



LEGISLATIONS AND POLICIES DIVISION

Policies and Procedures Department

Customs Policies
(2005-2008)

Customs Policies

From (2005 - 2008)



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VISION

To sustain economic and social development in Dubai and to be one of the leading customs administrations in the world supporting legitimate trade.

MISSION

Working in collaboration with the government and key stakeholders to continuously improve compliance, meet national commitments and apply control in a seamless and cost-effective way, in line with the Dubai Government Excellence Program.



INTRODUCTION

Dubai Customs strives to keep clients informed of all customs related laws and regulation, disseminating information about latest developments based on its keenness on facilitating higher service delivery standards in a manner keeping clients abreast with customs requirements that enhancing the rule of partnership and transparency derived from its vision and mission contained in customs business strategy.

Dubai Customs sought to produce series of customs polices with the objective of implementing best international customs practices standards and observed to have such polices developed in consistence with world customs standards and agreements. Customs policies are easily applicable transactional processing upon clear rules and regulations.

Dubai Customs presents this manual as to be accessible for all to benefit from the latest customs policies contained therein.



CONCEPT

- A means aiming at achieving the organizational objective and programmers.
- A means of implementing and enforcing rules and regulations.
- Based on relevant regional and international laws, systems and agreements.
- Developed and produced in consistence with the economic and trade changes and challenges worldwide.

GENERAL OBJECTIVES

- Deliver clear and understandable laws and legislation that providing rights and obligations for internal and external clients alike.
- Observe friendly, simple and clear customs procedures.
- Integrate customs systems and procedures at customs centers level.
- Transparency in making information available to all customs clients.
- Adopt clear, flexible and transparent legal framework.
- Comply with international customs standards and norms.



Date: 01/11/2005
Customs Policy
Policy code: DCP (1)

Policy Title: Returned Goods

Policy Details

The following returned goods or part of it, shall be exempted from customs duty:

First

Returned goods of national origin, which were previously exported in accordance with the following requirements:

- a) Must be returned within 3 years from the date of exportation.
- b) Must be the same goods, which have been exported under an export declaration, which proves their origin, specifications and distinguished marks.
- c) Must be returned in the same state in which they have been exported.
- d) Goods, which cannot be distinguished are excluded and shall be subject to Customs duty.

Second

Returned foreign goods that are proved to have been previously re- exported in accordance with the following requirements:



- a) Must be returned within one year from the date of re-exportation.
- b) Due of customs duty have been paid when goods were firstly imported.
- c) No refunds have been made at the time of re-exportation.
- d) Must be re-exported under a re-exported declaration, which proves their origin, specifications and distinguished marks.
- e) Must be the same goods, which have been re-exported and be returned in the same statement at the time of re-exportation.
- f) Goods, which cannot be distinguished, are excluded and shall be subject to Customs duty.

Third

Goods that have been temporarily exported for finishing or repair shall be subject to Customs duty in an amount equivalent to the addition resulting from such finishing or repair according to the following requirement:

- a) Must be returned within one year from the data of re-exportation.
- b) Due of customs duty have been paid when goods were firstly imported.
- c) No refunds have been made at the time of re-exportation.
- d) Must be declared on the respective customs declaration that goods are exported or re-exported with the objective of finishing or repair and shall then be returned.
- e) Goods, which cannot be distinguished are excluded and shall be subject to customs duty.

This Customs policy shall come into force as of 1st November 2005.



Data: 14/11/2005

Customs Policy

Policy Code: DCP (2)

Policy Title: Goods Declaration

Policy Details

All importers and exporters, or their representative should complete the Import or Export Goods Declaration form and submit it along with the other documents required for customs clearing purposes.

Goods, which are in possession of passengers, and goods imported or exported by individuals through General post and goods cleared by customs through Electronic Data Interchange (EDI) are excluded from this requirement.



Data: 14/11/2005
Customs Policy
Policy Code: DCP (3)

Policy Title: Sale of Goods by Public Auction

Policy Details

The Customs administration may, by public auction, sell goods and commodities, which have not been withdrawn from stores or located in yards, wharves or left inside customs offices after the periods shown below, which granted as from the date of arrival of goods.

- One month for refrigerated and dangerous containerized cargo.
- Three months for containerized cargo, vehicles and other road moving equipment.
- Six months for general/bulk cargo arriving by sea.
- Three months for cargo arriving by land and air.

The Customs Administration shall have the right in binding the declarant to bring back any imported dangerous goods to the country of source or taking them outside the GCC states.

This policy has been amended within policy No. 19.



Data: 20/11/2005

Customs Policy

Policy Code: DCP (4)

**Policy Title: Import and export of goods in accordance
with the Company or agency's activity**

Policy Details

Companies and other agencies are to import, export and trade in the authorized goods in accordance with their licensed commercial activities only, issued by the competent licensing authority.

This Customs policy shall come into force as of 1st December 2005.



Data: 28/11/2005

Customs Policy

Policy Code: DCP (5)

Policy Title: Proof of Origin and settlement of Disputes

Policy Details

Pursuant to provisions of Article (48) of the common Customs law of the GCC states and for the purposes of proof of origin and settlement of disputes, the following have been decided:

- 1. Documents to be attached or lodged electronically to Customs Declarations for the purposes of proof of origin:**
 - a) For the purposes of proofing the origin when non-preferential treatment is applicable, original lists (invoices) endorsed by the competent agencies or organizations as showing true prices and containing a proof of origin, shall be accepted. An original certificate of origin authenticated by the competent authorities may also be attached providing that the information contained therein conforms to that set out in the invoice (list).
 - b) For the purposes of applying preferential treatment to Commodities originating from countries, which have economic agreements with UAE or other GCC States, a proof of origin must be presented along with the declarations as stipulated by such agreements or the arising protocols thereof.



c) Goods taken out from free Zones into the country should be accompanied by a certificate of origin issued by the local competent authority.

2. When no proof of origin is presented, any of the following measures may be taken depending on the case being dealt with:

a) Where goods are of an origin requiring non-preferential treatment, payment of five hundred (500) dirham shall be made as a deposit guarantee until an authenticated proof of origin is presented.

b) Where goods are of an origin requiring preferential treatment (duty exemption or reduction), the following are to be taken:

- Where the agreement provides for presenting an original certificate when goods are cleared, no preferential treatment shall be applicable full payment of customs duties shall be made and deposit of five hundred (500) dirham against absence of any required documents shall be paid until such document are submitted.

- Where the agreement does not provide for submitting the certificate when goods are cleared, deposits shall be paid as customs duties and a deposit of five hundred (500) dirham against absence of any required documents until such documents are submitted.



3. Settlement of Disputes:

- a) Any dispute between the customs officer and the consignee or his representative shall be settled by the Tariff department providing that a detailed report signed by the competent officer and his supervisor/manager outlining reasons for the disputes must be attached.
- b) Tariff department shall act as a reference for settling all origin and economic agreements related disputes.

4. Proof of Origin Exceptions:

In accordance with the content of this policy, the following cases are excluded from the proof of origin, except from which is stated in Para I/B

- 1) Air postal consignments and goods as personal effect, of value not exceeding three thousands (3000) Dirham.
- 2) Publicity materials, samples and models of imported goods without commercial value that do not exceed three thousands (3000) dirham.
- 3) Items or belongings accompanying the passengers as personal effects.
- 4) Personal effects and used household items brought into the country by the nationals residing abroad or foreigners coming for the first time for residence in the country.



