

This is not an official Translation:

## The Executive Regulation of the Federal Decree-Law No. 7 of 2017 on Excise Tax

**Cabinet Decision No. 37 of 2017 – Issued 24 Sep 2017 – (Effective from 1 October 2017)**

**Cabinet Decision No. 108 of 2023 – Issued 6 Nov 2023 – (Effective from 1 December 2023)**

**Cabinet Decision No. 198 of 2025 – Issued 27 Nov 2025 (Effective from 1 January 2026)**

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### The Cabinet has decided

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority,
- Federal Decree-Law No. 7 of 2017 on Excise Tax, and its amendments,
- Federal Decree-Law No. 28 of 2022 on Tax Procedures,
- Cabinet Decision No. 74 of 2023 on the Executive Regulation of Federal Decree-Law No. 28 of 2022 on Tax Procedures, and
- Pursuant to the presentation of the Minister of Finance, and the approval of the Cabinet.

### Title One

#### Article 1 – Definitions<sup>1</sup>

The definitions in the Federal Decree-Law No. 7 of 2017 shall apply to this Decision, apart therefrom the following words and expressions shall have the meanings assigned against each unless the context requires otherwise:

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<sup>1</sup> Amended by Cabinet Decision No. 108 of 2023.



- Decree-Law : Federal Decree-Law No. 7 of 2017 on Excise Tax, and its amendments.
- Direct Export : An Export of Excise Goods where the supplier is responsible for arranging transport, or appointing a freight agent to do so on his behalf.
- Indirect Export : An Export of Excise Goods to an Overseas Customer who arranges for the collection of the goods from the supplier in the State and Exports them himself, or has appointed a freight agent to do so on his behalf.
- Overseas Customer : The Person who is not resident in the State and does not have an establishment and is not a Registrant for Tax purposes in the State.
- Duty Free Shop : Any retail shop situated in a Designated Zone selling goods for sale to travelers departing the State.
- Official Evidence : An export certificate issued by one of the customs departments in the State or a clearance certificate issued by any of these departments or competent authorities in the State regarding Excise Goods leaving the State after verifying their departure from it, or any document or clearance certificate certified by the competent authorities in the country of destination stating the entry of the Excise Goods.
- Commercial Evidence : The document issued by sea, air or land transport companies and agents, which proves the transfer and departure of Excise Goods from the State to outside the State, and includes any of the following documents:
1. Air waybill or air manifest.
  2. Sea waybill or sea manifest.
  3. Land waybill or land manifest.
- Shipping Certificate : The document issued by sea, air or land transport companies and agents proving the transfer and departure of Excise Goods from the State to outside the State.



## Title Two – Liability to Tax

### Article 2 – Persons liable to pay Tax<sup>2</sup>

1. If the Person who performed the activity according to Clause 1 of Article 4 of the Decree-Law has not met the Tax payment requirements, then the Person involved in any of the activities specified under Clause 2 of Article 2 of the Decree-Law is responsible for the Due Tax, and shall include, for example without limitation, all of the following:
  - a. a Person in the supply chain in which Tax has not been paid,
  - b. an investor or Person with a financial interest in the supply chain where Tax has not been paid, and
  - c. the owner of the Excise Goods in any other case where this is not the producer, Importer, Warehouse Keeper or Stockpiler.
2. The Warehouse Keeper shall be liable to pay the Due Tax in case of the release of Excise Goods from a Designated Zone, where the liable Person fails to pay the Due Tax, in any of the following cases:
  - a. where the Warehouse Keeper has not kept the records specified by Article 24 of the Decree- Law,
  - b. where the Warehouse Keeper has failed to meet any of the conditions imposed by the Authority under Clause 5 of Article 9 of this Decision, or
  - c. where the Warehouse Keeper in any manner has benefited from the failure of the Person liable to pay the Due Tax.
3. A Stockpiler shall not be required to pay the Due Tax where the following conditions are met:
  - a. the Stockpiler owns Excise Goods available in free circulation for the purposes of conducting Business in the State, provided Tax on those goods has not been previously paid, relieved, remitted or deferred, and
  - b. the stockpiled Excise Goods are not excess Excise Goods pursuant to the provisions of Article 11 of this Decision.

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<sup>2</sup> Amended by Cabinet Decision No. 108 of 2023.

