

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY



Excise Tax:

Implementation and Registration

Introduction



Update on current progress

Excise Tax Law

Federal Decree-Law No. (7) of 2017 on Excise Tax was issued on 21 August 2017

- Successful roll out of introductory Excise Tax awareness sessions in May 2017
- Federal Law No. 7 of 2017 concerning Tax Procedures was announced on 31 July 2017
- Federal Decree-Law No. 7 of 2017 on Excise Tax was issued on 21 August 2017
- Excise Tax Executive Regulations and a Cabinet decision will follow containing some additional further details regarding excise tax implementation
- Excise tax registration portal opened on 17 September 2017
- Excise tax to be implemented in the UAE from 1 October 2017



The FTA – who are we?

Federal Tax Authority

- Established to administer VAT and Excise Taxes, plus any future taxes, introduced in the UAE.
- Responsible for collecting taxes and reviewing Taxable Person compliance.
- Available to provide guidance and direction to Taxable Persons in order to support them in meeting their tax compliance obligations.
- Decision making capacity in areas of tax technical complexity.
- Responsible for conducting tax audits and administering penalties.



Getting assistance from the FTA

The FTA is committed to helping Taxable Persons learn about Excise Tax in an easy, accessible and straightforward manner. As a result, the following options are available:



Publications, Notices, Excise Taxable Person Guide will be freely accessible at any time on the FTA website when launched



E-learning modules will provide guidance on the basics of Excise Tax and available on the FTA website

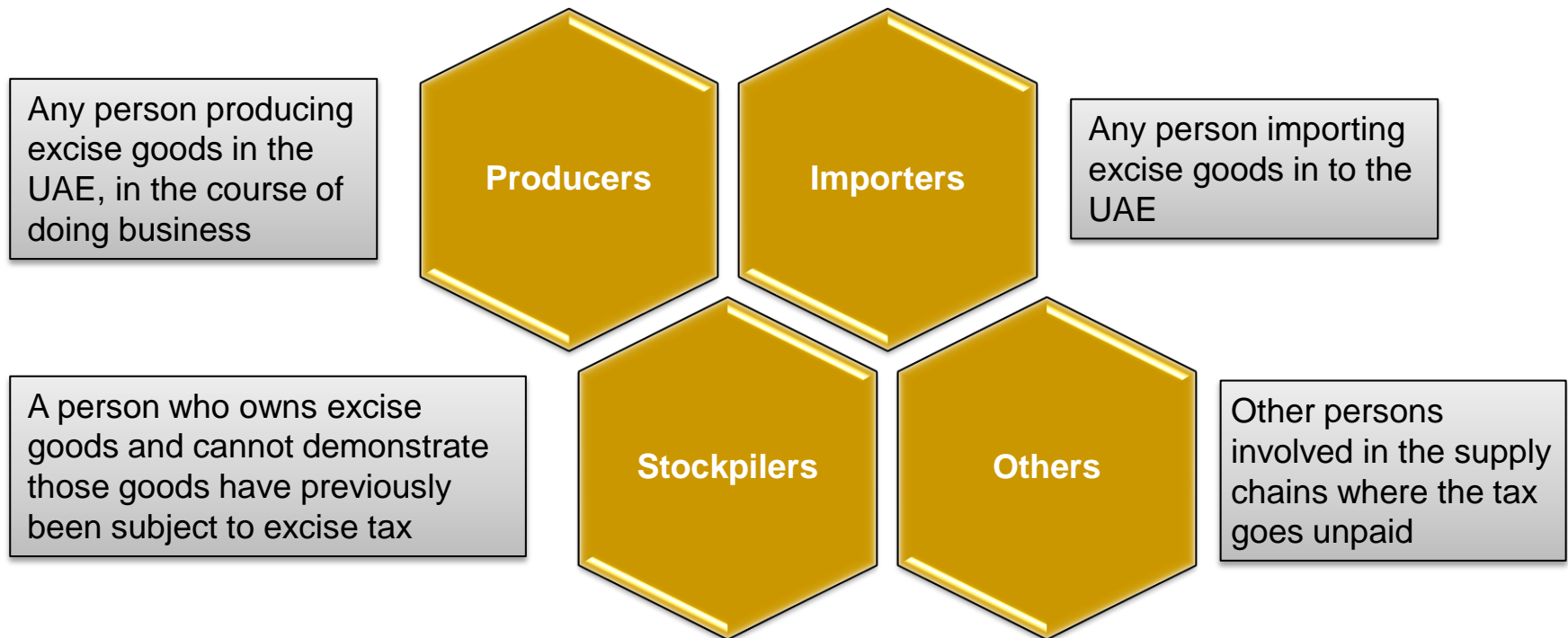


Tax helpline can be used for general enquiries about the application of Excise Tax

Excise Tax Registration



Registration: Who is required to register for Excise Tax?



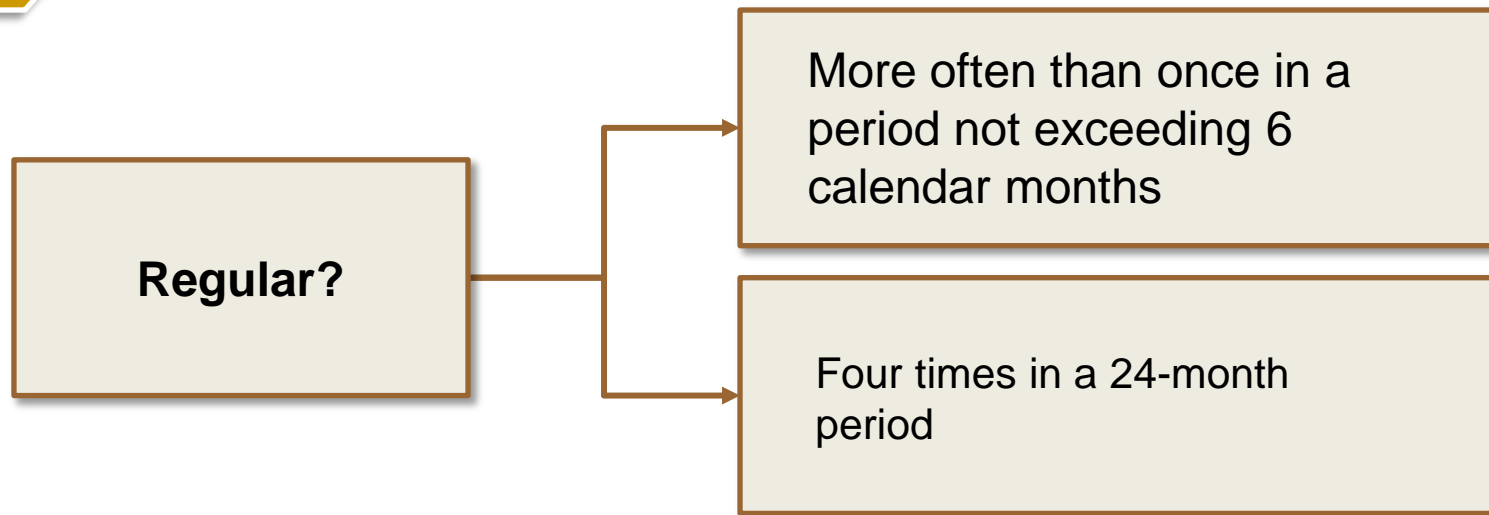
IMPORTANT: there is no registration threshold for Excise Tax



Registration: Exception from registration

Article 6,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

A person will be excepted from registration under Article 6 of the Decree-Law where he can demonstrate to the FTA that he will not **regularly** import excise goods



IMPORTANT: Excise Tax will still be payable on the import where the value of the excise goods exceeds the duty free threshold