- 5) Newspapers, magazines, books, periodicals and catalogues bearing clear marks of origin.
- 6) Remains of vessels and ships lying at anchor in the country's Ports.
- 7) Used vehicles and motorbikes of personal use.
- 8) Grants and donation coming to Government Ministries, Departments and Organizations.
- 9) Goods sold by auction.
- 10) Free Zone factories and warehouse and remains.
- 11) Imported vessels.
- 12) Temporary Admission goods.
- 13) Transit goods.

This Customs policy shall come into force as of 1st January 2006.

This policy has been amended within policy No. 13.



Data: 28/11/2005
Customs Policy
Policy code: DCP (6)

Policy Title: Examination of goods outside Customs Offices

Policy Details

Examination of imported goods shall take place at the customs office and may be conducted outside the customs office in the following cases:

- 1) Sensitive and perishable goods like furniture, glass and manufactured glasses, work of art and antiques.
- 2) Personal effects and household.
- 3) Full production units, industrial inputs including machineries, equipments spare parts and raw materials, semi manufactured products and packing materials necessary for direct industrial production.
- 4) Charitable Associations requirements.



- 5) Diplomatic, consulate and world organizations imports.
- 6) Government agencies and institutions imports.
- 7) Very heavy goods, which cannot be discharged or dealt with in the customs office.

The right of the customs administration in examining the above cases within customs office, if required, shall not be undermined.

This customs policy shall come into force as of 1st January 2006.

This policy has been amendment within policy No. 21.



Data: 22/1/2006
Customs Policy
Policy Code: DCP (7)

Policy Title: Implementation of Agreement on Customs Valuation as contained in Article VII of GATT 94

Policy details

Pursuant to articles (26), (27),(28),(61),(62) and (127) of the Common customs law of the GCC States and the agreement on implementation of Article VII of GATT 94, it has been decided that imported goods shall be valued for the customs purposes as following:

Article (1)

The following words and terms shall have the meanings hereby assigned for them, unless the context otherwise requires:

- **State:** Means the United Arabs Emirates.
- **GCC:** Means Gulf States of Cooperation Council.
- **Administration:** Means Dubai Customs.
- **Department:** Means Customs Valuation Department.
- **Manager:** Means Manager of Customs Valuation Department.
- **Customs Center:** Means any customs center directly reporting to the Administration and authorized to complete all customs formalities.
- **Customs Value:** Means the approved value for imported goods for the purposes of collecting customs duties in accordance with the provisions of the common customs law of the GCC States.



Article (2) – Customs Value

A. The Customs Value of goods being imported through Dubai borders shall be calculated by adding the following costs and expenses:

- 1) The transaction value, that is the price actually paid or payable for the goods when sold to GCC countries.
- 2) The costs, which must be added if not included in the price actually paid or payable are as follows:

- Commissions and brokerages, except buying commissions.
- The cost of containers, which are treated as one with goods in question.
- The cost of packing whether for labor or materials.
- The value apportioned as appropriate of goods and services supplied by the buyer.
- Royalties and license fees related to the goods being valued that the buyer must pay.
- The value of any proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller.
- The cost of transport of the imported goods to the borders of GCC States.
- Loading, unloading, handling and insurance charges to the borders of GCC States.

- 3) No additions shall be made to the price actually paid or payable in determining the transaction value except as provided for in the sub-para (1) and (2) of para (a) to this article.



B. The price actually paid or payable for goods when sold to GCC States shall be accepted providing that:

- 1) There are no restrictions as to disposition or use of the goods by the buyer other than restrictions, which do not substantially affect the value of goods or limit the geographical area in which the goods may be resold.**
- 2) The sale or price is not subject to same condition or consideration for which a value cannot be determined with respect to the goods being valued.**
- 3) No parts of the proceeds of any subsequent resale, disposal or use of the goods by the buyer accrue directly or indirectly to the seller.**
- 4) The buyer and seller are not related.**

C. Where the buyer and seller are related, the price actually paid or payable for goods shall be accepted providing that:

- 1) The relationship did not influence the price actually paid or payable.**
- 2) The importer demonstrates that such value closely approximates to the transaction value in sales to unrelated buyers or sellers of identical or similar goods for export to GCC States at the time of importation or so.**

D. If, in the light of information provided by the importer or otherwise, the administration has the grounds for considering that the relationship influenced the price, it shall communicate its grounds to the importer and the importer shall be given a reasonable opportunity to respond.



- E. The administration is empowered to doubt the presented documents and price if there are reasonable grounds for such doubt, despite the conformity of the provisions set out in para (b) of this article.**

- F. The importer has the right in requesting verbally or in writing the reasons for doubts about the presented documents and price and shall be given a reasonable opportunity by the administration to respond.**

- G. In case the importer fails to present the evidence acceptable by the administration within the given period, the goods being valued shall be assessed in accordance with the provisions of the following articles to this policy.**

Article (3)

- A. Under the provisions of this article, Customs value shall be determined using one of the following methods:**
 - 1) The lowest value of identical goods sold for export to GCC States and exported at or about the same time as the goods being valued at the same commercial level and in substantially approximate quantities.**

 - 2) The lowest value of similar goods sold for export to GCC States and exported at or about the same time as the goods being valued at the same commercial level and in substantially the same quantities.**



3) The sale price prevailing in GCC markets of imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:

- The commissions usually paid or agreed to be paid and the additions usually made for profit and general expenses in connection sales of goods of the same class or kind.
- The usual cost of transport and insurance and associated costs incurred within GCC States for the goods being valued, identical or similar goods.
- The customs and other national taxes payable by reason of the importation or sale of the goods.

4) The computed value of goods sold for export to GCC States, which consists of the sum of:

- The cost or value of materials and fabrication or other processing employed in producing the imported goods being valued.
- An amount of profit and general expenses equal to that usually reflected in sales of goods, which are made by producers for export to GCC countries.
- Loading, unloading, handing and insurance charges associated with the transport of goods to GCC borders.

B. The customs value shall be determined under the provisions of this article according to the order shown therein and by applying methods successively until determining the customs value in accordance with the first possible method. At the request of the importer, the order of application of paras (4) and (3) of this Article may be reserved.



Article (4)

A. If the customs value of the imported goods cannot be determined under the provisions of Articles (2) and (3), the customs value shall be determined using reasonable means on the basis of:

- 1) The selling price of goods produced in GCC states.
- 2) The price of the goods on the domestic market of the country of exportation.
- 3) The price of the goods for export to a country other than GCC states.
- 4) The higher value of two alternative values.
- 5) Minimum customs values.
- 6) The cost of other than computed values, which have been determined for identical or similar goods in accordance with the provisions of Para (4) of Article (3).
- 7) Arbitrary or fictitious values.

B. If the importer so requests, the importer shall be informed in writing of the customs value determined and methods used to determine such value in accordance with the provisions of this Article.

Article (5)

A. The customs value of the exported goods shall be determined by calculating the sale or estimated value of such goods according to their condition at or about the time of registering the appropriate customs declarations plus cost of transport to GCC borders.