## Title Three – Registration

### Article 3 – Application for Tax Registration<sup>3</sup>

1. For the purposes of Tax Registration, the Taxable Person shall meet the following rules and conditions:
  - a. submit an application for Tax Registration that includes such information and data as required by the Authority, and submit it through such means as specified by the Authority,
  - b. provide a financial security, as specified by the Authority, and
  - c. comply with any additional requirements in terms of keeping records or reports or decisions that the Authority specifies and issues.
2. The Authority shall respond to the Person's application for Tax Registration within (20) twenty business days of receipt of the application.
3. For the purposes of Clause 2 of Article 5 of the Decree-Law, the effective date of Tax Registration shall be the first day of the month in which the Person starts to conduct activities listed in Clause 2 of Article 2 of the Decree-Law.
4. For the purposes of paragraph 3 of Article 5 of the Decree-Law, the effective date of Tax Registration shall be the first day of the month in which the person becomes aware, or should have become aware, of the failure of the Person referred to in paragraph (a) of Clause 1 of Article 4 of the Decree-Law to fulfill the tax payment requirements.
5. If the Taxable Person does not comply with the Tax Registration in accordance with the standards and conditions stipulated in this Article, the Authority may register such person by itself effective from the first day of the month in which the Tax Registration obligation arose, notifying the Person accordingly, and without prejudice to his obligation to settle any Tax Payable or Administrative Penalties in accordance with the provisions of the Decree-Law and the Tax Procedures Law from the date his Tax Registration obligation arose.
6. The Authority may revise the value of the financial security submitted by the Taxable Person.

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<sup>3</sup> Amended by Cabinet Decision No. 198 of 2025.



7. Any Person required to apply for Tax Registration under Article 5 of the Decree-Law may apply to be registered as a Warehouse Keeper subject to the conditions set out in Article 9 of this Decision.

## Article 4 – Exception from Tax Registration<sup>4</sup>

1. The Authority may except the Person from Tax Registration where the Authority finds that he will not regularly Import or release Excise Goods from Designated Zones and release them for consumption.
2. For the purposes of Clause 1 of this Article “regularly” shall mean the Import or release of Excise Goods from a Designated Zone more often than once in (6) six months.
3. Notwithstanding Clause 2 of this Article, where a Person imports or releases Excise Goods from a Designated Zone four times in a (24) twenty four-month period, they shall be considered to be regularly importing or releasing Excise Goods.
4. The Person excepted from Tax Registration pursuant to Clause 1 of this Article must notify the Authority within (20) twenty business days of any changes that requires Tax Registration and makes him a Taxable Person pursuant to the provisions of the Decree-Law, and such notification shall contain the information and data that the Authority requests and be submitted by the means specified by the Authority for this purpose.
5. Where a Person is no longer excepted from Tax Registration under Clause 1 of this Article, the Authority shall register the Person for Tax effective from the date he ceased to meet such condition.
6. Where Tax in respect of an Import is due from a Person excepted from Tax Registration in accordance with the provisions of Article 6 of the Decree-Law, the Person must make payment of the Due Tax on or before the date of Import of the Excise Goods by the means specified by the Authority for this purpose.

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<sup>4</sup> Amended by Cabinet Decision No. 108 of 2023.

## Article 5 – Rejection of the Tax Registration Application<sup>5</sup>

1. The Authority may reject a Tax Registration Application in the two following instances:
  - a. if it finds that the applicant has no intention to conduct any of the activities specified in Clause 2 of Article 2 of the Decree-Law, or
  - b. if the applicant fails to provide the required information and data.
2. If the Authority rejects the Tax Registration application, the Authority shall inform the Person of its rejection decision within (20) twenty business days of receiving the application, according to the procedures stated in the Tax Procedures Law.
3. The Authority's rejection of the Tax Registration application shall not preclude the compliance of the Person to the provisions of the Decree-Law and this Decision, including making another application for Tax Registration when the Tax Registration conditions are met.

## Article 6 – Tax Deregistration<sup>6</sup>

1. A Registrant shall make an application to the Authority for his Tax deregistration within (30) thirty days from the date he is no longer responsible for the Tax under Article 4 of the Decree-Law.
2. In the event that the Registrant ceases carrying out the activities mentioned in Clause 2 of Article 2 of the Decree-Law, he shall be deemed not responsible for Tax from the day following the expiry of (6) six months from the date he ceased carrying out those activities, unless it is proven to the Authority that he intends to carry out these activities within the next (6) six months.
3. The Authority shall deregister the Registrant effective from the day on which he was no longer responsible for Tax.
4. The Authority shall respond to the Registrant's application to deregister within (20) twenty business days of receipt of the application.
5. The Authority may deregister the Registrant without him submitting a request to

<sup>5</sup> Amended by Cabinet Decision No. 108 of 2023.

<sup>6</sup> Amended by Cabinet Decision No. 108 of 2023.



do so in the following two cases:

- a. if it finds that the Registrant is no longer responsible for the Tax in accordance with the provisions of this Decision, or
  - b. if maintaining the Tax Registration would prejudice the integrity of the Tax system, in accordance with the controls specified by the Authority in this regard.
6. The Authority must inform the Registrant of the Tax deregistration or the initial approval of the request to deregister, within (5) five business days from the date of the Tax deregistration that occurred in accordance with Clause 5 of this Article or the issuance of the initial approval for its deregistration, as the case may be.
  7. For the purposes of Tax deregistration, the Registrant shall comply with the following controls and conditions:
    - a. settle all Tax due under the provisions of the Decree-Law,
    - b. settle all Administrative Penalties due according to the provisions of the Decree-Law and the Tax Procedures Law, and
    - c. submit all Tax Returns due according to the provisions of the Decree-Law and the Tax Procedures Law.
  8. The Tax deregistration shall not preclude the compliance of the Person with the provisions of the Decree-Law and this Decision, including making another application for Tax Registration when the Tax Registration conditions are met.

