by the Industrial Estate Authority of Thailand Act (No. 4) B.E. 2550 (2007), the applicant shall comply with the rules, procedures and conditions as prescribed by the IEAT Governor.

This Notification shall come into effect from the day following the date of its publication in the Government Gazette.

Notified on the 10th day of June B.E. 2551 (2008).

Rathian Srimongkol

Chairman of the Board of Directors of the Industrial Estate Authority of Thailand