B. The value of exported goods does not include taxes and customs duties, which are refunded upon exportation.



Article (6)

A. For the purposes of proving the accuracy of the price paid or payable, the importer or his representative must:

- 1) Present attested original commercial invoice proving accuracy of price of the imported goods.**
- 2) Submit a bill of lading and export and re-export customs declarations for the imported goods.**
- 3) Show the method of payment of the value of the imported goods and produce the supporting banking documentary credits and financial receipts if the customs officers request so.**
- 4) If the customs officers request so, present letters, commercial contracts and pro forma invoices relating to the imported goods.**
- 5) Write the commodity kind in Arabic, in compliance with the customs tariff, on invoices issued in foreign language if the customs officers request so.**

B. Failure to submit or produce original copies of the foregoing documents shall be deemed as reasonable ground to doubt about the accuracy of the presents documents, information and price.

Article (7)

The department shall monitor and implement this policy and issue business directories, rules of implementation and explanatory notes.

Article (8)

This customs policy shall come into force as of 1st February 2006



Date: 30/1/2006
Customs Policy
Policy Code: DCP (8)

**Policy Title: Conditions and Controls for exempting
Personal Effects and Household Items**

Policy Details

The personal effects and used household items brought into the country by the national residing abroad and foreigners coming for the first time for residence in the country shall be exempted from customs duty in accordance with the following:

Article (1)

The following categories shall benefit from such exemption:

- 1) Nationals residing abroad upon their final return to reside in the country.
- 2) Foreigners coming for the first time for residence in the country.



Article (2)

Exemption shall be subject to the following conditions and controls:

- 1) The personal effects and household items must be used items.**
- 2) Present a proof showing residence abroad.**
- 3) Present a proof showing work and residence in the country for foreigners.**
- 4) The personal effects and household items must be brought into the country in the name of the national residing abroad.**
- 5) The personal effects and household items must be brought into the country in the name of the foreigner intending to reside in the country.**
- 6) The personal effects and household items must be in quantities and numbers that fit with furnishing a house.**
- 7) The exemption requester shall submit a packing list showing the full contents.**



Article (3)

- 1) Branch Operations and customs centers are authorized to approve the exemption taking into account all necessary facilitations that speed up clearance of such personal effects and household items in accordance with the foregoing conditions and controls.
- 2) Any cases of disputes or clear incompliance with the aforementioned conditions and controls shall be referred to customs Tariff and Origin Department for settlement.
- 3) New personal effects and household items are not exempted and their customs duty shall be collected in accordance with the customs law provisions and tariff.
- 4) Customs declarations for such cases shall be excluded from the attachment of commercial invoices and certificates of origin.

Article (4)

This Customs policy shall come into force as of 1st March 2006.



Date: 18/03/2006

Customs Policy

Policy Code: DCP (9)

Policy Title: Commercial Discounts Treatment for Customs Purposes

Policy Details

Pursuant to the provisions of Article (26) of the Common Customs Law of the GCC States and with reference to the relevant resolutions by WTO and WCO, all commercial discounts for customs purposes shall be treated as follows:

Article (1)

All commercial discounts for customs purposes shall be accepted providing that:

- 1) Discounts given to all buyers of the same commercial level.
- 2) Discounts given to buyers at the time of valuation.
- 3) Discounts in respect of goods being valued.
- 4) Discounts given in accordance with the prevailing commercial norms that include:
 - A. Cash discounts.
 - B. Quantity discounts.
 - C. Discounts in kind.
 - D. Special introductory discounts.



Article (2)

The following commercial discounts may be taken into account and accepted after the contractual arrangements and the supporting correspondence are ascertained:

- 1) Late shipment allowance.
- 2) Breakage allowance (for fragile goods).
- 3) Contractual discounts (a kind of quantity discounts).
- 4) Negotiated discounts (special discounts justified in the special circumstance of sale).

Article (3)

The following commercial discounts for the customs purposes shall not be accepted:

- 1) Discounts resulting from related parties.
- 2) Post-shipment discounts.
- 3) Ambiguous unjustifiable discounts.
- 4) Sale and brokerage discounts.



Article (4)

Being the competent technical administration, the customs Valuation Department shall oversee the implementation of this policy and make the appropriate decisions on accepting or rejecting discounts mechanisms in case customs centers fail to do so, taking into consideration the provisions of the Administrative Decision No.2/2/2006 regarding set up of valuation committee.

Article (5)

This policy shall enter into force as of 1st of April 2006, and all concerned administrations are to implement it each within their scope of competence.



Date: 30/05/2006
Customs Policy
Policy Code: DCP (10)

**Policy Title: Valuation of Carrier Media Bearing Software
for Data Processing Equipment**

Policy Details

- Implementing Article (26) of the Common Customs Law of the GCC States:
- Taking into account Para (2) of the Decision No. (4. 1) adopted by WTO Committee on customs Valuation:

The customs value of imported carrier media, whether or not bearing data or software, shall be determined as follows:

Article (1)

For the purpose of the policy, the expression " carrier media" shall not be taken to include integrated circuits or devices, the expression "data or instructions" shall not be taken to include sound, cinema or video recordings.



Article (2)

The customs value of imported carrier media bearing data or instructions, shall be determined by calculating the cost or value of the carrier itself, provided that the cost or value of data or instructions is distinguished from value or cost of the carrier media.

Article (3)

Where the cost or value of imported carrier media includes cost or value of data or instructions, the customs value of the imported carrier media bearing data or instructions shall be determined by calculating the customs value of identical or similar carrier media, without taking into account the cost or value of data or instructions recorded therein.

Article (4)

The Department of Customs Valuation shall monitor the implementation of this policy at Customs administrations and centers.

Article (5)

This policy shall come into force as of 17th June 2006 and all respective administrations are to implement it each within their scope of competence.



Date: 6/9/2006

Customs Policy

Policy Code: DCP (11)

Policy Title: Trademark Recording for Customs Purposes

Policy Details

Article (1)

For the purposes of supporting and facilitating the business of customs intervention and protection of intellectual property right, and making it easy for the Compliance Management to notify the trademark owner in case of suspending, impounding, confiscating or destroying any shipments with respect to his registered trademark or any infringement of the same, the Intellectual Property Right section (IPR) shall record trademarks, which are already registered with the competent authority.

Article (2)

A record to be called " Trademarks Record" shall be established at the Compliance Management for the purposes of entering and archiving data, information and documents relating to the trademark issued by the competent authority and presented by the trademark owner or his authorized agent.



Article (3)

Trademarks shall be recorded against the payment of administrative fees totaling AED (200) for each trademark class in accordance with WIPO International Classification, to be collected by IPR Section in return for services and protection rendered to be the trademark owners.

Article (4)

The administrative fees shall be collected upon receipt of documents, completing recording requests and fulfilling the requirements for initiating a file in the name of the trademark owner. Such fees are irrecoverable even though the request is rejected.

Article (5)

IPR Section shall start taking actions in respect with customs intervention in the area of protecting intellectual property rights, once the complaint and report submitted by the trademark owner is received and examined, follow-up the case of infringement of the trademark against payment of AED (2000) plus AED (5000) as a deposit for covering inspection, transport and the likely tracking expenses, to be refunded in case the complaint is true and irrecoverable if proved to be not so.



Article (6)

In the event of urgent complaint, the trademark owner shall pay extra fees of AED (500), and if the complaint corresponds with a holiday or the weekend, he shall pay an additional amount of AED (1000).

Article (7)

Where the complaint proved to be true and the shipment is free of any offending goods, the trademark owner, upon presenting the complaint and report, shall submit an undertaking to bear all expenses and fees resulting from suspending the shipment in question as well as the charges being imposed on suspending or delaying the conveyors carrying the shipment including portstorage, handling and transport fees or any other expenses or charges thereof.