## Article 7 – Rejection of Tax Deregistration Application<sup>7</sup>

1. The Authority may reject an application for deregistration in the following cases:
  - a. if it finds that the applicant for Tax deregistration has the intention to conduct any of the activities stated in Clause 2 of Article 2 of the Decree-Law within the next (12) twelve months,
  - b. the Person does not prove to the Authority that he is no longer responsible for Due Tax according to Article 4 of the Decree-Law, or
  - c. if (6) six months have not passed since the Person's Tax Registration in

<sup>7</sup> Amended by Cabinet Decision No. 108 of 2023.

accordance with the provisions of Article 3 of this Decision.

2. If the Authority rejects the Tax deregistration application, the Authority shall notify the Person with its rejection decision within (20) twenty business days, in accordance with the procedures provided for in the Tax Procedures Law.

## Article 8 – Tax Registration on the introduction of Tax

1. Tax Registration shall start from the date specified by the Authority.
2. Where it appears to the Authority that a Taxable Person has not notified the Authority of his obligation to register for Tax in accordance with the provisions of Clause 1 of this Article, it may register him with effect from the date the Decree-Law comes into force.

## Article 9 – Warehouse Keeper Registration

1. Any Person who carries on or intends to carry on operation of a Designated Zone shall apply for Registration as a Warehouse Keeper.
2. An application for Warehouse Keeper Registration shall contain such information and data, and shall be submitted through such means, as determined by the Authority.
3. The effective date of registration for a Person to act as a Warehouse Keeper shall be the date the application is approved by the Authority or from such date as may be requested by the Person and agreed by the Authority.
4. The Authority shall issue a Warehouse Keeper Registration certificate that shall include the Designated Zones that he shall be responsible for and where he shall be permitted to produce or stockpile the Excise Goods without being released for consumption.
5. For the purposes of registering a Warehouse Keeper, the Authority may impose the following conditions:
  - a. specify the amount of Excise Goods that can be kept by a Warehouse Keeper in each Designated Zone he is responsible for at any one time,
  - b. specify the type of Excise Goods that can be kept by a Warehouse Keeper in each Designated Zone he is responsible for,



- c. require the Warehouse Keeper to provide a financial security for each Designated Zone he is responsible for as determined by the Authority,
- d. impose additional reporting requirements in terms of keeping records and reports and submitting these to the Authority,
- e. specify the level of physical security required over each Designated Zone he is responsible for,
- f. specify the checks the Warehouse Keeper is required to make over the Excise Goods kept within each Designated Zone he is responsible for, and
- g. specify the conditions of entry to and exit from each Designated Zone he is responsible for, and any entry or exit restrictions that the Warehouse Keeper should be required to impose.

## Article 10 – Change of Circumstances of a Warehouse Keeper

- 1. A Warehouse Keeper shall notify the Authority of any changes in his circumstances that would affect his Registration as a Warehouse Keeper including circumstances in which the Warehouse Keeper no longer operates a Designated Zone via the means specified by the Authority, within (30) thirty days of any of the following:
  - a. the date on which a Warehouse Keeper ceases to be responsible for the supervision and management of the Designated Zone over which he is appointed, or
  - b. the date on which the change of circumstances took effect.
- 2. The Authority shall cancel a Warehouse Keeper Registration with effect from the relevant event.
- 3. The Authority shall respond to the Warehouse Keeper's notification within (20) twenty business days of receipt of the notification.
- 4. If the Warehouse Keeper submits an application for deregistration, the Authority will terminate his responsibility for the Designated Zones and will not register him until all his duties and responsibilities for the period during which he was registered are met, according to the rules and conditions that the Authority shall state.

5. Without prejudice to the provisions of Clause 4 of this Article, if there was a need to continue to operate the Designated Zone, the Warehouse Keeper requesting deregistration shall attach to his application for deregistration a copy of the new Warehouse Keeper registration form in accordance with the provisions of Article 9 of this Decision, in addition to any other documents determined by the Authority.

## Title Four – Rules on Tax Payment

### Article 11 – Stockpiling<sup>8</sup>

1. The Person will be considered a Stockpiler where they own “excess Excise Goods” in free circulation and available in the course of conducting Business in the State where Tax on such goods has not been previously paid, exempted, returned or deferred.
2. “Excess Excise Goods” shall mean such Excise Goods on which all of the following applies:
  - a. owned by the Stockpiler on the earliest of the date that a Tax obligation arose, or an increase in Tax obligation arose or the date the Decree-Law comes into force in respect of these Excise Goods,
  - b. in excess of the Stockpiler’s average monthly stock level for that type of Excise Good whether purchased or produced as determined over a (12) twelve-month period prior to any of the dates specified in paragraph (a) of this Clause,
  - c. acquired by the Stockpiler before the date specified in paragraph (a) of this Clause, and
  - d. the Stockpiler intends to sell these Excise Goods in the course of conducting Business in the State.
3. As an exception to paragraph (b) of Clause 2 of this Article, where the average monthly sales of Excise Goods for a period of (12) twelve months prior to the date specified in paragraph (a) of Clause 2 of this Article is calculated, and it appears that the Stockpiler has Excise Goods exceeding two months of such sale average, disregarding the monthly stock average of such Stockpiler, any goods exceeding

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<sup>8</sup> Amended by Cabinet Decision No. 108 of 2023.

two months of such sale average shall be considered excess Excise Goods and Tax shall be due on them in full.