How to register for Excise

- Where an entity is required to register for excise it should complete an excise registration form
- The excise registration form is available via the FTA's online portal – **registration is now open**
- During the application process various documents will be requested to validate the information provided. It is advisable to have these to hand prior to starting the application and copies of the documents should be uploaded with the application.
- Supporting documents will include such items as:
 - Documents identifying the authorized signatory e.g. passport copy, Emirates ID
 - Trade license
 - Other official documents authorizing the entity to conduct activities within the UAE
- Following approval of the application a Tax Registration Number will be issued
- A registration user guide is available via the FTA website to assist with completing the registration form at www.tax.gov.ae



The Excise registration form

- Simple process – approximately 15-20 minutes to complete the form
- The form should be completed by a person who is an authorized signatory of the business e.g. a Director, owner, someone holding Power of Attorney to sign on behalf of the business etc.
- Prior to completing the form ensure you have considered the following:
 - Are you required to register for excise?
 - Do you intend to supervise a Designated Zone as a Warehouse Keeper? If so, you will be required to complete additional forms
 - Have supporting documentation & information on hand to upload e.g. trade license, certificate of incorporation, Emirates ID, Articles of Association, bank account details etc.
- The excise registration form will also ask you to provide details about your business, such as:
 - The capacity in which you're registering for Excise Tax e.g. as a producer, importer etc.
 - Description of excise goods which the business is involved with
 - Details of Customs Authority registration, if applicable
 - Whether you are registered for Excise Tax in any other GCC State and if so, your TRN in that GCC State



The FTA registration portal

The first time you access the portal you will be required to register your details

Federal Tax Authority

Monday 18 Sep 2017

eservices.tax.gov.ae/en-us

Login Sign up

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY

United Arab Emirates

-A | A | A+

Create user account
Sign up

Login to User Account
Login

Contact us
600 599 994 info@tax.gov.ae

Happiness Indicator

Best viewed with screen resolution of 1024 x 768 Supports the following browsers: Internet Explorer 10+, Firefox 23+, Chrome 35+, Safari 8+



The FTA registration portal

You will be required to create an account in order to gain access to the portal

The screenshot shows a web browser window with the URL `eservices.tax.gov.ae/en-us/signup`. The page title is "Sign up" and it includes a welcome message: "Welcome to the Federal Tax Authority". The form contains the following fields and elements:

- Email address
- Password (with a strength indicator below it)
- Confirm password
- Enter security code: 202200
- Select security question:
- Answer
- Hint
- I agree to Terms & Conditions of FTA
- (with a link "Already registered? Sign here" below it)



The FTA registration portal

As part of the account creation process, you will be required to verify your e-mail address. An email will be sent to your registered e-mail address with a link which you can click to verify your details and activate your account.



Thank you for signing up. Please follow the instructions sent on your email to verify your account.



Verify your email



Your account is enabled.
You can login on [this page](#)

The screenshot shows a web browser window with the URL `eservices.tax.gov.ae/en-us/signup`. The page header includes the FTA logo and the United Arab Emirates coat of arms. The main content area displays a message box with a checkmark icon and the text: "Thank you for signing up. Please follow the instructions sent on your email to verify your account." The footer contains contact information (600 599 994, info@tax.gov.ae), a Happiness Indicator, and browser compatibility information.



The FTA registration portal

After the first time accessing the portal, you will simply be required to login using your user details

Monday 18 Sep 2017

eservices.tax.gov.ae/en-us/login

Monday 18 Sep 2017

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY

امارات العربية المتحدة
United Arab Emirates

Monday 18 Sep 2017

Login

Welcome to the Federal Tax Authority

Email address

Password

Enter security code:

904217

Forgot Password?

Login

If you are not registered, [register here](#)



The FTA registration portal

Once you have logged in, you will need to navigate to the Excise Tax registration form

The screenshot displays the FTA registration portal interface. At the top, the FTA logo and the United Arab Emirates coat of arms are visible. Below the header, there is a navigation bar with links for 'DASHBOARD', 'MY PROFILE', and 'DOWNLOADS'. A search bar is located on the right side of the navigation bar. The main content area features a dark blue header for 'Excise Tax' and a light gray box containing a 'TAX' icon and a 'Register for Excise Tax' button. The footer includes contact information (600 599 994, info@tax.gov.ae), a Happiness Indicator with three smiley faces, and a copyright notice for 2017 Federal Tax Authority.



The FTA registration portal

The Getting Started Guide will be displayed, and you will be asked to confirm you have read the guide and agree to the terms and conditions of the FTA.

The screenshot displays the FTA registration portal interface. At the top, there is a header with the FTA logo on the left and the United Arab Emirates coat of arms on the right. Below the header is a navigation bar with links for 'DASHBOARD', 'MY PROFILE', and 'DOWNLOADS'. A font size selector '- A | A | A +' is located on the right side of the navigation bar. The main content area is titled 'Getting Started Guide' and contains a list of expandable sections:

- Overview
- Important basics about Excise Tax registration
- Registration criteria
- Definitions that you should be aware of at this time
- Do I have to register if I already have a Tax Registration Number ("TRN") for VAT?
- Can one person have more than one TRN for Excise Tax
- Important information about using the online Excise Tax application form
- What happens next?

Below the list, there is a checkbox with the text: 'Click here to confirm you have read and agreed to the terms and conditions of the FTA'. At the bottom of the section is a 'Proceed' button.



The FTA registration portal

You will then be asked to complete the Excise Tax registration form

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY

United Arab Emirates

DASHBOARD MY PROFILE DOWNLOADS

-A | A | A+

Excise Tax

Please read the Instructions carefully before completing the registration form.

1. Before completing the form, please ensure you are required to register for Excise Tax purposes. Further information can be found in the Taxable person's guide to provide additional assistance.
2. Please complete all sections of the form carefully. Failure to complete all sections or providing incorrect information may result in rejection of this form or a delay in processing.
3. Before submitting the form, please complete the "checklist for completion" at the end of this form which should help you ensure you have provided all of the relevant information.

About the applicant

On what basis are you applying for registration?*

Legal person - Incorporated (LLC, LLP, Partnership etc) ▼

Do you hold a Trade License in the UAE?*

Yes No



The FTA registration portal

If you require assistance during completion of the form, user guides and help sections will be available on the portal. Once you have completed the form and have checked that all of the details are accurate, you should click submit to send the form to the FTA. The FTA will then process the application and will respond to confirm your Tax Registration Number.



Downloads

Registration User Guide – Excise Tax

دليل المستخدم لتسجيل في الضريبة الانتقائية

Contact us

600 599 994 info@tax.gov.ae

Happiness Indicator



Best viewed with screen resolution of 1024 x 768 Supports the following browsers: Internet Explorer 10+, Firefox 23+, Chrome 35+, Safari 8+

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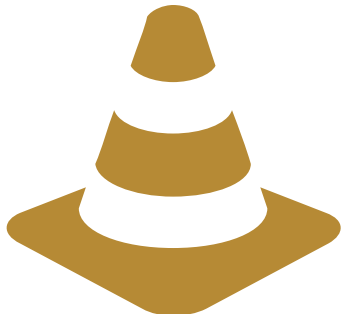


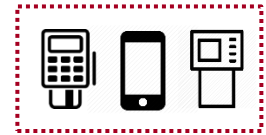
Excise Tax Return filing & Payment



- Submission **online**
- Tax period – 1 calendar month
- Deadlines for submission and payment:
 - the due date for submission of the return will be 15 days following the end of the return period
 - The due date for payment will be 15 days following the end of the calendar month
 - where the due date falls on a weekend or national holiday, the deadline shall be extended to the first following working day
- Late submission or payment can result in a penalty levied by the FTA