Article (8)

The trademark owner shall bear the charges for laboratory technical testing if the infringement or counterfeiting of the trademark is required to be proved by a technical and specialty testing.



Article (9)

The defendant owner of the offending shipment or the carrier shall bear transport and destruction expenses if the seized goods proved to be offending, and after a decision of confiscation and destruction is issued.

Article (10)

This police shall come into force as of 1 October 2006.



Date: 10/09/2006
Customs Policy
Policy Code: DCP (12)

Policy Title: Declaration and Inspection of Items or Belongings Accompanying the Passengers and their Exemptions thereof

Policy Details

Article (1)

The procedures for declaring, inspecting, exempting and collecting duties on excess and impounding of items or belongings accompanying the passengers at the customs offices, shall be carried out according to the following rules and practices:

Allowed and exempted items:

- 1) Entry of the following items or belongings accompanying the passengers shall be allowed and exempted from customs duty:
 - a. Gifts whose value does not exceed AED 3000.
 - b. The Number of cigarettes shall not exceed 400 cigarettes, 50 cigars, 500 grams of tobacco (minced or pressed for pipes), minced or pressed tobacco for smoking tobacco or mild-tasting tobacco.



- c. The amount of alcohol beverage and beer shall not exceed 4 liters for alcohol beverage; and 2 cartons of beer; each consisting of 24 cans not exceeding 355 ml for each can or its equivalent.
- 2) Entry of the following personal effects accompanying the passengers shall be allowed and exempted from customs duty:
- a. Still and moving video cameras with their appropriate tapes, films and quantities of slides and films.
 - b. Projectors for displaying slides and films including accessories and agreeable quantities of slides and films.
 - c. Telescopes.
 - d. Portable Music Equipments.
 - e. Radio systems, combined broadcasting apparatus, CD and DVD players with agreeable quantities.
 - f. Mobile telephone.
 - g. Portable TV sets.
 - h. Portable Typing sets.
 - i. Computers including laptops.
 - j. Portable calculators.
 - k. Baby cars.
 - l. Disabled wheeled chairs and cars.
 - m. Sports equipment.
 - n. Cash money, currencies and traveling cheques less than AED 40000; and the passenger's age shall not be less than 18 years old.



Article (2)

Exemption Conditions

Exemption shall be subject to the following conditions and controls:

- a) The baggage and gift must be of a personal nature and not in commercial quantities.
- b) The person must not be one of those who reports frequently to customs offices as trader in what he possesses or a number of the respective conveyances crew.
- c) Entry or exemption of cigarettes and alcoholic beverages for those whose age is less than 18 years old; shall not be allowed.
- d) Prohibition and restriction procedures shall be applicable to items or belongings accompanying the passengers.

Article (3)

Duty Collection Procedures for Excess Quantities and value/ Commercial Quantities

Goods accompanying the passengers shall be subject to the following procedures:

- a) Excess Quantities and Values:
 - i. Customs tariff shall be applicable to quantities and value in excess of the exemptions provided for in Article (1) above.



- ii. Where no customs duty is paid, excess quantities shall be impounded under impoundment receipt for (30) days to be extended; upon the passenger's request and approval by head of the Customs Center or his representative for another (30) or (60) days until the passengers leaves or pays the prescribed duty.
- iii. After the impoundment period provided for in Para (2) above is elapsed, public auction sales provisions shall be applicable to the goods in question.

b) Goods quantities and Value for commercial purposes:

The customs procedures; in terms of preparing customs declaration, value, charges and other prescribed procedures for imported goods, shall be applicable to the declared goods accompanying the passengers in quantities and value for commercial purposes.

Article (4)

Cash Amounts Declaration

All passengers arriving in the country are to declare the cash amounts in their possession, which exceed AED (40,000) Forty thousand or other equivalent currencies and traveling cheques by filling the declaration form designed for this purpose in and traveling cheques by filling the declaration form designed for this purpose in accordance with the cash amounts declaration system in force in the country; and any passenger whose age is less than 18 years old, shall not be allowed to bring in amounts exceeding the aforementioned limit, and the amounts in his possession shall be added to the allowed limit of his master if he accompanies him.



Article (6)

Penalties

- a) Subject to the provisions of Para (5) of Article (143) of the Common Customs Law, penalties provided for in Article (145) of the Common Customs Law shall be enforced in case goods of commercial nature accompanying the passengers are not declared.
- b) Where no declaration is made; and cash amount exceeding the figure provided for in Article (4) above is found, the amount upon initiating an investigation with customs officer, shall be seized and taken to the competent authority for legal actions.

Article (7)

Customs Tariff Origin Department is the agency to which all disputes concerning this policy shall be referred for settlement.

Article (8)

This Policy and Procedure shall come into force as of 1st November 2006.



Date: 03/04/2007

Customs Policy

Customs policy amending the customs policy DCP(5)

Policy Name: Proof of Origin and settlement of Disputes thereof

Policy Code: DCP (13)

Further to the customs policy Code (DCP5) issued on 28th Nov.2005 and, pursuant to the provisions of Article (48) of the Common Customs Law of the GCC States and, for the purposes of exception from proof of origin:

It has been decided that:

1. Article (4) of the customs policy DCP5 in respect with exception from proof of origin excluding what provided for in Para (2) of Article (1), shall be amended by adding the following Para:

"Goods of value not exceeding AED (5000) shall be exempted from proof of origin"

2. Para (3) to Article "one" of the customs policy (DCP 5), shall be amended and read as follows:

"Goods taken out of the Free Zones into country shall be accompanied by a detailed invoice containing proof of origin"

This customs policy shall supersede amendment of a customs policy issued on 24/1/2007.

This customs policy shall come into force as of 1st may 2007.



Date: 05/06/2007
Customs Policy
Policy Code: DCP (14)

**Policy Title: Goods Restriction, Prohibition
and Processing**

Policy Details

In pursuance to the Common Customs Law of the GCC States or any other law or system and for the purposes of applying integrated prohibition procedures to goods entering or exiting the customs offices of the emirate of Dubai, the following have been decided:

Article (1)

The following words and terms, wherever mentioned throughout this policy, shall have the meaning hereby assigned for them, unless the context otherwise requires:

Law: means the Common Customs Law of the GCC States.

Other law or system: means the law and system under which import of goods shall be prohibited restricted or subject to a specific processing.



Administration: means Dubai Customs.

Director General: means the director general of Dubai Customs.

Competent Authorities: means every agency or authority empowered to issue prohibition, restriction and processing decisions.

Prohibited Goods: means any goods the import or export of which is prohibited by the country based on the provisions of the law or any other law or system in force in the country.

Restricted Goods: means those goods the import or export of which is restricted under the provisions of the law or any other law or system in force in the country.

Goods processing: means the procedure applicable to some goods, the release of which requires such procedure to be made by the competent authorities before being released from the customs office.

The words and terms, wherever not mentioned throughout this policy, the common customs law of the GCC States is the reference of their definitions.