4. A Person, in the course of conducting Business, shall keep audited records and showing the quantity of his stock of Excise Goods from the date the Decree-Law comes into force on such Excise Goods, for the purposes of ascertaining the stock of Excise Goods.
5. In the event that a Person does not maintain audited records in accordance with Clause 4 of this Article, the Authority may consider the Person's entire stock of Excise Goods as excess Excise Goods and the Tax is due on them in full.

## Article 12 – Release of Excise Goods for Consumption<sup>9</sup>

1. Excise Goods are released for consumption where any of the following has occurred:
  - a. production of Excise Goods in the State, or
  - b. release of Excise Goods from a Designated Zone and enter such Excise Goods into free circulation.
2. For the purposes of paragraph (a) of Clause 1 of this Article, Excise Goods shall be treated as produced at such time as the Excise Goods reach a stage where they are:
  - a. ready to be held out for retail sale,
  - b. fit for consumption or sale where the Excise Goods are not intended for retail sale, or
  - c. ready to be sold to a retailer, if the Excise Goods are of the type which are not fit for consumption until they are combined with another product at the point of retail sale.
3. For the purposes of paragraph (b) of Clause 1 of this Article, Excise Goods shall be treated as leaving a Designated Zone and enter free circulation at the occurrence of any of the following:
  - a. the Excise Goods leave a Designated Zone, unless they are moved to another

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<sup>9</sup> Amended by Cabinet Decision No. 108 of 2023.



Designated Zone without being released for consumption or will be exported in accordance with the provisions specified in Article 14 of this Decision,

- b. they are consumed or bought for consumption within a Designated Zone,
  - c. there is an irregularity in the course of a transfer of Excise Goods between Designated Zones which resulted in Excise Goods being released for consumption, or
  - d. they are found to be deficient or there is shortage in their quantity from a Designated Zone or during transfer between Designated Zones or whilst held in a suspension arrangement in accordance with the Customs Legislation.
4. “Irregularity” in paragraph (c) of Clause 3 of this Article, means a situation occurring during a transfer of Excise Goods from one Designated Zone to another where those Excise Goods are not transferred in accordance with the conditions specified under this Decision, or the Excise Goods were lost or destroyed.
5. As an exception to paragraph (d) of Clause 3 of this Article, release of Excise Goods for consumption is not deemed to have occurred if:
- a. there is a deficiency or shortage in the Excise Goods in the Designated Zone where the Warehouse Keeper responsible for the Excise Goods notified the Authority within (30) thirty days of discovering that and the deficiency or shortage in the Excise Goods is due to a justified cause accepted by the Authority, or
  - b. there is a natural shortage in the quantity of Excise Goods in a Designated Zone, where all of the following conditions are met:
    - 1) the shortage is as a result of the natural characteristics of the good and meets the standards and controls specified by the Authority,
    - 2) the owner of the Excise Goods and the Warehouse Keeper notify the Authority of the shortage resulting from natural characteristics, in accordance with the procedures and mechanisms approved by the Authority in this regard, and
    - 3) the owner of the Excise Goods and the Warehouse Keeper keep documents proving the shortage resulting from the natural characteristics of the goods and submit them to the Authority upon request.

6. In addition to what is stated in paragraph (a) of Clause 5 of this Article, Excise Goods may be permanently destroyed after obtaining the Authority's approval.
7. For the purposes of Clause 6 of this Article, if the Authority does not direct that the deficient Excise Goods must be retained for inspection, they may be destroyed after (30) thirty days have lapsed following the date of notifying the Authority.
8. If, during the period specified in Clause 7 of this Article, the Authority gives the Warehouse Keeper notice to inspect the Excise Goods, the Warehouse Keeper shall keep the deficient Excise Goods until such time as the Authority has inspected them and given permission for their destruction to take place.<sup>10</sup>

## Article 13 – Inclusion of Tax in Advertised Prices

1. The advertised price of Excise Goods shall not be inclusive of Excise Tax where there is an agreement for the purchase of goods made and the goods have not been supplied prior to the date the Decree-Law comes into force, in the following cases:
  - a. if the purchaser intends to incorporate the Excise Goods into another Excise Good upon which Tax shall be due,
  - b. if the purchaser intends to Export the Excise Goods to a location outside the State,
  - c. if the purchaser is a foreign government, international organization, diplomatic body or mission which is entitled to a refund of Tax paid under Clause 1 of Article 21 of the Decree-Law
  - d. if the Excise Goods are sold after the date the Decree-Law comes into force to a Person who will Export the Excise Goods to another Implementing State and will be liable to pay Tax in that state, and would be entitled to a refund under Clause 2 of Article 21 of the Decree- Law, or
  - e. if the purchaser intends to make an onward sale of the Excise Goods.
2. Tax shall be due in the cases listed in Clause 1 of this Article, in addition to the price advertised by the Supplier.

