

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

### Thailand

The following notification has been received from the delegation of Thailand in response to the Questionnaire on Import Licensing Procedures annexed to document L/5106/Rev.2.

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#### Outline of System

1. Under free trade policy, most of the commodities are imported freely into Thailand, unless subject to the requirements of prior approval by appropriate government agencies who are responsible for implementing the legislation prohibiting/controlling imports. The main legal instruments applied are Import and Export Control Act B.E. 2482 (1939), Import and Export Act B.E. 2522 (1979), Exchange Control Act B.E. 2485 (1942) and Finance Ministerial Order number 13/B.E. 2497 (1954).

Import Licence applications must be submitted to the appropriate administrative body which is responsible for issuing Licences (import permits/clearances/authorizations). The Licence holder is required to submit his documents to the Central Bank or its authorized agent banks for authority to buy foreign exchange to pay for the imports of goods covered by licences, and to the Department of Customs at the time of the customs clearance declaration.

#### Product Coverage and Purposes of Licensing

2. Commodities and commodity groups subject to prior import licensing are contained in Import and Export Control Act B.E. 2485 (1942), with a list of prohibited and/or controlled products appearing in Annex A. Commodities under the import control system are specified both by customs nomenclature and by type of commodity (not for certain nomenclature but group of commodities of the same kind).

3. Thailand has no discriminatory policy regarding the country of origin of the imported commodities. The sources of supply are left entirely to importers, except for goods originating from South Africa which are embargoed under the United Nations resolution on trade to South Africa.

4. The objectives of issuing import licensing are:

- (a) Safeguarding health, safety, security and welfare of the public;

- (b) Protecting domestic industry where investment is being promoted, as well as ensuring the sufficiency of domestic consumption;
- (c) Supporting economic and social development programmes of the country; and
- (d) For balance-of-payments purposes.

5. The licensing system is statutorily required. Legislation leaves the designation of products to be licensed to administrative discretion under well-defined criteria. Every import measure regarding a prohibited or controlled import is subject to prior cabinet approval. It is impossible for the administrative bodies to abolish the system without legislative approval.

6(a) Regulations are made available to interested parties in the form of an announcement of the Department of Foreign Trade or Ministry of Commerce. The announcements are broadcast through national radio as well as being published in the government Gazettes and/or in the nation's newspapers.

Import quota allocation is not determined on a country-by-country basis but it is global. The size of the quota is usually determined by a domestic shortage of that product. The overall and individual amount of quotas allocated to each importer is published and brought to the attention of the sectors concerned.

(b) Imports of some commodities are subject to annual or semi-annual quotas. Quotas are allocated to each importer based on his past performance. Licences are issued for a certain period of time (validity three months) and quantity with a view to preventing injury to products of the same kind produced domestically. Application for an import licence should be submitted during an allowable period which is normally four to six months.

(c) Licences are granted for certain goods in view of similar goods which could be produced domestically. Production capacity and past import performance are taken into account in considering and monitoring the number of actual licences used. Unused allocations might be added to quotas for a succeeding period, except for some commodities which must be considered on a case-by-case basis.

(d) Importers should submit an application for a licence for a quantity allocated during the allowable period. There is an exception for some cases which have a specified time condition for the submission of an application.

(e) Under normal circumstances, if an application is completely filled out in all respects by an importer, an import licence can be granted within one to three days; if not it will take another week, depending on each case.

(f) Licences are issued with a period of validity of 30-60 days, depending on country of origin of goods. An importer could proceed to import after all requirements are met and right after the licence is granted.

For controlled commodities, goods should be shipped from the exporting country only after the import licence is issued. Licences will not be granted for goods which have already arrived at the port. On the contrary, if goods arrive before the licence is obtained, the Department of Foreign Trade would refer the matter to the Department of Customs who has full jurisdiction in releasing such goods.

(g) One administrative body is responsible for issuing licences. Importers must submit their application to this body. There are also other authorities concerned who will be requested to comment and give their reasons for considering the importation of certain goods

(h) - See answer (b) - (c)

- In the event that there are many importers and quotas have already been properly allocated, importers who do not receive their share in the first round may resubmit their application for special consideration which will be based upon their necessity.