Article (2)

In pursuance to the Article (20), (21), (22), and (23) of the Common Customs law of the GCC States:

- a) Land means of transport may not enter or leave the country through the areas where no customs offices exist.
- b) Marine means of transport entering the country, irrespective of their load capacity, are prohibited from anchoring in any seaports other than those designated for receiving them in the emirate of Dubai, excluding the case of sea emergency or force majeure wherein the shipmaster shall immediately notify customs office or security point of such occurrence.
- c) Vessels, loaded with prohibited or restricted goods subject to high rates of duty, of loading capacity less than two hundred marine tons may not enter or get involved in the shipping activity within the marine customs zone except in circumstances arising from sea emergency or force majeure, in which case the shipmaster shall promptly notify the nearest customs office or security point of such occurrence.
- d) Aircraft departing or arriving in the country may not take off or land at the airports where no customs offices exist unless in cases of force majeure in which case the pilot shall promptly notify nearest customs office or security point of such occurrence.



Article (3)

Prohibition, restriction and processing decisions shall be issued by the Director General or his authorized representative based on the decisions made by the competent authority.

Article (4)

A customs declaration shall be submitted for any goods entering or exiting a customs office, and the goods shall be displayed at the nearest customs office.

Article (5)

Prohibited and restricted goods shall be subject to the following procedures:

Firstly: Prohibited Goods:

- a) Subject to combating prohibited goods in general, and narcotics in particular entry and exist of prohibited goods may take place providing that approvals from the competent authorities are obtained.
- b) Prohibited goods for which no approvals from the competent authorities are obtained shall be detained and all necessary legal actions shall be taken against them.



Secondly: Restricted Goods:

- a) No restricted goods shall be cleared unless approvals from the competent authorities are obtained.
- b) Restricted goods for which no approvals from the competent authorities are obtained shall be detained and all necessary legal actions shall be taken against them.

Thirdly: Goods Processing:

- a) Any goods subject to specific procedures, may not be released unless the necessary actions in their respect are taken by competent authorities, and by the approval of such authorities, the goods shall be released for completing their processing outside the customs offices.
- b) If the administration decides that a laboratory testing for the goods must be carried out or when requesting detailed technical documents or on advice of an expert for verifying their types or specifications, the goods shall not be released unless testing result is received, and the administration shall have the right to release them against a guarantee, which guarantee that goods cannot be dispensed of until testing result is known.



Article (6)

The department of Customs Tariff Origin shall assume the procedures relating to following-up issue and enforcement of the provisions of the prohibitions, restriction and processing of goods including the relevant decisions made by competent authorities and settlement of disputes thereof.

Article (7)

This policy shall come into force as of 1st of July 2007.



Date: 19/3/2008

Customs Policy

Policy code: DCP (15)

Policy Title: Conditions and Controls of the implementation of the Greater Arab Free Trade Area

Policy details

Pursuant to the provisions of the executive programme of the agreement on facilitation and developing inter-Arab trade for establishing a greater Arab free trade area and for the purposes of regulating and simplifying the procedures for implementing the agreement, the following have been decided:

Article (1)

Exemptions

- 1) Subject to the contents of Para (2) below, the imported goods originating in Arab States, members of the Greater Arab Free Trade Area (party-states) shall be exempted from customs duties and other charges and taxes of similar effect.
- Customs duties means charges imposed by a party-state in accordance with the customs tariff on imported goods.



- Other charges and taxes of similar effect means charges and taxes imposed by a party-state on imported goods but not imposed on the product of the party-state itself.
- 2. Products and materials prohibited for religious, health, security or environmental reasons or for agricultural or veterinary quarantine, rules like tobacco and manufactured tobacco substitutes and alcoholic beverages shall be excluded from exemption and the provisions of the agreement. (List of excluded products attached herein).

Article (2)

Rules of Origin

For the purposes of considering the product as originating in a party-state, the following shall be required:

- 1) The local value added ensuing from the production of the commodities in any party-state and mentioned in the certificate of origin shall not be less than 40%.
- 2) Products originating in a party-state must be accompanied with an original and authenticated national certificate of origin according to the approved format (attached) and satisfying all their rights.
- 3) The certificate of origin format must be filled with printed letters and the description of goods shall be in the designated place of the format without leaving a room for deletion or addition.



- 4) A certificate of origin valid for four months from the date of its issue in the country of exportation and to be submitted during such period.
- 5) The certificate of origin must be submitted at the time of clearance if its validity shall not exceed 4 months from the date of issue.
- 6) The certificates of origin must bear the approved stamped, issued and authenticated by the approving agencies in the party-states except for the Arab Republic of Egypt where the certificate in addition to the stamps and the issuing and authenticating agencies, requires signatures of the accredited persons. (Copy of the approving agencies and signatures of the accredited persons attached).
- 7) The indication of origin must clearly be affixed onto the goods and shall be irremovable according to nature of goods.
- 8) The provisions of the agreement shall not apply to the products being produced in the free zone of the party-states.



Article (3)

Controls

- 1) For the purposes of applying the Greater Arab Free Trade Area Agreement and other economic agreements, the attached form (copy attached) shall duly be completed.
- 2) The principle of reciprocity shall be applicable to the party-states whilst implementing the provisions of the agreement.
- 3) The department of Customs tariff and origin shall be the reference for settlement of all disputes arising out from the implementation of the Greater Arab Free Trade Area Agreement and other economic agreements and origin.

This Policy shall come into force as of 19/3/2008, and supersede any conflicting Notices or Circulars thereof.

This policy has been amended within policy No. 25.



Date: 19/3/2008
Customs Policy
Policy Code: DCP (16)

Policy Title: Terms and Controls of Diplomatic Exemptions

Policy details

Article (1)

Pursuant to the provisions of the Common Customs law of the GCC States and subject to Article (99, 100 and 101) of the same law:

"Imports of diplomatic corps, consulates, international organizations and the members of the diplomatic and consular corps accredited by the government according to the international agreements, laws and orders in force".

Article (2)

Diplomatic exemptions are subject to the following terms and controls:

1. An exemption request from the Ministry of Foreign Affairs should be presented in accordance with rules in force thereat.



2. The exempted goods may not be disposed of or abandoned for a purpose other than that for which they have been exempted unless after notifying the Administrations of the payment of the due customs duties.
3. Customs duties are not to be levied if the beneficiary has disposed of the goods after three years from the date released by the Customs office provided that reciprocity basis is available.
4. Subject to Article (2) herein, exempted vehicles "cars" may not be disposed of before the elapse of three years following the exemption date excluding the following cases:
 - a) Termination of the mission of the diplomatic or consular member benefiting from exemption in the country.
 - b) The occurrence of an accident to the exempted car which makes it unfit for use of the diplomatic or consular member based on a report from the Traffic Department.
 - c) The sale by one diplomatic or consular member to another member provided that the assignee shall be entitled to the right of exemption.



Article (3)

The right of exemption for the individuals benefiting from it shall begin from the date of commencing their jobs at their official places of work in the country.

Article (4)

Subject to the terms and controls specified in Article (2) herein, the goods shall be cleared under the following procedures:

1. Submit a customs declaration accompanied with an exemption request from the competent agency.
2. The goods shall be excluded from the provision of proving the origin.
3. Customs Centers Administrations shall be authorized to approve diplomatic exemptions set out in Article (99) of the law.
4. Subject to the terms and controls of diplomatic exemption, all necessary facilitations for customs clearing shall be delivered.

Article (5)

This policy shall come into force as of 19/3/2008.



Date: 7/4/2008
Customs Policy
Policy Code: DCP (17)

Policy Name: Customs Broker policy

Policy details

Article (1) **Customs broker**

A customs broker is any legal person having obtained a license from the Customs office and engaged in the preparation of the customs declarations, signing them, submitting them to the customs office and completing the customs procedures relating to the clearance of the goods for the others` account.