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<sup>10</sup> Amended by Cabinet Decision No. 198 of 2025.

## Title Five – Exempted Excise Goods

### Article 14 – Exemption for Exported Excise Goods<sup>11</sup>

1. Excise Goods exported will be exempt from Tax where they have not been released for consumption in the State, in any of the following cases:
  - a. where they are exported to outside the State, provided they are transferred to the point of Export in suspension in accordance with the Customs Legislation and in accordance with the conditions and controls specified in Clause 11 of Article 15 of this Decision,
  - b. where the purpose of the Export is to consume the Excise Goods in the course of an international journey departing from the State, provided they are transferred in suspension to the point of Export in accordance with the Customs Legislation, or
  - c. where they are purchased from a Duty Free Shop by a Person who will immediately Export the Excise Goods on condition that he provides evidence that such Excise Goods shall be leaving the Implementing States at the point of sale.
2. A Direct Export shall be exempt from Tax if all of the following conditions are met:
  - a. the Excise Goods are physically exported by the supplier to a place outside the State,
  - b. the Exporter retains any of the following:
    - 1) a customs declaration, and a Commercial Evidence that proves the Export,
    - 2) a Shipping Certificate and an Official Evidence that prove the Export, or
    - 3) a customs declaration that proves the suspension arrangement of customs duties.
  - c. the Excise Goods are not used, partially or fully, or altered in the time between supply and Export, except to the extent necessary to prepare the Excise Goods for Export.
3. An indirect Export shall be exempt from Tax if all of the following conditions are met:

<sup>11</sup> Amended by Cabinet Decision No. 108 of 2023.

- a. the Overseas Customer physically Exports the goods supplied to a place outside the State,
  - b. the Overseas Customer obtains any of the following and provides it to the supplier:
    - 1) a customs declaration, and a Commercial Evidence that proves the Export,
    - 2) a Shipping Certificate and an Official Evidence that prove the Export, or
    - 3) a customs declaration that proves the suspension arrangement of customs duties.
  - c. the Excise Goods are not used, partially or fully, or altered in the time between supply and Export, except to the extent necessary to prepare the Excise Goods for Export.
4. The Authority may decide not to accept the documents submitted if they do not constitute sufficient evidence of the exit of the Excise Goods from the State, and may specify alternative forms of evidence according to the nature of the Export or the nature of the Excise Goods being exported.
  5. For the purposes of this Article, customs departments must verify the type and quantity of exported Excise Goods with the export documents issued thereby according to their customs procedures in force, and based on the classification of the tax risk matrix that is specified in coordination with the Authority.

## Title Six – Designated Zones

### Article 15 – Designated Zones<sup>12</sup>

1. Excise Goods stored, preserved or processed in a Designated Zone or transferred between Designated Zones will be treated as not released for consumption pursuant to Article 12 of this Decision.
2. For the purposes of Article 13 of the Decree-Law, a “Designated Zone” is any of the following:
  - a. a fenced free zone that meets the following conditions:
    - 1) has security measures in place to restrict entry and exit of individuals and

<sup>12</sup> Amended by Cabinet Decision No. 108 of 2023.

movement of Excise Goods to and from the fenced free zone according to the controls specified by the Authority,

- 2) is controlled and supervised by a customs department, and
- 3) a Warehouse Keeper has been appointed for the fenced free zone,
- b. any area specified by the Authority provided it meets the following conditions:
  - 1) is a specific geographic area,
  - 2) has security measures in place to restrict entry and exit of individuals and movement of Excise Goods to and from that area, according to controls specified by the Authority, and
  - 3) a Warehouse Keeper has been appointed for the area.
3. The Designated Zone shall be registered via an application submitted by the Warehouse Keeper to the Authority pursuant to the procedures specified by the Authority.
4. The Authority may request a financial guarantee upon registration of a Designated Zone or upon its registration renewal or amendment as specified by the Authority in this regard.
5. The Designated Zone will be treated as if it were within the State if it changes its operating mechanism or violates any of the conditions upon which it was specified as a Designated Zone.
6. Every Person appointed as a Warehouse Keeper must control and supervise the Designated Zone and the transfer of Excise Goods to another Designated Zone without release for consumption, in accordance with the following conditions:
  - a. keep records of Excise Goods held in the Designated Zone at any time in accordance with Clause 9 of this Article,
  - b. keep evidence of Excise Goods being intended for transfer to another Designated Zone without release for consumption in accordance with Clause 9 of this Article, and
  - c. any such other records as the Authority may specify to be kept in respect of each Designated Zone supervised by the Warehouse Keeper.
7. The records referred to in paragraph (a) of Clause 6 of this Article may be kept by



other Persons, provided the Warehouse Keeper remaining responsible for keeping such records.

