



### Heading :

*The following report may be of interest to :*

### Summary :



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### New Excise Tax Act B.E. 2560

Importers/ manufacturers

The new Excise Tax Act B.E. 2560 ("Act") was announced in the National Gazette on 20 March 2017 and will become effective within 180 days from the date of announcement which is **17 September 2017**.

The new Act will replace and consolidate all relevant Excise Acts (e.g. Tobacco Act, Liquor Act, Excise Tax Act, etc.) into one Excise Tax Act. The most significant change in this new Act is related to **the excise tax base** which will be collected based on **a suggested retail price** instead of the ex-factory price, last wholesale price (for liquor products) or CIF value (for imported products).

In this regard, the suggested retail price will be considered from production cost, management cost and standard profit which should not be **lower than** the selling price to end customers in normal market circumstances as stipulated in the Ministerial Regulation. Manufacturers and/or importers are required to inform their suggested retail prices including cost structures of their products to the Excise Department.

In the event that there is no suggested retail price or there are many retail prices, the determination of the suggested retail price would follow guidelines as provided in a separate Ministerial Regulation. Under the new Act, the Director-General of Excise Department, as authorized by the Minister, may announce suggested retail prices as a tax base for excise tax assessment.

Following the announcement of this new Act, it is understood that there will be around 80 sub-regulations to be announced prior to the Act becoming effective on 17 September 2017. Companies are recommended to closely monitor these new changes to ensure that they comply with the new rules and procedures and at the same time consider strategies to minimize the impact of these changes on their operations where possible.

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