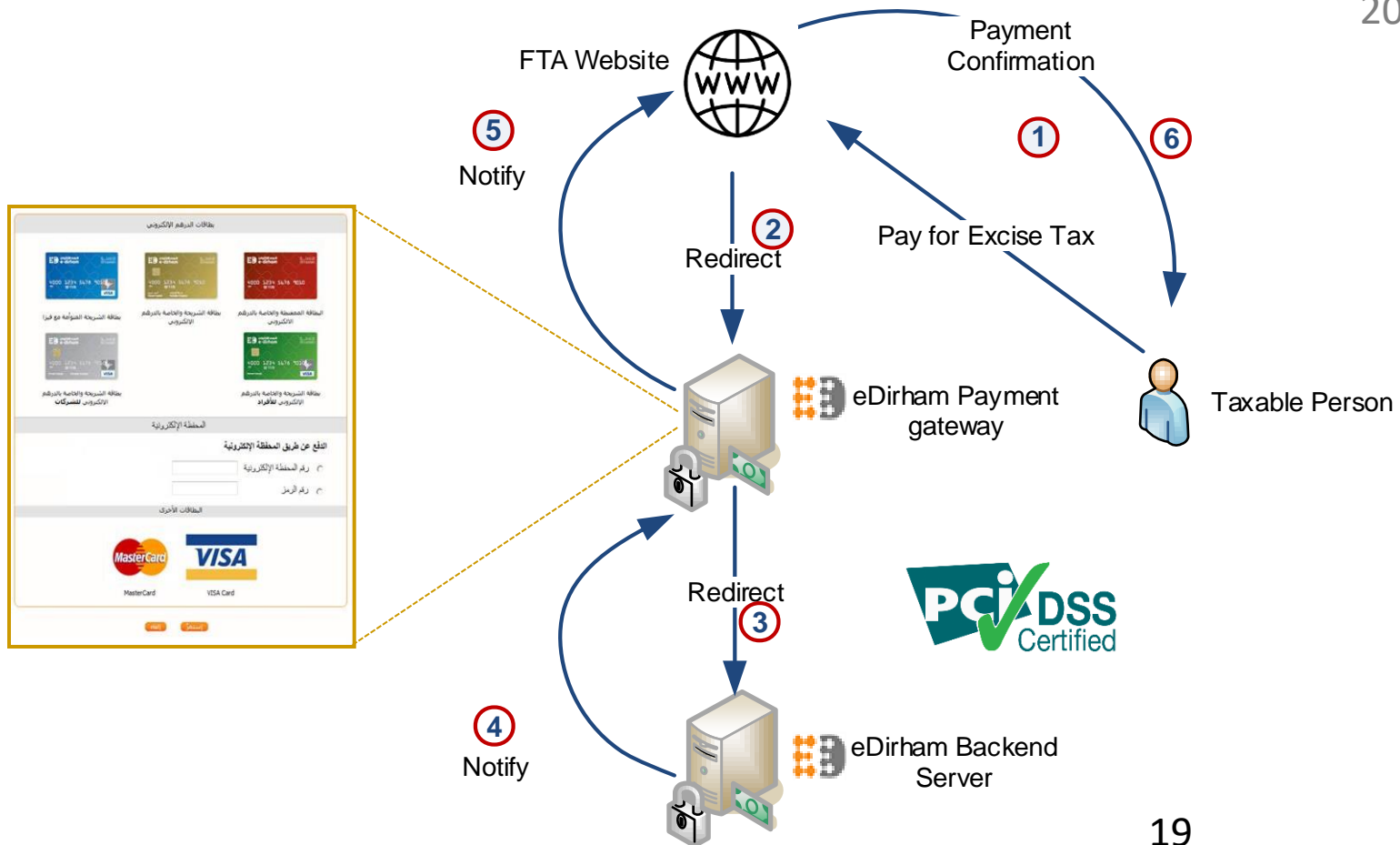
**Examined in
greater details in
following slides**





2018

Excise TAX Payment 2017





Payment Service Provisioning

Payment Channels

- Online (Website)
- POS (TBA)
- Kiosks (TBA)
- Mobile (TBA)

Reloading Channels

- eDirham Cash Deposit Machines(CDM)
- POS (Service Providers)
- eDirect (Bank Account)
- Kiosks
- NBAD Branches

Payment Methods

- eDirham Prepaid Cards
- Credit Cards
- Bank Account (TBA)

Support Channels

- Call Centre : 800MOF (800 663)
- Website : www.edirham.ae
- e-Helpdesk + e-Complain
- Kiosks



Payment + Top-up Charges

Transactions Charges	AED	العمليات
eDirham Cards	Tax+3	الدفع بواسطة بطاقات الدرهم الإلكتروني
Credit Card	(Tax+3)+2%	الدفع بواسطة بطاقات الائتمان (فيزا و ماستر كارد)

Top-up (eDirham Card)	AED	العمليات
Top-Up Bank Account	7	إعادة تعبئة بطاقات الدرهم الإلكتروني من خلال التحويل المباشر من الحساب البنكي
Top-Up Service Providers	4	إعادة تعبئة البطاقات (قنوات التوزيع المعتمدة)
Top-Up ATM CDM	2	إعادة تعبئة البطاقات (الأكشاك الإلكترونية وأجهزة الصراف الآلي)

1,000 Service Providers مقدم خدمة

5 Banks بنك في الدولة

750AT
M

81 ATM-
CDM



الوزارات والهيئات الاتحادية والحكومات
المحلية
130 NBAD فرع بنك أبوظبي الوطني
Branch

5,000 PO جهاز نقاط
S البيع



eDirham Prepaid Cards

eDirham Cards Types	Issuance	Limit	بطاقات الدرهم الإلكتروني
	AED		
Red Magnetic Strip	6	50,000	الحاصلة الحمراء
Gold EMV Chip	25	10,000,000	الحاصلة الذهبية خصائص الشرائح EMV
Blue Magnetized VISA Magnetic Strip	12	20,000	الحاصلة الزرقاء فيزا شريط ممغنط
Green VISA EMV Chip (Individuals)	27	50,000	الحاصلة الخضراء فيزا EMV
Silver VISA EMV (Corporate)	30	2,000,000	الحاصلة الفضية فيزا EMV



The smart substitute of cash



الدريم الإلكتروني | Be Smart
e-dirham | Smart



Warehouse Keeper registration

Article 8,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Any person **operating or intending to operate** a **designated zone** shall apply for registration as a warehouse keeper

- Every designated zone must be **supervised by a warehouse keeper**
- The warehouse keeper registration process will involve **specifying the details of the designated zone(s)** for which the warehouse keeper is responsible
- A warehouse keeper is **jointly and severally liable** for payment of the Excise Tax due on release of goods stored within the designated zone
- As a result, the FTA may require a warehouse keeper to lodge a **financial security** with the FTA as part of the registration process
- Warehouse keepers will be required to **provide details of the controls** they will have in place over the goods stored within the designated zone e.g. details of the stock control system used, records of goods entering and leaving the designated zone, records of designated zone transfers, details of where these records will be kept etc.

**Examined in
greater details in
following slides**



Warehouse Keeper registration

Complete Warehouse Keeper registration form

Complete at least one Designated Zone registration form

Submit financial guarantee

Pay Designated Zone registration fee

Receive registration certificate

Warehouse Keeper registration number

1234567 01

WHK ID

DZ ID



Record-keeping

Article 24,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Specifies the following record keeping and evidential requirements:



Records of all manufactured, imported or stockpiled Excise goods



Records of exported excise goods and evidence of that export e.g. Customs documentation, bill of lading, consignment notes etc.