8. Excise Goods that are imported into, received, produced, stored, preserved, processed or otherwise held in a Designated Zone will not be subject to Tax until those goods are released from the Designated Zone or are deemed to have been released for consumption under Article 12 of this Decision.
9. The Warehouse Keeper shall be required to retain documentary evidence as specified by the Authority and shall provide such evidence to the Authority on request, relating to the keeping and treatment of goods in a Designated Zone. The evidence retained should be sufficient to identify the following:
  - a. the stock levels of the Designated Zone at any given time,
  - b. the value and quantity of Excise Goods entering the Designated Zone,
  - c. the value and quantity of Excise Goods leaving the Designated Zone and released for consumption,
  - d. the value and quantity of Excise Goods transferred to another Designated Zone, including details of that Designated Zone,
  - e. the value and quantity of Excise Goods transferred from the Designated Zone for Export,
  - f. the value and quantity of Excise Goods produced within the Designated Zone, and
  - g. the value and quantity of Excise Goods subject to deficiency or shortage and that which was or will be destroyed.
10. Excise Goods that are transferred from a Designated Zone to another Designated Zone in the State shall not be subject to Tax in the following cases:
  - a. where the Excise Goods, or part thereof, are not released for consumption during the transfer,
  - b. where the Excise Goods are not in any way used or altered during the transfer, or
  - c. where the transfer is undertaken in accordance with the rules and controls as specified by the Authority.

11. For the purposes of Article 14 of the Decree-Law, a transfer of Excise Goods between Designated Zones within the State must be undertaken in accordance with the following procedures:
  - a. the Warehouse Keeper responsible for the Designated Zone from which the Excise Goods are transferred must issue a document containing the following particulars:
    - 1) the type, value and quantity of Excise Goods to be transferred,
    - 2) the value of Due Tax in the event the Excise Goods were released for consumption in the course of the transfer to another Designated Zone, and
    - 3) the details of the Designated Zone to which the Excise Goods will be transferred and the Warehouse Keeper responsible for it.
  - b. the Warehouse Keeper responsible for the Designated Zone to which the Excise Goods have been transferred must confirm receipt of the Excise Goods, and
  - c. the Excise Goods must be accompanied with the document issued pursuant to paragraph (a) of this Clause when transferring these goods and submitted to the Authority upon request.
12. Excise Goods may be transferred between Designated Zones within the State or from a Designated Zone for Export purposes if the following conditions are met:
  - a. the Warehouse Keeper of the Designated Zone from which the Excise Goods are transferred shall remain responsible for the Excise Goods until they are received by the Warehouse Keeper of the Designated Zone to which the Excise Goods are transferred or until they are exported,
  - b. the Person responsible for transferring the Excise Goods must be either a Taxable Person or a Warehouse Keeper for any of the two zones,
  - c. if the Excise Goods are transferred by a Taxable Person, a prior consent from the Warehouse Keeper to transfer these Excise Goods must be obtained, and the Warehouse Keeper may reject the request of the Taxable Person to transfer such goods, and
  - d. the Warehouse Keeper must retain copies of all approvals granted to the Taxable Person to transfer the Excise Goods.

## Title Seven – Calculation of Due Tax

### Article 16 – Deductible Tax<sup>13</sup>

1. A Taxable Person who is eligible to deduct Tax under Article 16 of the Decree-Law may deduct the Tax on his Tax Return for the period in which the right to the deduction arose or in the subsequent Tax Period.<sup>14</sup>
2. For the purposes of Clause 1 of this Article, the value of the deductible Tax is equal to the value of the Tax previously paid on the same goods.
3. For the purposes of establishing the value of the deductible Tax under Clause 2 of this Article, upon the Authority's request, the Taxable Person shall be required to provide evidence to support the value of the Tax previously paid on the same Excise Goods, and the Authority shall specify the manner of submitting such evidence in order to confirm the Taxable Person has previously paid the Tax.
4. For the purposes of Clause 3 of this Article, where Tax was paid on the Excise Goods by another party in the supply chain, the Taxable Person must retain the following evidence that Tax was previously paid:
  - a. a copy of the purchase invoice for the Excise Goods,
  - b. a declaration from the supplier confirming payment of the Tax and its value, and
  - c. information which demonstrates to the Authority that the Excise Goods which are the subject of the claim are the same Excise Goods on which Tax was previously paid.
5. If Tax is due on Excise Goods in the State, the Taxable Person shall be eligible for a deduction of the Tax under paragraph (a) of Clause 1 of Article 16 of the Decree-Law, where any of the following conditions is met:
  - a. the Excise Goods are exported to outside the Implementing States,
  - b. the Excise Goods are exported to an Implementing State and the Tax has been paid for the same goods in that state, or
  - c. they are consumed in the course of an international journey departing from the State.

<sup>13</sup> Amended by Cabinet Decision No. 108 of 2023.