(i) Thai authority is not concerned about bilateral quota or export restraint arrangements of the exporting countries, but recognizes the sovereignty of the country by taking into account, in any event, unilateral consideration.

(j) Not applicable.

(k) There are certain commodities (ex:-wood for making furniture, iron tanks to be repaired and re-exported) where import licences are granted on the condition that the imported product will not be sold domestically but will be re-exported or processed for re-exportation.

7. In case of non-quota products, where there is no quantitative import restrictions or import restrictions from certain countries:

(a) No certain period for advanced application for an import licence. In general, there must be one to two weeks before loading date of the product. No licences can be granted where the product has not yet arrived.

(b) No licences can be granted without request. Licences could be granted in one day, where all documents are approved.

(c) Application may be filed on any working day of the year.

(d) See answer 6(g). The authorities concerned are Board of Investment, Ministry of Health and Department of Forestry.

8. The denial (or disapproval) of an application for import licences may occur if products to be imported into Thailand are under import control regulation. The applicant (who has order before the day to be in force)

will be informed of the reason of such denial and given the right to appeal to the authorities concerned for reconsideration. The Minister of Commerce and/or Director-General of Department of Foreign Trade will be the final decision-maker.

Eligibility of Importers to apply for Licence

9(a) Under the restrictive (non-automatic) licensing system, only persons, companies and firms duly registered or covenant as for producers are eligible to apply for licences. Furthermore, state enterprises or government institutions may apply for licences in some cases.

(b) Under the non-restrictive (automatic) system, all firms, persons and companies are eligible to apply for licences as long as they meet the specified regulations.

Thailand has no registration for particular products. Importers, both persons and firms, must be registered at the Ministry of Commerce with an objective of business. This registration will be significant document for approval.

Documentational and other requirements for application of Licence

10. Documentation and other requirements for application for licences:

- name and address of importer
- business of importer
- name and address of exporter/shipper
- country of origin form
- means of transport
- description and amount of goods to be imported
- proforma invoice
- sales contract
- certificate of import permit
- document approved from industry
- other necessary documents
- financial statement

11. The documents required for actual importation are bill of lading, invoice, delivery order, packing list, clearance certificates from pertinent administrative bodies and formal customs entry.

12. Licensing fees or administrative charges are 30 Bahts (approximately US\$ 1.30) each.

13. The deposit or advance payment associated with the issue of licenses for Thailand will be:

- In case of products under insurance, for example, a re-exported product bank guarantee is required. Whenever there is no re-exportation, that bank guarantee will be seized.
- The rate of deposit will be one to four times the import value of particular products.
- The period of validity depends on the period of time in which that product is to be re-exported.

- The purpose of the requirement is to ensure that the product will be re-exported.

#### Conditions of Licensing

14. The period of validity of a licence depends on the origin of that licence, for instance:

- Products imported from European countries, Australia and Japan: validity 60 days.
- Products imported from Asian countries: validity for 30 days.
- The validity of licence could be extended on the basis of reasons submitted for consideration. Generally, there is no problem for extending licences except in the case of some particular products.

15. There is no penalty for non-utilization of licences (except for a withdrawal or cancellation of that licence).

16. Licence cannot be transferred between importers.

17(a) In the case of products subject to quantitative restrictions i.e., palm oil, soyabean oil; whenever the product has been imported, the importer must report the real amount of quantity imported to the authorities concerned. For monosodium glutamate products, the importer must report each month the quantity imported, the amount of utilization and surplus.

(b) For products not subject to quantitative restrictions, the importer should report both the quantity which has already been imported and that not yet imported, as granted in licence.

Other procedural requirements

18. Apart from import licensing, there are normally no other administrative procedures required prior to importation.

19. Authorized Agent Bank will provide foreign exchange for goods to be imported automatically, due to the rules and regulations of Bank of Thailand and under the Exchange Control Act B.E. 2485 (1942) and Finance Ministerial order no. 13/B.E. 2497 (1954).