Article (2) **Licensing Conditions**

The requirements for a customs broker can be outlined as the following:

1. Be registered with the Department of the Economic Development or any similar agency in the country.
2. Submit a banking guarantee equivalent to AED (50,000) for coverage of contingent liabilities that the Administration may sustain. This guarantee cannot be refunded unless a complete calendar year from non-renewal of his license or leaving the profession is elapsed except for cases that to be decided by the Director General.



3. Where the customs broker is a person operating in one of the GCC States, he must have obtained the licensing of the respective GCC State.
4. Produce a proof of having a customs clearance office.

Article (3)

1. The customs broker, upon his own needs, may demand to be allowed to employ a representative or more to act on his behalf in the area of activity decided to him. The representative intended to be employed must obtain a license of the same from the Administration.
2. The Administration office may issue a license to the customs broker representative in accordance with the following requirements:
 - a) Must be of 21 years old at the time of submitting the application.
 - b) Should be of a good conduct and behavior.
 - c) Not an employee with one of the country's ministries, authorities or organizations.
 - d) Must successfully complete the profession test to be decided by the Administration.
 - e) Produce a proof of fluency in either Arabic or English language.
 - f) Must have a residence registered in the name of the legal person.
 - g) To be provided by the owner of the customs clearance office with a stamp accredited to the customs office bearing the names of both the customs broker and the representative to be affixed onto all transactions, which the representatives clears and signs with his accredited signature.



Article (4)

- 1. The goods owner representative: Any natural person having obtained a license from the Administration and engaged in declaring for the customs office and completing the customs procedures only for the benefit of the goods owner for whom he works.**

- 2. Ministries, public organizations and establishments, companies and traders and individuals bearing commercial licenses may authorize persons to clear their goods providing that the person in question shall:**
 - a) Have obtained a residence in the name of the agency for which he wishes to clear transactions.**

 - b) Satisfy the requirements specified in the sub-Paras (a, b, c, d, e, and f) to Para (2) of Article (3) herein.**

 - c) Produce an authorization approved by the owner of the goods containing an undertaking to bear the legal liability arranged by the Customs law or other relevant laws as a result of his acts.**

 - d) The responsibilities and duties applicable to the customs broker and his representatives shall also apply to the representative of the owner of goods representative.**



Article (5)

Customs broker responsibilities and duties:

- 1. The customs broker shall be held responsible for his acts and those of his employee's vis-avis the importers, exporters and the customs office under the provisions of the law.**
- 2. The customs broker shall be responsible to the Administration for the accuracy of the details contained in the goods declaration.**
- 3. The customs broker shall fully be held responsible for the offences and smuggling crimes he commits in connection with the customs declaration and for those committed by those authorized by him.**
- 4. The customs broker shall be responsible to the Administration for submitting all his addresses and telephone numbers.**
- 5. The customs broker shall keep a register wherein he records a summary of the customs transactions he has completed for the account of others according to the conditions stipulated by the customs office. This register shall contain the amount of duties paid to the customs office, the fees paid to the broker and any other expenses relating to the transactions. The Director or his authorized representative shall have absolute power to have access at any time to these registers without objection by the broker.**



Article (6)

Without prejudice to any obligations prescribed by the provisions of customs law and this policy or arranged by other laws, the customs brokers shall abide by:

1. Preparing, reviewing and documenting the customs transaction and ensuring that the documents submitted by declarants are true and complete.
2. Affixing his stamp and signature accredited to the Administration onto the customs transaction and documentations thereof, which he solely prepares.
3. Not to loan his name, signature or name or signature of his office or the owner by any means.
4. Tracking processing of the transaction, which he documents until all customs formalities are completed and shall not cease to do so unless an excuse acceptable to customs office is submitted.
5. Clearing all kinds of customs transactions without itemizing any specific one thereof.
6. Not to trade in customs declarations forms and other formats issued by the Administration.
7. Maintaining transactional secrets of his clients or employers and not to disclose them to a third party or using them for his personal interest.



8. Not to use by himself or through mediation any of the physical or moral practices influencing the behavior of the customs officers.
9. Observing the instructions on customs zones, which the customs office allows him to visit frequently.
10. Fully complying with all terms and conditions provided for in connection with the facilitations offered to the customs broker whether electronic or non-electronic.
11. Be responsible for the accuracy and completeness of all electronic communications sent via Integration System and that all data entered shall be complete, true and correct in all respects.
12. Keeping in safe custody and confidence all data sent and received via the Integration System and all downloaded and scanned forms relating to electronic clearing of cargos for a period not less than five (5) years from each such dispatch or receipt and that no unauthorized person shall have access to or get possession of any such documentation, data or forms.
13. Allowing the Customs officials at any time and without prior notice to check and verify any documentation, data and downloaded and scanned forms relating to clearing of cargos and / or test the Integration System or any part thereof and shall be bound to any reasonable Customs security procedures.



14. Use a system for safety and security of information, and bear the responsibility for information and for protecting the stored information from any unauthorized use.
Use its best endeavors to ensure data and forms sent via the Integrations System are free and clear from computer viruses and anything affecting or causing damage to entry of information and the electronic clearing system.
15. Notifying the Administration in the event of any defect or failure of the Integration System of such failure and provide details to it.
16. Not to remove any goods or cargo from its location or deliver it to any person unless an electronic notification from the Administration authorizing clearing or delivery of such goods is received.

Article (7)

Customs representative duties:

Without prejudice to any obligations prescribed by the provisions of customs law and this policy or arranged by other laws, the customs brokers shall abide by:

1. Tracking the customs transactions that are solely assigned to him by the customs broker.
2. Maintain the documents in his possession and not to tamper in the information therein.
3. Not to disclose or use for his own interest the owner or the customs broker transactions secrets.



4. Not to use by himself or through mediation any of the physical or moral practices influencing the behavior of the customs officers.
5. The instructions on customs zones, which the customs office allows him to visit frequently.

Article (8)

General provisions

Licensing procedures:

1. The applications for obtaining a license for exercising the profession of customs clearance (customs broker and owners of goods representatives) or the business of customs broker representative shall be submitted to the Administration. The Administration shall decide upon such applications, issue and renew them and may delete the issued ones or suspend them in accordance with the provisions herein.
2. The validity of the license for exercising the profession of customs clearance, the business of the customs representative and the owner of the goods representative shall be for one calendar year and renewable each year.
3. The Administration shall issue the license for exercising the profession against payment of the prescribed fee for such purpose after successfully completing the appropriate test.



4. The Administration shall issue the customs broker or customs representative card for exercising the profession against payment of the prescribed fee, showing all information relating to the customs broker or the customs representative and bearing his personal photograph. Where the card is lost during the license validity, a duplicate shall be issued upon producing a letter of loss from the Police Department and payment of the prescribed fee. The duplicate shall expire upon the expiry of the lost card.
5. The administration shall maintain a record containing names of licensed customs brokers, customs representatives and owners of goods representatives and the information thereof.

Article (9)

Lay off, transfer or withdrawal procedures:

1. The customs broker, when dispensing with a representative, shall notify the Administration in writing accordingly attaching the representative license without prejudice to the administration right of recouring to the customs broker or the authorizing owner of goods in respect to the customs representative or the owner of goods representative period of service with him.
2. Upon the consent of the Administration, the customs broker representatives and the owner of goods representatives may transfer from a customs broker or a goods owner to another providing that the transfer fee is paid after obtaining a consent in writing from the first customs broker or the first owner of goods to lay him off and from the new owner to admit him.