Records of stock levels, including details of items lost or destroyed



A tax record that includes the following information:

- Tax due on excise goods imports
- Tax due on excise goods manufactured or stockpiled
- Deductible tax



Not less than 500 dirham
and not more than 3 times
the amount of tax for which
the penalty was levied



Penalties

Administrative Penalties - Examples

- Administrative penalties are intended to address non-compliance, and encourage compliance.
- The FTA has the power to waive or reduce penalties at its discretion (e.g. taxable person has a reasonable excuse for the error).
- Few **examples** of administrative violation:
 - ❖ If the person conducting a business fails to keep the required records and other information;
 - ❖ If the person conducting a business fails to submit the data, records and documents related to tax in Arabic language when requested by FTA;
 - ❖ If the taxable person fails to submit a registration application within the period required.



Penalties

Tax Evasion Penalties - Examples

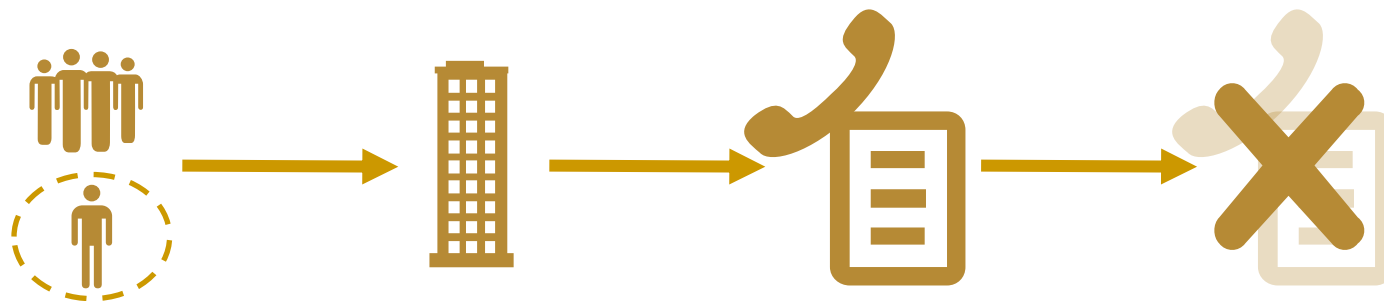
Up to five times the relevant tax at stake and a prison sentence

- Courts will issue penalties for tax evasion.
- Tax evasion is where a person uses illegal means to either lower the tax or not pay the tax due, or to obtain a refund to which he is not entitled under law.
- The imposition of a penalty under tax law does not prevent other penalties being issued under other laws.
- Few **examples** of instances of tax evasion:
 - ❖ Where a person deliberately provides false information and data and incorrect documents to the FTA;
 - ❖ Where a person deliberately conceals or destroys documents or other material that he is required to maintain and provide to the FTA.



Audits

The FTA can visit businesses to inspect records and make sure persons are paying or reclaiming the right amount of tax, and are able to check whether businesses are liable to be registered where they are not.



1

FTA will **apply risk based selection criteria** to determine whom to audit

2

FTA will usually conduct the audit at the **person's place of business** or at the FTA offices

3

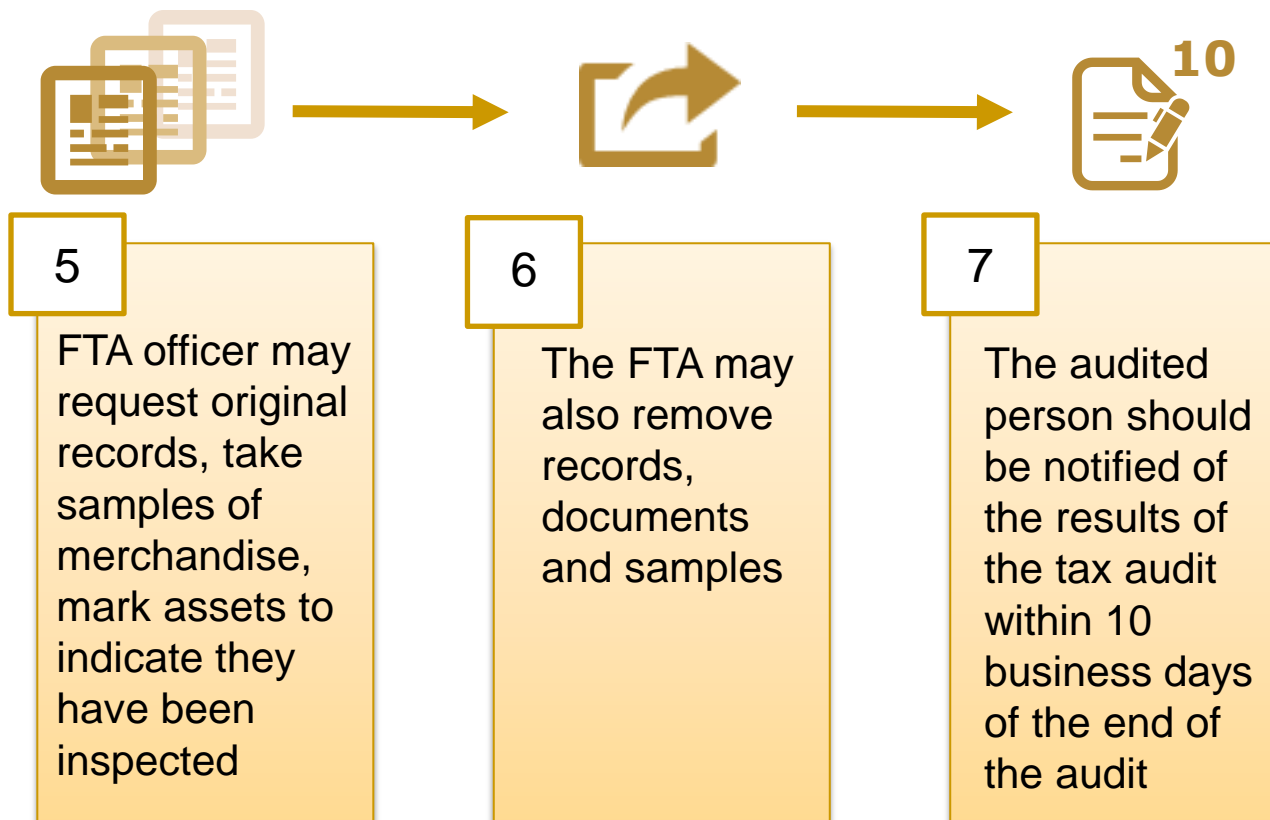
If audit at the person's place, must be informed at least **5 business days** prior to the audit

4

FTA can close the place of business for up to 72 hours (e.g. suspect tax evasion)



