

JFCCT Trade Committee Meeting March 2019

Date : Wednesday 13th March 2019

Time : 16.00 – 17.30 pm.

Venue : Wallenius Wilhelmsen Logistics, 15th Floor, Q House Sathorn , 11 South Sathorn Road, Bangkok

Agenda Item I FTA / RCEP Update

1. Somkid says that key Projects under the 20 year strategic plan are on target and will remain irrespective of the next government .

https://www.bangkokpost.com/business/news/1621530/somkid-says-key-projects-on-course?utm_source=newsletter_alert&utm_medium=email&utm_term=business

2. PM Meeting – 4th February 2019

- a. They are creating another body to promote Investment in the Country – this is going to be a parallel body to BOI? What will be it's remit – Foreign Business ownership limit relaxation / List 3 businesses relaxation / etc. The details were very thin on this.
- b. Several tax incentives to attract business – we got the same message from BOI meeting on the 7th.
- c. ASEAN – the Government has a target to create seamless connectivity between ASEAN countries and is working to remove both physical , tax and digital barriers to the same.
- d. RCEP – the government is committed to implement RCEP in 2019 under ASEAN Leadership.
- e. Less commitment on CPTPP. He mentioned the Indian Ocean Regional Agreement (IORA) as an area of focus
- f. Sectors that will be focused on
 1. Underwater Fibre Optic networks
 2. Renewable Energy
 3. Drug, Food and Pharmaceutical sectors open for foreign investment
 4. Value addition for local Agricultural goods to improve farm earning

3. BOI Meeting – 7th February 2019

- a. Thailand Investment Year Package from 19th November 2018 to 30th December 2019. BOI seminar on 4th March 2019 for investors
- b. International Business Centre (IBC) criteria is as laid out in attached document from BOI. Companies need to apply to both Ministry of Finance and BOI. The BOI application for

switchover from existing RHO, IHQ and ITC category to IBC category can be made as of today. The application procedure for changeover of IHQ, ITC and ROH to IBC (and availing tax incentives under the same) to the Revenue Department will be known only in April to June 2019. Once the procedure is determined and published then Companies can apply for IBC conversion and Tax incentives.

The Trade Committee will get more information on the tax regime for existing Companies that are migrating from ROH, IHQ and ITC to the IBC regime

- c. New Industries / Business included for Smart Visa category are ;
 - 1. Alternate Dispute resolution Services (Arbitration)
 - 2. Human Resource Development in Science
 - 3. Environment and Alternative Energy management

For retired Experts under Smart Visa, the income limit is now 50,000 THB / month or more.

- d. Smart Farming initiatives – Smart Farming has been defined by BOI as promotion of Grassroots Economy Development with local Co-operatives / contribute to the Farmers and increase farm productivity.
- e. Opening up of Services under AFAS was brought up in the Meeting but no clear reply.
- f. Digitisation of Government services application procedures was brought up and feedback was that certain progress made. JFCCT will try to understand more about this.
- g. Another meeting with JFCCT and BOI in 6 months time.

Agenda Item II New Customs Act – HS Code Advance Ruling

We had a meeting with Mr. Ake Satravaha and his team on 26th September to discuss the feedback from JFCCT members on the Advance ruling facility for HS Code and Customs duty provided by Thailand Customs.

Thailand Customs wants to develop the online HS Code to save time and money for SME. They want to discourage the Customs Broker system (for HS code & advance ruling) and reduce the time frame for advance ruling.

We need to have this Workshop soon however having a challenge getting dates from Thailand Customs – they are suggesting end March for the Customs Meeting / Seminar

Agenda Item III Other Government Dept Meetings

We will revise the Agenda and resubmit to FDA.

Letter requesting meetings sent to DG Customs and Dept. of Trade Negotiations

Agenda Item IV – Any other items

1. EU Ambassador – request a courtesy meeting with him for the Trade Committee in March beginning based on the feedback regarding next round of FTA talks.
2. https://www.bangkokpost.com/business/news/1623378/employers-beware-the-labour-protection-act-gets-serious?utm_source=newsletter_alert&utm_medium=email&utm_term=business
There are changes coming to the labour Act which Companies should be aware of
3. Meeting with Thai Institute of Industrial Standards – TISI – March / April
4. Export Control Act is postponed to 2020. Request a meeting with Department of Foreign Trade to share the highlights / changes in the Act with the Foreign Business Community
5. Netherlands Thai Chamber of Commerce Lunch on AFAS – **anyone attending to give us an update on AFAS**

2019 – International Trade Committee focus

1. Request meeting and build relationship with new DG Customs. Get an update on proposed changes to the Customs Act.
2. Export Control Act for Dual use items / strategic goods
3. HS Code Workshop
4. FDA / TISI meetings
5. EU FTA negotiations update
6. An overview of priorities for the Dept of Trade Negotiations for 2019
7. Transition of ROH, IHQ and ITC to the IBC regime