3. Where the customs broker license is withdrawn, his representatives shall be suspended from exercising the profession during the period of withdrawal and may transfer to work with another customs broker after satisfying the requirements provided for in Para (2).

Article (10)

Penalties

1. Subject to the provision of Article (141) of the customs law and without prejudice to any civil or penal liability set forth in the law or any other law, the Administration shall have the jurisdiction over the offences committed by the customs broker against the customs law and the instructions thereof.
2. The Director General may impose on the customs broker or his representative after initiating an investigation with him by the competent agency at the Administration the following penalties commensurable with the offence committed:
 - a) Notice (warning).
 - b) A fine not to exceed AED 5000.
 - c) Suspension of activity for a period not to exceed two years.
 - d) Cancellation of the license and final prevention from exercising the profession.



Article (11)

Cases of deleting broker's record from the register:

Subject to the provisions herein, the Administration may delete the customs broker or his representative record in the register in the following cases:

- 1. Upon a request from the customs broker or his representative.**
- 2. The customs broker found to be unable to exercise the profession for six running months without a valid excuse.**
- 3. Death or permanent disability to carry out the profession.**
- 4. Disciplinary deletion.**

Article (12)

The name of the customer broker registered with the Department of Economic Development or any other government agency shall not be amended or altered unless the Administration consent in writing is obtained.

This policy shall come into force as of 1 / 6 /2008.



Customs Policy

Policy Code: DCP (18)

Policy Name: Release of goods prior to completing some customs procedures Against financial guarantees

Policy Details

For the purposes of facilitating trade movement, simplification of customs procedures, minimizing clients`costs and expenses and pursuant to the provisions of Articles (56, 62/b and 66) of the common customs law of the GCC States, the following have been decided:

Article (1)

Goods may be released prior to completing some customs procedures or before payment of their customs duties against the guarantees contained herein and according to the following cases:

1. When a dispute arises with the owner of the goods about the value of goods due to discrepancy in description, origin or any other reason.
2. Goods are subject to customs offence, smuggling or the like offences.
3. When a dispute arises about the goods classification or their payable customs duty rates.



4. Until the goods analysis or specifications results come out or an exemption, decision from the competent agencies is issued.

Article (2)

For the purposes of release of good in the cases referred to in Article (1) above, the following shall be required:

a) Goods in dispute about their value:

1. Shall not be prohibited goods.
2. Samples of the goods shall be temporarily maintained for reference when necessary and to be returned to the owner of the goods unless they are consumed for inspection and analysis purposes.
3. Customs duties shall be paid in accordance with the declared value and any duties resulting from difference in value in dispute shall be secured by cash, certified banking cheque or banking guarantee.

b) Where the goods are subject to customs offence, smuggling or the like offences, they shall be released in accordance with the following conditions:

1. Shall not be prohibited or restricted goods.
2. All facts are to be established in a seizure report.
3. All documents supporting the matter are to be maintained.
4. Samples of the goods shall be temporarily maintained for reference when necessary and to be returned to the owner of the goods unless they are consumed for inspection and analysis purposes.



5. Subject to the conditions in respect to the dispute about the value, customs fines shall be secured by a banking guarantee, cash deposit or certified banking cheque until a final decision in connection with the customs matter is issued by the Administration.

c) Where the goods in dispute about their classification or customs duty rates:

1. Shall not be prohibited or restricted goods.
2. Samples of the goods shall be temporarily maintained for reference when necessary and to be returned to the owner of the goods unless they are consumed for inspection and analysis purposes.
3. Catalogues and bulletins shall be retained as the case so requires.
4. Customs duties shall be secured in accordance with the higher proposed rate.

d) Until the goods analysis and specifications results come out or an exemption decision from the competent agencies is issued:

1. The purpose of the goods analysis shall not be deciding upon whether the goods are prohibited or restricted.
2. An undertaking shall be produced ensuring that the goods are not to be dispensed of until their declarations are cleared and the consent of the competent agencies is obtained.
3. Released goods shall be excluded from such undertaking until an exemption decision is issued.
4. Customs duties shall be secured by a cash deposit, certified banking cheque or banking guarantee until the goods analysis or specifications come out or an exemption decision from the competent agencies is issued.



Article (3)

In the event of default of payment of customs duties and/or fines after the final decisions are issued and the owners of the goods or their representatives or authorized person have been notified of such decisions, all legal procedures shall be taken to collect the properties of the treasury as the case so requires.

Article (4)

Guarantees provided for the aforementioned cases shall be refunded or collected after all required procedures are finalized or a decision in respect with the matter is issued by the competent department and informing the Finance department accordingly by a letter.

Article (5)

Managers of the Customs centers and other respective departments are authorized to implement this policy each within his scope of competence.

Article (6)

This policy shall come into force as of 5/5/2008.



Date: 15/06/2008
Customs Policy
Policy Code: DCP (19)

Policy Title: Sale of Goods by Public Auction

Policy details

Pursuant to the provisions of Articles (166-171) of the Common Customs law in respect of the provisions and rules of sale of goods, the following have been decided:

Article (1)

1. The Customs Center by authorization from the respective Executive Director has the right to sell the perishable seized goods and those subject to shortage or leakage as well as animals and goods, which are subject to a considerable depreciation, or they are in condition that might endanger the safety of the other goods or the facilities therein.
2. The sale of goods shall be based on a report showing the conditions of the goods and the justifications of sale without having to get an order from the competent court, provided that the owner of the goods shall be notified of such sale.
3. If a judgment of the competent court to return the goods to its owner issued thereafter, then the price of the sold goods shall be paid to him after deducting any payable customs duties, fee services charges.



Article (2)

- A. The Customs Center by authorization from the respective Executive Director, may sell the goods placed in general and private customs warehouses upon expiry of the period of placement if their owners fail to clear them by re-exportation or taking them out to the local market.
- B. The sale of goods shall take place within one month from the date of notifying the investing body or the owner of the goods or his representative.

Article (3)

The Customs Center may sell the goods placed in customs warehouses, those existing in the yards or wharves or left out goods at the Customs Center including deposits left out by passengers.

Article (4)

Subject to the provisions of Articles (1, 2) of this policy, the grace periods for sale of goods by public auction shall be as the following:

- A. The goods arriving by sea:
- 1) One month for refrigerated and dangerous containerized cargo.
 - 2) Three months for containerized cargo, vehicles and other road-moving equipment.
 - 3) Three months for general / bulk cargo.



B. Three months for goods arriving by land and air.

C. Three months for storage of deposits left out by passengers.

Article (5)

The Customs Center shall sell the following:

1. The goods and means of transport which become property of the Customs under a confiscation judgment, a compromise or written waiver.
2. The goods and items whose owners are unknown or which have not been claimed within the period specified herein Article (4).

Article (6)

The goods and modes of transport shall be sold without the customs duties and other taxes excluding the commission that shall be borne by the buyer during the sale procedures.

Article (7)

A. The proceeds of sale shall be distributed as follows:

1. Customs duties to be calculated in accordance with the actual or estimated value of goods.
2. The cost of the sale process.