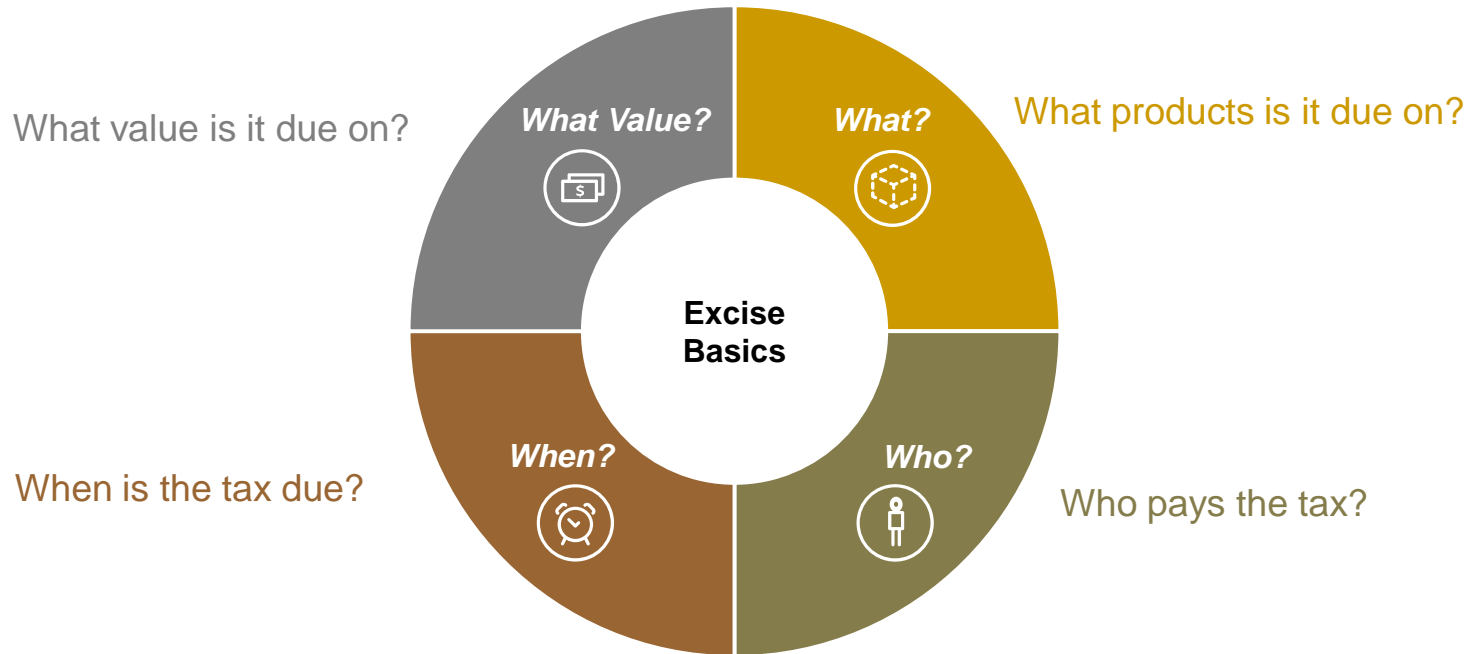
Audits



Excise Tax in the UAE



Excise Tax Basic Concepts





What: which products are subject to Excise?



Carbonated
Drinks

1. Any aerated beverage except for unflavored aerated water
2. Any concentrate, powder, gel or extract intended to be made into an aerated beverage



Tobacco &
tobacco
products

All items listed within Schedule 24 of the GCC Common Customs Tariff

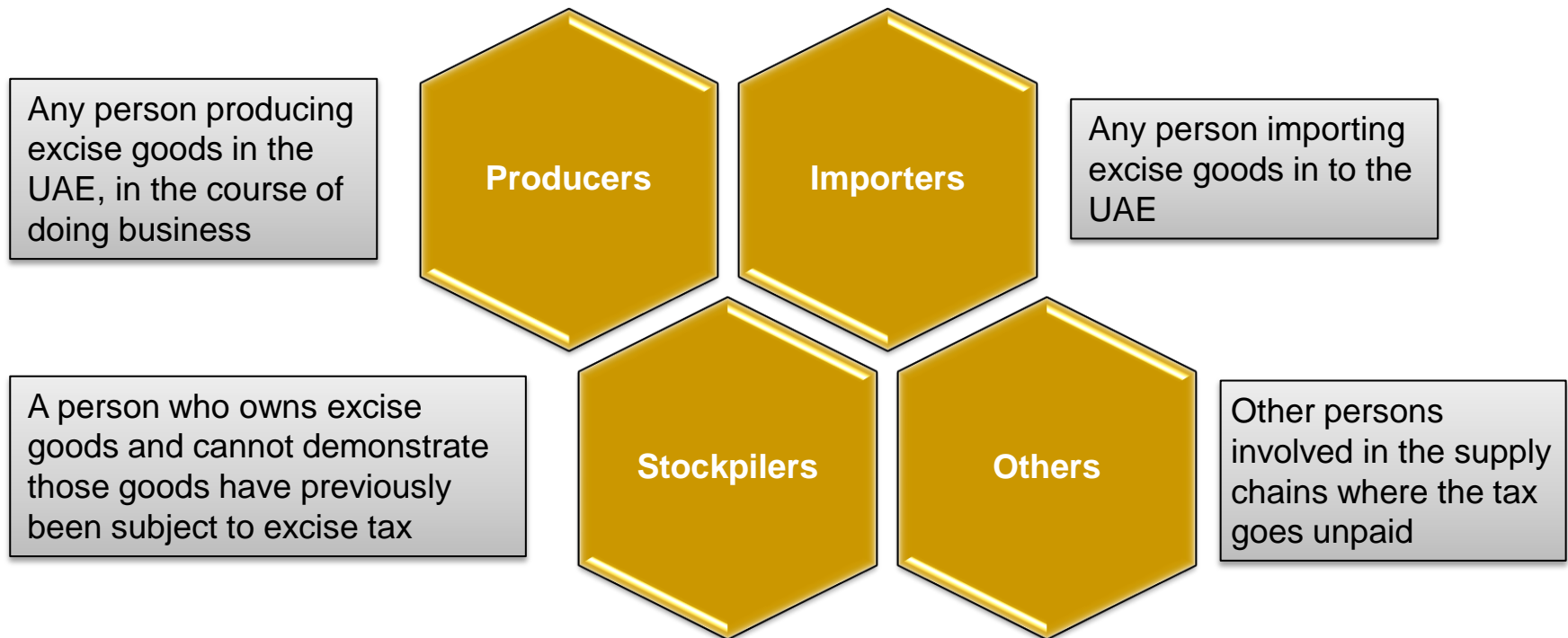


Energy Drinks

1. Any beverage which is marketed or sold as an energy drink, containing stimulant substances that provide mental and physical stimulation e.g. caffeine, taurine, ginseng and guarana.
2. Any concentrate, powder, gel or extract intended to be made into an energy enhancing drink



Who: Who is required to account for Excise Tax?



IMPORTANT: there is no registration threshold for Excise Tax



Who: Who is a stockpiler?

Article 1,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Stockpiler: A person who owns excise goods and cannot demonstrate that such goods have been previously subject to Excise Tax

A stockpiler is considered to be someone who owns excise goods which are:

- Held in free circulation in the course of doing business in the UAE where Tax on those goods has not been previously paid, relieved, remitted or deferred;
- “Excess” excise goods

IMPORTANT:

Normal stocks held at the date of implementation will not usually be considered to make a business a stockpiler

1

Owned by the Stockpiler on the earlier of the date a charge to tax arose, or the date of effect of the Decree-Law

2

In excess of the stockpiler’s average monthly stock level for that type of excise good OR exceeding 2 months supply of the excise goods – determined over a 12 month period

3

Intended to be sold in the course of business in the UAE



Average monthly stock

Reference Period

1 October 2016 – 30 September 2017

Average monthly stock
calculation

Total stock level of excise goods over the 12 month period
beginning 1 month prior to implementation divided by 12

Month 1 – total excise goods stock
Month 2 – total excise goods stock
Month 3 – total excise goods stock
Month 4 – total excise goods stock
Month 5 – total excise goods stock
Month 6 – total excise goods stock
Month 7 – total excise goods stock
Month 8 – total excise goods stock
Month 9 – total excise goods stock
Month 10 – total excise goods stock
Month 11 – total excise goods stock
Month 12 – total excise goods stock

/12



Average monthly sales

Reference Period

1 October 2016 – 30 September 2017

Average monthly stock
calculation

Total quantity of sales of excise goods over the 12 month period beginning 1 month prior to implementation divided by 12