<sup>14</sup> Amended by Cabinet Decision No. 198 of 2025.



6. In the event that the Tax is deducted in accordance with paragraphs (a) and (b) of Clause 5 of this Article, any of the following must be submitted:
  - a. a customs declaration, and a Commercial Evidence that proves the Export, or
  - b. a Shipping Certificate and an Official Evidence that prove the Export.
7. The Authority may decide not to accept the documents submitted if they do not constitute sufficient evidence of the exit of the Excise Goods from the State, and may specify alternative forms of evidence according to the nature of the Export or the nature of the Excise Goods being exported.
8. For the purposes of this Article, the Taxable Person is considered to have paid the Tax in the following two cases:
  - a. purchasing goods that were subject to Tax and on which the Tax has been paid, or
  - b. the right to deduct Tax arising in the same Tax Period for which the Tax is due.
9. For the purposes of this Article, customs departments must verify the type and quantity of exported Excise Goods with the export documents issued thereby according to their customs procedures in force, and based on the classification of the tax risk matrix that is specified in coordination with the Authority.
10. Any deduction of Tax will be subject to meeting the conditions provided for in this Article and the procedures specified by the Authority.

## Title Eight – Tax Returns, Tax Periods and Payment of Tax

### Article 17 – Length of Tax Period

1. The Tax Period shall be the Gregorian month.
2. Upon the Registration of a Taxable Person, the Authority may direct that the first Tax Period be longer than the Tax Period specified in Clause 1 of this Article.
3. As an exception to Clause 1 of this Article, the Authority may direct a Taxable Person to submit Tax Returns by reference to a longer period than aforesaid, or approve his request to do so.
4. A request under Clause 3 of this Article should be made in such a form and manner as directed by the Authority.

## Article 18 – Tax Return

1. A Taxable Person shall submit a Tax Return through such means and procedures as specified by the Authority.
2. The Taxable Person shall submit the Tax Return under Clause 1 of this Article to the Authority no later than the 15th fifteenth day of the month following the relevant Tax Period.

## Article 19 – Tax Payment

1. Payable Tax shall be settled through such means as specified by the Authority.
2. A Taxable Person shall settle Payable Tax no later than the 15th fifteenth day following the end of a month.
3. The Customs Departments, based on the tax risk matrix classification that is determined in coordination with the Authority, shall adhere to the following:<sup>15</sup>
  - a. reconcile the type and quantity of Excise Goods imported into the State with the Import declaration received from the Importer before releasing the Excise Goods, and where the Person is not a Taxable Person, it shall verify the payment of any Due Tax and fees.
  - b. reconcile the type and quantity of Excise Goods exported from the State with the Export documents.

## Article 20 – Filing Regular Declarations

1. The Taxable Person must file declarations in the manner and via the means determined by the Authority as follows:
  - a. details of the Excise Goods to be imported,
  - b. details of the Excise Goods produced in the State,
  - c. details of the Excise Goods transported from a Designated Zone.
2. The Authority shall determine the deadlines for receiving the Returns stated under Clause 1 of this Article.

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<sup>15</sup> Amended by Cabinet Decision No. 198 of 2025.

## Title Nine – Refunds of Excess Tax

### Article 21 – Excess Refundable Tax

1. A refund application for excess Tax to which a Taxable Person is entitled shall contain such information and data specified by the Authority and be submitted through the means specified by the Authority within the period specified by the Tax Procedures Law.<sup>16</sup>
2. Subject to its powers and obligations under the Decree-Law and this Decision, the Authority shall refund any excess Tax to the Taxable Person where it is satisfied that the Taxable Person is entitled to a refund.
3. Subject to Clause 6 of this Article where the Authority is required to refund an amount of excess Tax in accordance with Clause 2 of this Article, the refund must be made by the later of:
  - a. two months following the submission of the claim for a refund, or
  - b. where the Authority undertakes an audit of the claim for a refund, within (21) twenty-one days after conclusion of the audit.
4. The Authority is not obligated to refund any remaining excess Tax to the Taxable Person if less than two Tax Periods have passed since the end of the Tax Period in which the excess Tax arose.
5. The Authority may at its discretion refund the amount of excess Tax before the expiration of two Tax Periods in the following situations:
  - a. the Taxable Person's Registration is cancelled, or
  - b. the Authority is satisfied that the Taxable Person will be undertaking taxable activities in the future and that for a period of at least one year following there is likely to be excess Refundable Tax.
6. Where a Taxable Person has failed to submit a Tax Return for any Tax Period as required under the Decree-Law, the Authority may withhold any refund until such a time as the outstanding Returns have been submitted.

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<sup>16</sup> Amended by Cabinet Decision No. 198 of 2025.

