

GENERAL AGREEMENT ON

L/6736
10 October 1990

TARIFFS AND TRADE

Limited Distribution

THAILAND - RATES OF CERTAIN BUSINESS AND EXCISE TAXES

Decision of 3 October 1990

Noting that paragraph 3 of the Protocol of Accession of Thailand to the General Agreement on Tariffs and Trade, dated 21 October 1982¹, states that Thailand intends to bring into line with Article III of the General Agreement, the business and excise taxes with respect to items on which the incidence of these taxes varies according to whether the items are locally produced or imported and will endeavour to do so as soon as possible in the light of the provisions of Part IV, and in particular Thailand's development, financial and trade needs; and that if by 30 June 1987, the incidence of the above-mentioned taxes still varied as between locally produced and imported items, the matter would be reviewed by the CONTRACTING PARTIES;

Noting that on 17 June 1987², the CONTRACTING PARTIES extended the above-mentioned time-limit until 30 June 1990;

Noting that the Government of Thailand has taken major steps towards the adoption of a value-added tax system at the national level and that the proper implementation of such a system will bring about the alignment of the rates of the business and excise taxes applied to a number of domestically produced goods with those rates applicable to like imported goods;

Considering that the process of introducing a value-added tax system by the Government of Thailand has reached a crucial stage where all the authorities concerned have to establish appropriate administrative regulations and procedures and that the Government of Thailand is also in the process of adjusting the excise taxes of certain products to bring them into line with Article III of the General Agreement;

Considering that the Government of Thailand has requested an extension of the period to bring into line with Article III of the General Agreement the rates of the aforesaid business and excise taxes with respect to the remaining items; and

Having reviewed this matter and taking note of the information provided by the Government of Thailand and the views expressed at the Council meeting;

¹BISD 29S/3.

²BISD 34S/28.

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The CONTRACTING PARTIES decide to extend for a period of eighteen months, i.e. until 31 December 1991, the time-limit established in paragraph 3 of the Protocol of Accession of Thailand to enable the Government of Thailand to take steps to bring into line with Article III of the General Agreement the business and excise taxes with respect to the remaining items on which the incidence of these taxes varies according to whether the items are locally produced or imported. If by the above-mentioned date, these taxes are still in effect with differential rates for imported items, the matter shall be reviewed by the CONTRACTING PARTIES.