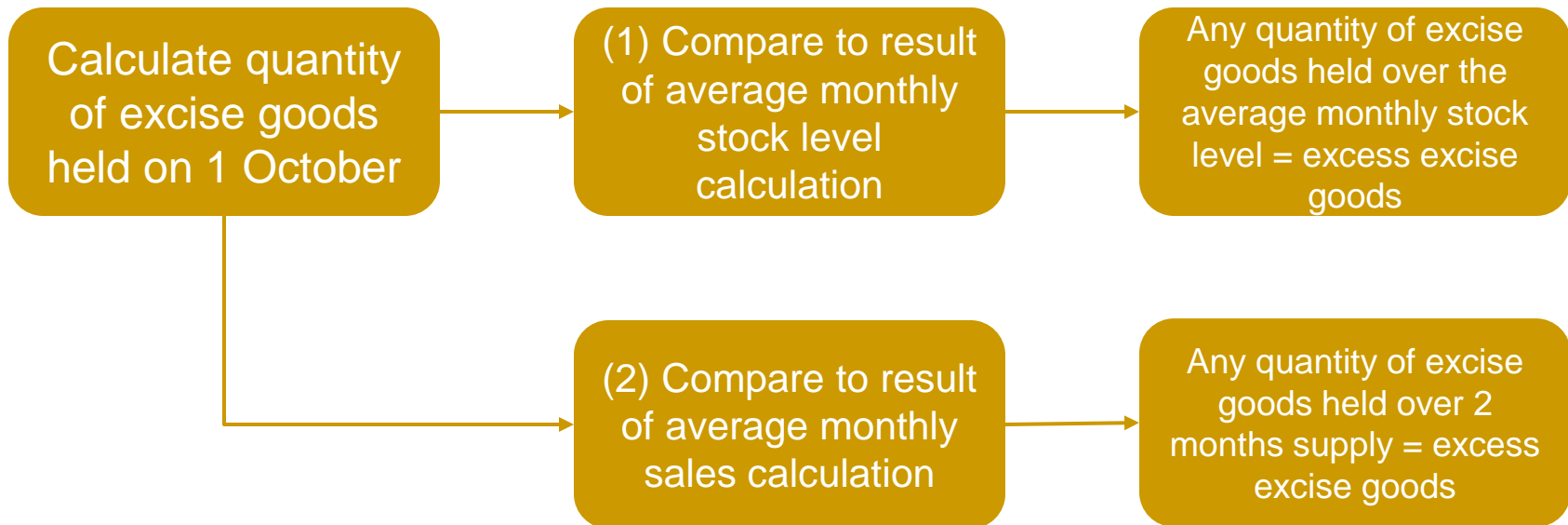
Month 1 – total excise goods sales
Month 2 – total excise goods sales
Month 3 – total excise goods sales
Month 4 – total excise goods sales
Month 5 – total excise goods sales
Month 6 – total excise goods sales
Month 7 – total excise goods sales
Month 8 – total excise goods sales
Month 9 – total excise goods sales
Month 10 – total excise goods sales
Month 11 – total excise goods sales
Month 12 – total excise goods sales

/12 x 2

= 2 months supply



Excess Excise Goods



Any quantity of excise goods in excess of 2 months' supply are taxable as excess excise goods, even if the quantity of excise goods held are less than or equal to the average monthly stock level.

If the quantity of excise goods held exceeds the result of both (1) and (2) – the lower threshold shall apply and tax shall be accounted for on excise goods held over that value.



When: When to account for Excise Tax?

Article 10,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Tax shall be calculated (i.e. included on the Excise Tax return) based on the dates below:

- ✓ At the date of import of the excise goods
- ✓ At the date on which the excise goods were acquired by a stockpiler (or the effective date of the Decree-Law if later)
- ✓ At the date on which the excise goods were released for consumption i.e. produced or released from a designated zone.



When: When are goods released for consumption?

Goods are released for consumption when:

- They are produced
- They are released from a designated zone

“Produced” means:



1. Ready to be held out for retail sale
2. Fit for consumption or sale where the goods are not intended for retail sale
3. Ready to be sold to a retailer if the goods are of the type which are not fit for consumption until they are combined with another product at the point of retail sale



When: When are goods released for consumption?

Goods are released for consumption when:

- They are produced
- They are released from a designated zone

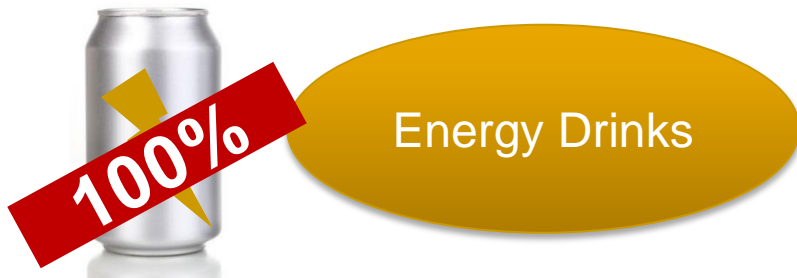
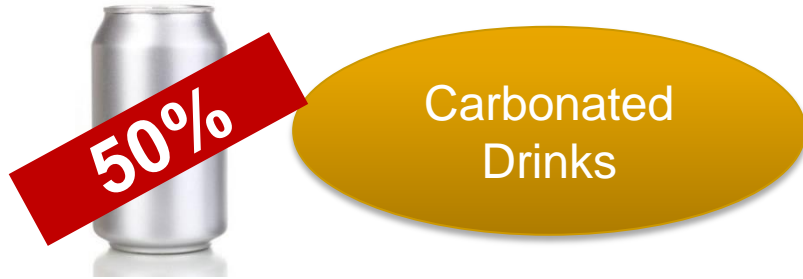
“Released from a designated zone” means:



1. They leave a designated zone
2. They are consumed or bought for consumption within a designated zone
3. There is an ‘irregularity’ during a designated zone transfer
4. They are found to be deficient or there is a shortage in their quantity from a designated zone or during a designated zone transfer



What value: How to calculate Excise Tax



- Excise Tax will be applied to the Excise Price of the goods i.e. the tax base
- The Excise Price will be the higher of:
 - ❖ The price published by the FTA in a standard price list; or
 - ❖ Designated Retail Sales Price of the goods, less the excise tax applicable



What value: Price list

HS Code	Item Code	Brand	Product	Unit	Volume	Price
---------	-----------	-------	---------	------	--------	-------

- The FTA will publish a standard price list specifying the excise price of Excise Goods on the UAE market
- The price list will be developed in collaboration with industry, to identify the highest retail selling price of the product on the market
- Currently collating retail prices of excise goods – if you have any details to add please e-mail to RSP@tax.gov.ae
- The Taxable Person will then be required to declare the excise tax due on those products based on the price published in the list
- A number of **declarations** will be required to be filed during the tax period, which will calculate the tax liability of certain activities based on this published list

Examined in greater details in following slides



What value: Designated retail sales price

In the event that a price list is not published by the FTA, the designated retail sales price of the excise goods will be the higher of:

- The **recommended selling price** of the Excise Good in the course of its retail sale identified, declared and affixed to the goods by the Importer or Producer; or
- The **average retail selling price** of the goods in the market

NOTE: “in the course of retail sale” means the price achieved when the Excise Good is sold for retail purposes and directly to the consumer, this does not include the cases where the price is increased as a result of selling the Excise Good in a hotel, restaurant or similar establishment for the purpose of consumption on the premises



What value: Average retail selling price

- STEP 1:** Identify the different prices the excise goods have been sold for in the market during the last 12 months.
- STEP 2:** If any excise tax was included within those selling prices identified at step 1, deduct the excise tax from the price to arrive at the tax exclusive selling price.
- STEP 3:** For each different selling price in the previous 12 months, identify the total quantity of excise goods sold at that price and multiply the quantity sold by the selling price to calculate a market revenue figure for that price, for the period. Add the results of this calculation together for each price, to arrive at the total market revenue for excise goods over that 12 month period.
- STEP 4:** Divide the total market revenue by the total number of excise goods sold during the period – this will give you the average tax base of the goods.
- STEP 5:** Multiply the figure at step 4 by the appropriate tax rate to calculate the notional excise tax on the price.
- STEP 6:** Add the figures from step 4. And step 5. Together to calculate the average market selling price of the goods.



