



Thai Customs Offers Advanced Valuation

With an aim to modernize its service as a trade facilitator, the Customs Department of Thailand recently announced that it will provide importers with an Advanced Valuation Service (AVS). The Thai Customs claims that the process will be consistent with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (GATT) 1994. The AVS will be provided to applicants wishing to learn the appropriate customs value of specific goods before importation. When applying for the AVS, an application form together with supporting documents such as sale contract, license agreement, appropriate invoice, purchase order as well as other documents relevant to the contemplated transaction shall be submitted to Bureau of Customs Standard and Valuation. The applicant shall be responsible in fulfilling any request for additional information from the Customs within a certain time limit, otherwise the request will be cancelled. The applicant will generally be notified of the result within 30 days from the date all information is submitted. Where the Customs Department cannot respond within 30 days, the applicant will be notified of the causes and an estimated schedule of the results.

The Customs Department **will not accept** an AVS application for goods under any of the following circumstances;

- The AVS application for the same goods under the valuation appeal process;
- The AVS application for the same goods under the process of other divisions within the Customs Department; or
- The AVS application for the same goods under dispute in court

It is important to note that the result of the AVS is merely a suggestion for the specific goods and applicant and does not have a binding effect and that the result will be considered **invalidated from the date of submitting the application** as soon as there are any additional information or amendments of the law that affect customs value of the goods.

Although the introduction of the AVS seems a right move towards a modernized Customs, the actual benefits to importers are rather limited for two main reasons. First, the results do not have a binding effect (the Customs Notification states clearly that "the result of the AVS is merely a suggestion") and therefore does not completely eradicate the risk of a valuation dispute. The other reason is a potential risk of having "all payments" included in the value of the imported goods. Importers are therefore encouraged to conduct their own analysis and to make the AVS application only to confirm their understanding and not as an only basis of valuing their goods.

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