## Title Ten – Other Tax Refunds

### Article 22 – Tax Refunds in Special Cases<sup>17</sup>

1. Where Tax is paid by a foreign government, international organisation, diplomatic bodies and missions, a claim for a refund of such Tax may be made subject to the following conditions:
  - a. Excise Goods were acquired exclusively for official use,
  - b. the country in which the relevant foreign government, international organisation, diplomatic body or mission is established or has its official seat, excludes the same type of entities that belong to the State from the burden of any Excise Tax in that country, or the refund is consistent with the conditions of any international treaties or agreements concerning the liability to Tax of such foreign government, international organisation, diplomatic body or mission, and
  - c. the Excise Goods are not acquired for the purposes of resale or any other commercial purposes.
2. Where Tax has been incurred in the State by a Person who is registered in an Implementing State, and the Excise Goods were then exported to another Implementing State and Tax was paid in that Implementing State, a claim for a refund of the Tax may be made subject to the following conditions:
  - a. that Person is not registered in the State,
  - b. evidence is provided confirming that the Person is a taxable person in another Implementing State,
  - c. evidence is provided confirming that Tax was paid on the Excise Goods in the State, where the evidence includes the value of the Tax paid,
  - d. evidence is provided confirming that the Excise Goods were exported to another Implementing State, and
  - e. evidence is provided confirming that Tax was paid on the Excise Goods in another Implementing State.
3. If a non-Taxable Person who is conducting business, directly exports Excise Goods

<sup>17</sup> Amended by Cabinet Decision No. 108 of 2023, Clause 3 and 4 of this Article will come into effect from 1 June 2024.

for which Tax was previously settled by a Taxable Person or a Person who is excepted from Tax Registration according to the provisions of Article 4 of this Decision, he may submit a refund application subject to the following conditions:<sup>18</sup>

- a. the Excise Goods are physically exported to a place outside the State,
  - b. he submits evidence proving payment of Tax on the Excise Goods in the State, provided such evidence proves the amount of paid Tax,
  - c. he retains any of the following:
    - 1) a customs declaration, and a Commercial Evidence that proves the Export, or
    - 2) a Shipping Certificate and an Official Evidence that prove the Export.
  - d. the Excise Goods are not used, partially or fully, or altered in the time between supply and Export, except to the extent necessary to prepare the Excise Goods for Export.
4. If a non-Taxable Person who is conducting business, indirectly exports Excise Goods for which Tax was previously settled by a Taxable Person or a Person who is excepted from Tax Registration according to the provisions of Article 4 of this Decision, he may submit a refund application subject to the following conditions:<sup>19</sup>
- a. the Overseas Customer physically Exports the goods supplied to a place outside the State,
  - b. he submits evidence proving payment of Tax on the Excise Goods in the State, provided such evidence proves the amount of paid Tax,
  - c. he obtains from the Overseas Customer or his representative any of the following and submits a copy to the supplier:
    - 1) a customs declaration, and a Commercial Evidence that proves the Export, or
    - 2) a Shipping Certificate and an Official Evidence that prove the Export.
  - d. the Excise Goods are not used, partially or fully, or altered in the time between supply and Export, except to the extent necessary to prepare the Excise Goods for Export.

<sup>18</sup> Amended by Cabinet Decision No. 198 of 2025, Clause 3 will come into effect from 1 January 2026.

<sup>19</sup> Amended by Cabinet Decision No. 198 of 2025, Clause 4 will come into effect from 1 January 2026.

5. The Authority may decide not to accept the documents submitted if they do not constitute sufficient evidence of the exit of the Excise Goods from the State, and may specify alternative forms of evidence according to the nature of the Export or the nature of the Excise Goods being exported.
6. For the purposes of this Article, customs departments must verify the type and quantity of exported Excise Goods with the export documents issued thereby according to their customs procedures in force, and based on the classification of the tax risk matrix that is specified in coordination with the Authority.
7. Subject to Article 21 of the Decree-Law, a refund of Tax may be made according to the following controls and conditions:
  - a. the claim should contain the information, data and documents specified by the Authority and be submitted through means as specified by the Authority,
  - b. the claim relates to a minimum period of one month, and
  - c. the claim relates to Tax paid on goods where the goods have a value not less than the value prescribed by a decision issued in this regard by the Minister.
8. The Authority shall issue a decision regarding whether to approve or reject the refund claim made under this Article within (20) twenty business days of an application being submitted.

## Title Eleven – Keeping of Tax Record

### Article 23 – Requirements for Keeping of Tax Record<sup>20</sup>

1. The Taxable Person shall retain price lists of Excise Goods produced, imported and sold by him and shall provide such records to the Authority on request.
2. For the purposes of Clause 1 of this Article, the price lists shall be sufficient to identify the Excise Goods produced, imported or sold by him and shall include details of the values of such goods.
3. The required Tax records must be kept in accordance with the timeframes, controls and conditions provided for in the Executive Regulation of the Tax Procedures Law.

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<sup>20</sup> Amended by Cabinet Decision No. 108 of 2023.

## Article 24 – Repeal of Conflicting Provisions

All provisions violating or conflicting with the provisions of this Decision are hereby cancelled.

## Article 25 – Publication and Coming into Force of this Decision

This Decision shall be implemented as of 1/10/2017 and published in the Official Gazette.