What value: Concentrates, powders, gels & extracts

- The methods specified to identify the designated retail sales price of an excise good are not appropriate for identifying the designated retail sales price of a concentrate, powder, gel or extract
- The retail price applicable to the product when it is finally sold as a drink is not normally identified by the importer or producer, and it may be difficult for the taxable person to identify what price the retailer would sell the final beverage for
- Therefore, an alternative method for calculating the designated retail sales price of a concentrate, powder, gel or extract will be announced in due course.



Designated Zones: definitions

Article 1,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Designated Zone: Any fenced area intended to be a free zone that cannot be entered or exited except through a designated road, and any area designated by the FTA as being subject to the supervision of a Warehouse Keeper

Article 1,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Warehouse Keeper: Any person approved and registered at the FTA to supervise a designated zone

Article 13,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

A **designated zone** shall be treated as being **outside the UAE** for excise tax purposes



Designated Zones: delaying payment of excise tax

- Excise goods stored, preserved or processed in a designated zone, or transferred between designated zones, will be treated as not released for consumption in the UAE
- Every designated zone must have a warehouse keeper who is responsible for controlling and supervising the designated zone and the excise goods stored within it
- Excise goods may be imported into, received, produced, stored, preserved, processed or otherwise held in a designated zone **will not be subject to excise tax** until those goods are released for consumption in the UAE

Excise goods are **released for consumption** when:

- They are produced; or
- They leave a designated zone & enter free circulation.

NB: Goods are **produced** when they are **ready to be held out for retail sale, fit for consumption or sale** where they are not intended for retail sale, or **ready to be sold to a retailer** if they are of a type which are not fit for consumption until they are combined with another product at the point of retail sale (i.e. concentrate used to create a carbonated drink)



Where can be a Designated Zone?

TYPE A

- A fenced free zone or located within a fenced free zone
- Has security measures in place to restrict entry and exit of individuals and movements of goods to & from the Designated Zone
- Controlled & supervised by a Customs Authority
- Has an appointed Warehouse Keeper

TYPE B

- Any area specified by the FTA
- Located in a specific geographic area
- Has security measures in place to restrict entry and exit of individuals and movement of goods to and from that area, according to conditions specified by the FTA
- Has an appointed Warehouse Keeper



Approval of a Designated Zone

When a person registers as a Warehouse Keeper, they must also complete a Designated Zone registration. During the process of approving a new Designated Zone, the FTA may specify certain conditions over the operation of the Designated Zone including:

Requiring financial security to be provided

Imposing additional reporting requirements

The checks the Warehouse Keeper is required to make on the goods

The level of physical security required

The type of Excise Goods that can be held in the Designated Zone

The quantity of Excise Goods that can be kept by the Warehouse Keeper in the Designated Zone at one time

The types of access which may be granted to the Designated Zone and any access restrictions which should be imposed



Designated Zones: role of the warehouse keeper

- Every designated zone must be **supervised by a warehouse keeper**
- The warehouse keeper will be responsible for ensuring the excise goods are held within the designated zone in accordance with any conditions specified by the FTA in respect of that designated zone e.g. level of physical security, access granted to the site, checks required over the goods etc.
- The warehouse keeper will be required to keep a number of records in respect of the excise goods held within the designated zone e.g.
 - ❑ The stock levels of the designated zone
 - ❑ The value and quantity of excise goods entering the designated zone
 - ❑ The value and quantity of excise goods leaving the designated zone and released for consumption
 - ❑ The value and quantity of excise goods transferred to another designated zone, including the details of the designated zone to which they are transferred
 - ❑ The value and quantity of excise goods transferred from the designated zone for export
 - ❑ The value and quantity of excise goods produced within the designated zone



Designated Zones: Transfers between Designated Zones

Article 14,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Excise goods may be transferred from one Designated Zone to another without being subject to Excise Tax

Excise goods will not be subject to Excise Tax when transferred between Designated Zones where:

- The goods are not released for consumption during the transfer
- The goods are not used or altered during the transfer
- The transfer is undertaken in accordance with the rules established by the FTA

Rules governing the transfer include:

- The WK from the originating DZ must issue a document confirming the transfer of excise goods to the receiving DZ
- The WK from the receiving DZ must confirm receipt of the excise goods within the DZ
- The WK's financial security will cover the transfer

The movement document must include:

- The type of excise goods transferred
- The quantity and value of the excise goods
- The value of tax due in the event the excise goods are released for consumption in the course of the transfer



Deductible Tax

Article 15,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

Payable tax owed by a taxable person shall be calculated as the due tax for the tax period less the total deductible tax

Deductible Tax

Tax paid on excise goods
which have been exported

Tax paid on excise goods
which have become a
component of another
excise good

Amounts paid in error

- It is not expected that businesses will often have deductible tax to declare on their Excise Tax returns, **however:**
- If the deductible tax amount exceeds the tax payable for the tax period, then it should be carried forward to the next tax period and offset against any payable tax or any penalties
- If deductible tax remains after being carried forward for 2 tax periods, the taxable person may claim a refund of the excess refundable tax from the FTA
- Repayment of excess refundable tax will be made within 2 calendar months from receipt of the claim, or within 21 days of concluding an audit on the claim



Compliance procedures

Declarations

A number of declarations will be required to be filed in order to declare and pay excise tax. Declarations will be required in following situations:

- Import of excise goods
- Production of excise goods
- Release of excise goods from a designated zone
- Transfer of excise goods from a designated zone
- Deductible tax

Tax Return

The excise tax return will be auto-populated based on the declarations submitted for that tax period.

All declarations must therefore be completed prior to submission of the tax return.

Deadline for submission of the tax return is the 15th day of the month following the end of the tax period.

Tax periods will normally be 1 calendar month in duration. Payment is due by the 15th day following the end of the calendar month.



Importing goods: Declaration procedure

- At or before the point of import, the importer will be required to file a declaration via the FTA portal declaring the imported goods
- The designated retail selling price of the goods will be auto-populated on the declaration based on the product declared, and the tax liability will be automatically calculated
- The filing of the declaration will generate a transaction ID
- If the importer is registered for excise tax, the information from the declaration will flow through to the excise tax return at the end of the tax period – no payment will be required from the importer at the time of import
- If the importer is excepted from registration, they will be required to pay the excise tax due on submission of the declaration
- At the point of entry to the UAE, the importer must provide the transaction ID to the Customs Department
- The Customs Department will verify the quantity of excise goods imported & where required, confirm payment has been made
- The importer may file as many import declarations in a tax period as required



Importing goods: Declaration procedure

Excise Declaration Form - Import

TRN

Please provide the following

Name of Business
 Emirate Arrived at
 Date of import / release from designated zone
 What is the Excise declaration related to?
(If Imports - Selected)

Part of Entry
(If Designated Zone is Selected)

Designated Zone Number
 Name of Designated Zone

Search product										
Serial No.	HS Code	Item Code	Quantity	Product Description	Brand	Item Description	Unit of Measurement (kg, litre)	Retail Selling Price (RSP)	Excise Tax	Duty Suspension?
1				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
2				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
3				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
4				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
5				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>

Add more items?

(If Yes is selected)

6				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
7				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
8				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
9				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>
10				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax - Tax rate * RSP * Quantity	<input type="checkbox"/>

Total excise tax due for this import

Declaration*
 I hereby agree to have read the requirements, obligations, terms and conditions for Excise
 I declare that the information provided is accurate and complete.

