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Implementation of the Cabinet Decision No. 52 of 2019 On Excise Goods, Excise Tax Rates and the Methods of Calculating the Excise Price

Ministerial Decision No. 236 of 2019

Date of issue: 29 September 2019

Minister of Finance has decided:

- Having reviewed the Constitution;
- Federal Decree-Law No. 7 of 2017 on Excise Tax;
- Cabinet Decision No. 37 of 2017 on the Executive Regulation of the Federal Decree-Law No. 7 of 2017 on Excise Tax;
- Federal Decree No. 85 of 2007 on the Common Customs Law of the GCC States;
- Cabinet Decision No. 52 of 2019 on Excise Goods, Excise Tax Rates and the Methods of Calculating the Excise Price;

Article 1 – Liquids used in Electronic Smoking Devices and Tools

Excise Tax shall be imposed on liquids used in electronic smoking devices and tools, and the like whether or not containing nicotine pursuant to the following Customs codes:

HS Code	Item
38249999	Others



Article 2 – Electronic Smoking Devices and Tools

Excise Tax shall be imposed on the electronic smoking devices and tools, and the like whether or not containing nicotine or tobacco pursuant to the following Customs codes:

HS Code	Item
85437031	Electronic cigarettes
85437032	Electronic water pipe “shisha”
85437039	Others

Article 3 – Excise Price for Concentrates, Powders, Gel and Extracts

1. The Excise Price of concentrates, powders, gel, or extracts that can be transformed into carbonated drinks, energy drinks or sweetened drinks by mixing such goods with another product by the retailer, shall be the higher of the following:
 - a. the price published by the Authority for the Excise Good in a standard price list that it issues, if applicable;
 - b. The Designated Selling Price for this Good to the retailer that is identified, and declared by the importer or producer in respect of this excise good before any discounts or offers, after deducting the Tax included therein in accordance with the mechanism provided for in Clause (2) of Article (13) of Cabinet Decision No. 52 of 2019 referred herein.
2. For the purposes of implementing the mechanism referred to in paragraph (b) of clause (1) of this Article, the “Designated Selling Price” is the “Designated Retail Sales Price”.



3. The Excise Price of concentrates, powders, gel, or extracts that can be transformed into carbonated drinks, energy drinks or sweetened drinks, which are not covered by Clause (1) of this Article, is the Excise Price calculated in accordance with Clause (1) of Article (13) of Cabinet Decision No. 52 of 2019 referred herein.
4. The Taxable Person shall keep the records required to evidence the “Designated Selling Price” of the excise good, and any deductions made thereon and the quantities that have been sold.

Article 4 – Abrogation

1. Cabinet Decision No. 256 of 2017 regarding the Implementation of Excise Tax on Concentrates, Powders, Gel, or Extracts Intended to be made into an Aerated Beverage is hereby cancelled.
2. All provisions violating or conflicting with the provisions of this Decision are hereby cancelled.

Article 5 – Implementation

The provisions of the Cabinet Decision No. 52 of 2019 shall come into effect as of 1 December 2019.

Article 6 – Enforcement

The provisions of this Decision shall come into effect as of 1 December 2019.