



The Responsibility of importer concerning importation of **electrical bikes**

Electric bicycle (E-Bike) is a form of vehicle that looked like bicycles and motorcycles but can save more physical spinning than normal bicycles. In addition, the vehicle is easier to use compared to motorcycles, enabling E-Bike to play a role in the market that could potentially replacing bicycles and motorcycles in a short time. In Thailand, electric bicycles have evidently started marketing since 2017, which people consider it as an alternative electric vehicle, just like an electric car. It is also regarded as one of the most sustainable solutions to prevent air pollution problems in Thailand, especially in the big cities which encounter the dust problem that exceeds the hygiene standards when the weather is not favorable, like in Chiang Mai and Bangkok as regularly occurred.

However, due to the structure and usage of E-bike are different from bicycle and motorcycle resulting in the differences of regulation for the importer to import E-bike in comparison to bicycle and motorcycle, including taxation, preparing insurance to protect victims from car accidents, the process of registration with department of land and transportation, Thai industry standards.





The following is the summary of regulation of importing of E-bike that the operator should be concerned

1. Taxation

There are many taxation that regards as the duty for importer to be responsible for, notably import custom tax, excise tax ,value add tax.

1.1 Import custom tax

Normally, the custom tariff of E-bike is in category 8711.60.92 having the import tariff rate at 60 percent of **CIF(cost=the value of importing product,I=insurance,F=freight)**. However, there are many tax benefits that grant tax advantages for the importer to pay tax at the lower rate, including

- In case of the products which obtained from importing raw materials for production, mixing, assembling, packaging or any other operations in the **free zone or free trade zone** or from producing, mixing and assembling in the **export processing zone** will be charged a tax rate of 0%
- Exemption and Reduction of Customs Tax Rates for the countries in ASEAN Free Trade Area and China will be charged at the rate of 50 percent, according to the announcement of the Ministry of Finance on the exemption of tax rates and reduce tariffs for ASEAN Free Trade Area and China.



1.2 Excise tax and Registration

The announcement of the Department of Transport on determining the power of electric motors used to drive cars according to the law concerning cars, 2017, specifies the characteristics of electric cars that are qualified to be registered as follows:

“Personal motorcycle which is powered by an electric motor and has electric motor power of more than 0.25 kW and a maximum speed of more than 45 km/hr, or tricycles for hire and personal tricycles which has an electric motor power of more than 4 watts and can run at a speed of more than 45 km/h.”

So it can be concluded that Electric bicycles with a motor power of less than 0.25 kW are therefore not required to be registered with the Department of Transport as different types of vehicles because it does not comply with the characteristics required by law, resulting that the importer does not have the duty to pay excise tax as well.

1.3 Value add tax

Because Electric bicycle importers have the duty to pay import custom tax, the importers are therefore obligated to pay VAT. But the VAT paid can be refunded as input tax within 6 months, whereas the import custom tax, on the other hand, cannot be refunded (Import Custom tax in such case is regarded as the cost of goods.)

VAT is calculated by

=Price [C.I.F + import Custom Tax+ excise tax (if any) + Local tax (if any)] x 7%



2. Preparation of insurance to protect victims from car accidents

The Road Accident Victims Protection Act, 1992, provides the definition of the word "vehicle" as a vehicle under the automobile law, vehicles under the land transport law, military vehicles and include other vehicles as specified in the Ministerial Regulations.

According to the Motor Vehicle Act 1979, "Motorcycle" means a vehicle that is driven by engine or electric power and has no more than two wheels. If there is a side trailer, there is no more than one additional wheel, also includes bicycles equipped with motors.

E-Bike is considered as "Motorcycles" according to the Motor Vehicle Act 1979. Therefore, the importer has the duty to make an insurance in order to protect victims from motor vehicles in accordance to the Road Accident Victims Protection Act, 1992.

3. Thai industry standard

The Thai industry standard announced for electric vehicles is a voluntary standard (Prescribe standards), not mandatory standards. Even if parts of electric bicycle or the whole electric bicycle does not meet the TIS standard, it can still be imported and exported due to there is no announcement to be enforced to comply with such standards. However, entrepreneurs can apply those standards to control the production for quality and product properties.

In conclusion, there are many obligations that can be considered as the duty for importer who would like to import E-Bike in to Thailand, including taxation, making an insurance to protect victims of car accident and Thai industry standard. However, there are some rule and regulation prescribed by the laws that allow the importer to follow in order to reduce the legal obligation.

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