Transaction number



Producing goods: Declaration process

- At the end of the tax period, prior to filing the excise tax return, the producer must submit a declaration to the FTA stating all of the excise goods produced which were released for consumption during that tax period
- The designated retail selling price of the goods will be auto-populated on the declaration based on the product declared, and the tax liability will be automatically calculated
- Only one production declaration will be required to be filed by the producer at the end of each period



Producing goods: Declaration procedure

Excise Declaration Form

Are you filling this form as

TRN

Prepopulated based on online user login

Please provide the following

Name of Business
Period of declaration
From
To
Date of declaration

Prepopulated as per TRN
By Month
Date picker to be provided
Date picker to be provided
Date picker to be provided

What is the Excise declaration related to?

Producer o Movement from non fenced designated zone o

Search product

Serial No.	HS Code	Item Code	Quantity	Product Description	Brand	Item Description	Unit of Measurement (kg, litre)	Retail Selling Price (RSP)	Excise Tax	Duty Suspension?
1				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
2				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
3				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
4				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
5				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>

Add more items?

(If Yes is selected)

Yes o No o

6				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
7				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
8				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
9				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>
10				Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Prepopulated as per item code	Calculated by system: Excise Tax = Tax rate *RSP*Quantity	<input type="checkbox"/>

Calculate Tax

Total excise tax due for this production period

XXX

Declaration*

I hereby agree to have read the requirements, obligations, terms and conditions for Excise
I declare that the information provided is accurate and complete.

Cancel

Save

Submit



Claiming credit: Declaration procedure

- At the end of the tax period, prior to filing the excise tax return, a taxable person who is eligible to deduct tax should submit a declaration to the FTA stating all of the excise goods on which excise tax was previously paid which are now eligible for credit
- The declaration will require the person to indicate the tax period in which tax was originally paid on the goods & the reason the right to the deductible tax has arisen. It may also be necessary to provide evidence of the tax originally paid
- The credit declaration is optional and is only applicable in the case where the taxable person wishes to claim credit. Only one credit declaration will be required to be filed at the end of each period



Claiming credit: Declaration procedure

Excise Credit Form - Produce

TRN

Propagated based on online user login

Please provide the following

Name of Business
Period for which you are claiming credit
From (Start date of period for which you are claiming credit)
To (End date of period for which you are claiming credit)

Propagated as per TRN

By Month

Date picker to be provided

Date picker to be provided

Serial No.	Date of Movement	Reason for Credit Claim	Documentary proof of reason	HS Code	Item Code	Quantity	Product Description	Brand	Item Description	Unit of Measurement (kg, litre)	Retail Selling Price (RSP)	Excise Tax Credit
1			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
2			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
3			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
4			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
5			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)

Add more items?
(If Tax is reduced)

Yes o No o

6			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
7			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
8			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
9			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)
10			Upload				Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Propagated as per item code	Calculated by system: Excise Tax Credit = (Tax rate * RSP * Quantity)

Calculate Credit Due

Total credit due for this production period

XXX

Declaration*
I hereby agree to have read the requirements, obligations, terms and conditions for Excise
I declare that the information provided is accurate and complete.

Cancel

Save

Submit



Submitting the Excise Tax Return

- The details submitted in each of the declarations will pull through to the excise tax return and auto populate the tax liability at the end of the return period
- The taxable person should check the information contained within the form is correct prior to submission. If any declarations have not been submitted for the period, these should be submitted prior to the submission of the excise tax return in order to ensure that all applicable tax is accurately captured for the period
- The taxable person should then submit the excise tax return and complete payment of the tax liability due by the filing deadline of the 15th of the month following the end of tax period



Excise Tax Return

Wireframe of the return

Basic information

Tax Registration Number (TRN)

Taxable Person Name

Excise Tax Return Period

Excise Tax Return Period

Calculation of Excise Tax due

	Value of Excise Goods (AED)	Excise Tax due (AED)	
Excise Tax due on the Importation of Excise Goods	A1	A2	
Excise Tax due on the Production of Excise Goods	C1	C2	ADD
Excise Tax due on the Release of Excise Goods from a Designated Zone	B1	B2	ADD
Excise Tax due on the Stockpiling of Excise Goods	D1	D2	
Total value of Excise Tax due during the period	E1=A1+B1+C1+D1	E2=A2+B2+C2+D2	
Total value of Excise Tax deductible during the period		F	
Total Excise Tax due		G=E-F	

Authorised signatory

Declarant first name (Arabic)

Declarant middle name (Arabic)

Declarant last name (Arabic)

Declarant first name (English)

Declarant middle name (English)

Declarant last name (English)

Title

Position

Emirates Identity Card number

Phone country code

Phone Number

Declarant mobile country code

Declarant mobile number

e-mail address

Date



Refund claims in special cases

Article 21,
Federal
Decree-Law
No. (7) of
2017 on
Excise Tax

The FTA may refund Excise Tax paid in certain cases on receipt of a refund application submitted by the following:

Foreign governments, international organisations and diplomatic bodies and missions, on condition of reciprocity, for Excise Tax paid in the course of their official activities

A person who is registered in any GCC State who has paid Excise Tax in the UAE and then exported excise goods to another GCC State

Any other persons or categories determined by a Cabinet Decision

- Refund claims can be made via the FTA online portal
- Applicants will be required to complete an Excise Tax refund form & upload supporting evidence



Scenarios: Taxable person importing to UAE



Taxable Person imports goods into the UAE which are to be entered into free circulation.



At or prior to import, a declaration is filed.



The details of the declaration are verified by the Customs Department on import.



The taxable person can then depart with their goods and will pay their tax liability at the point they file their excise tax return at the end of the tax period.



Scenarios: Non-registered person importing to UAE



A non-registered person imports goods into the UAE which are to be entered into free circulation.



At or prior to import, a declaration is filed & payment is made.



The details of the declaration are verified by the Customs Department on import, who also check that payment has been made.



The non-registered person can then depart with their goods having met their tax liability.



Scenarios: Import to a Designated Zone



Taxable Person imports goods into the UAE and indicates the goods are intended to move straight to a Designated Zone.



At or prior to import, a declaration is filed. As the goods are marked as destined for a Designated Zone, no tax liability is triggered on the declaration.



The details of the declaration are verified by the Customs Department on import.



The taxable person can then transport their goods to the Designated Zone. The goods must be accepted in to the Designated Zone by the Warehouse Keeper. No excise tax liability is triggered as a result.



Scenarios: Release from Designated Zone Type A



The taxable person storing goods within a Designated Zone removes the goods from the Designated Zone



At or prior to release, a declaration is filed.



The details of the declaration are verified by the Customs Department & the Warehouse Keeper on release of the goods.



The taxable person will pay their tax liability at the point they file their excise tax return at the end of the tax period.



Scenarios: Release from Designated Zone Type B



The taxable person storing goods within a Designated Zone removes the goods from the Designated Zone



The details of the removal are checked & verified by the Warehouse Keeper, who keeps his own records of goods leaving the zone,



At the end of the tax period, a declaration is filed.



The taxable person will pay their tax liability at the point they file their excise tax return at the end of the tax period.



Scenarios: Transfer from a Designated Zone



The taxable person storing goods within a Designated Zone prepares to transfer the goods to another Designated Zone, or transfer the goods for export.



The Warehouse Keeper must approve the taxable person to conduct the transfer and provide evidence of the approval. The Warehouse Keeper issues a movement document which must accompany the goods.



The Warehouse Keeper of the receiving Designated Zone confirms receipt of the goods, or evidence is retained that the goods have been exported.



Provided the conditions governing transfers of goods have been met, no excise tax liability is triggered as a result.



Scenarios: Credit for goods exported



Taxable Person imports goods into the UAE which are to be entered into free circulation.



At or prior to import, a declaration is filed. The tax liability applicable is then paid at the end of the tax period.



Taxable Person then exports the goods to a place outside the UAE.



The taxable person then submits a declaration claiming credit for the tax originally paid on the exported excise goods. Evidence must be provided that the tax was paid and that the goods have left the UAE. The credit is then deducted from the tax return for the period in which the export occurred.

Q&A