3. The expenses incurred by the Administration whatsoever.
 4. Transportation charges for purposes of sale.
 5. Storage charges in customs warehouses or the warehouses, yards or wharves of the investing bodies in accordance with the prescribed charges.
 6. Any other charges.
- B. The Balance remaining from the proceeds of selling the goods, the importation of which is permitted on the day of sale, after deducting the sums stated in Para (A) of this Article herein shall be deposited with the Administration as a deposit. The persons concerned may claim refund within one year from the sale date otherwise such balance will be transferred to the treasury.**
- C. Goods that are prohibited or not avowed imported, the remaining balance of their value shall be transferred to the treasury.**
- D. Goods that are prohibited, restricted or not allowed to be imported and which sold under a compromise, or penal order or a court judgment related to smuggling, the remaining balance shall be prorated, after deducting the amounts provided for in Para (A) of this Article, as follows:**
1. The share of the treasury from the remaining balance is determined at 50%.
 2. The remaining portion 50% of the balance shall be deposited with the customs rewards fund.



Article (8)

When prohibited or restricted goods or those requiring a procedure for their clearing shall be subject to the following:

- A. Prohibited cargo: shall only be sold to agencies that approved by the prohibiting authority under a written consent.
- B. Restricted cargo: shall be sold only upon a written consent by the restricting authority.
- C. Goods requiring a procedure for their clearing: shall be sold upon a written consent from the competent authorities in the country.

Article (9)

A. A committee to be cited "Public Auction Committee" shall be established under the chairmanship of the Customs Center Manager and membership of:

- 1. Manager of Inspection section.
- 2. Manager of the Operation Section.
- 3. An employee from the Customs Center.

B. The sale processes of goods contained herein by public auction shall take place in accordance with the following grounds:

- 1. The Customs valuation department shall determine the value of goods for the purposes of sale upon the report that is prepared by the Customs Center for such purpose and in accordance with Form (1) herein.



2. Lists of goods intended to be sold shall be published in two local daily papers at least according to Form (2) herein or the Handler's lists.
3. The Committee shall collect 10% of the price paid by the last bidder as an advance payment.
4. The Chairman of the Public Auction Committee, may approve the sale at the last paid price or re-auction the goods for two consecutive times if the last price found to be less than the estimated value of goods providing that the advance payment paid by the last bidder shall be retained until the goods are sold or offered to another bidder for sale or otherwise awarded to him.
5. If the bidder to whom the auction is finally awarded withdraws or refrains in writing from the payment of the remaining sale price within the prescribed period for goods withdrawal, the goods shall be offered to the next bidder as per the bidding list and if he so agrees, the auction shall be awarded to him.
6. The advance payment paid by the last bidder referred to in Article (3) herein is non-refundable if the bidder withdraws from buying the goods.
7. The sold goods shall be delivered at the places of their storage and the buyer shall bear all expenses thereof for taking the goods out including expenses of loading, packing, stifting and any other costs.
8. The buyer shall withdraw the goods from the places of their storage within a period not exceeding one week from the date of the auction award, and the Customs Center Manager may, whenever necessary, grant him an additional week against which storage charges shall be collected as per the prescribed charges.



9. If the goods are not withdrawn within the period provided for in Article (8) herein, they shall be deemed to be legally assigned and will be sold for the account of the treasury.
10. Bidding shall be accepted only from the bidders physically attending the auction or their representatives who are required to produce a power of attorney or an official authorization.
11. Form (3) herein shall be used for registering the names of bidders and the charges paid by each and as a final auction award.
12. The Forms herein are integral part of this policy and the Administration may amend them, as it deems appropriate.

Article (10)

The Chairman of the Auction Committee may revoke the sale if the goods owner submits a written request for clearing his goods prior to the decision on the final award of the auction.

Article (11)

This Policy supersedes the customs policy ref (DCP3) and any contradicting decision or customs notice.

This Policy shall come into force as from / /2008.



FORM No. (1)

Types, specifications and details of goods set out in the Notice No (-----) of (-----).

Upon inspecting and examining the goods provided for in the above-mentioned Notice, the contents of such goods are as follows:

Customs Inspector
Name:

Storage In Charge
Name:

Signature:

Signature:

For Customs Valuation Department use only

Actual or/Estimated value in numbers and words.

Estimated value for sale by public auction in numbers and words.

Valuation Officer

Manager

Notice:

- The customs inspector and the storage in charge shall mention types, specifications and quantity of goods in details if possible.
- A separate report on the goods may be produced providing that such report shall be referred to in this Form.



FORM No. (2)

Public Auction Notice No. (-----) of (-----)

1. ----- Customs Center announces the sale of the goods belonging to the following documents by public auction.

| Document | No. | Date | Source |
|-----------------|------------|-------------|---------------|
|-----------------|------------|-------------|---------------|

2. The specifications of goods set out in the Annex to this Notice are available at ----- yards / warehouses and bidders are entitled to examine the goods and review the documents thereof during the office timings.

3. Every bidder shall be deemed to have already reviewed and examined the documents and no claim thereafter on the contrary shall be accepted.

4. Where the sale price found to be less than the estimated value of goods, the Committee may suspend the sale process and re-auction the goods for two consecutive times provided that the advance payment by the last bidder shall be retained.

5. All the provisions of the customs policy on sale of goods by public auction shall be observed and no bidder shall deny his knowledge of the contents thereof.



For the bidder to whom the auction is finally awarded

I, the undersigned have reviewed the goods set out in Form (1) of the Notice No. -----Of -----and verified the information therein and shall not claim on the contrary thereafter.

Name of the Last Bidder

Signature

Customs Center manager

Committee member

Committee member



2008/12/23

Customs Policy

Policy Code: DCP (20)

**Policy Name: Mechanism for Determining the Value of
Passengers and Cargo Transport Vehicles**

Policy details

Pursuant to the Agreement on Customs Valuation that are derived from the General Agreement on Tariffs and Trade (GATT) and the decisions thereof; and the relative provisions provided for in the Common Customs Law, the value of the new and used imported vehicles including their depreciation percentages sh all be determined for customs purposes in accordance with the following rules:

Article (1)

New imported Cargo and Passengers Transport Vehicles model the year of clearing or the following year:

The value of new imported cargo and passengers transport vehicles shall be determined for customs purposes in accordance with the following:



- A. The total values and costs being paid as a price for the importation of such articles up to their delivery at the GCC borders shall be calculated including, within the concept of CIF, charges and cost of international freight and insurance, handling and unloading expenses at the first point of transit of any GCC State; when importers declare the values and costs of the importation of such articles under proper commercial invoices and buying contracts issued by the production or export companies.**
- B. The values of previously imported identical or similar articles under proper commercial invoices and buying contracts shall be accepted to determine the value of such articles when being imported by individuals, show rooms or commercial companies to which the terms and arrangements for trade contracts of import transactions are not available or when doubt about the authenticity of values, invoices and trade contracts arises.**

Article (2)

Imported Used Cargo and Passengers Transport Vehicles Produced in the year of clearing or the forgoing years.

The value of imported used cargo and passengers transport vehicles shall be determined on the basis of previously accepted values of identical or similar articles after deducting the depreciation and prescription percentages in the years of production and in accordance with the list attached herein regarding the deduction percentages.



Article (3)

The rules set out in the attached list herein in connection with the deduction percentages shall be applicable to the new imported vehicles being produced in the year that preceded the year of clearing and where the terms of trade transactions are not fulfilled.

Article (4)

When determining the value in accordance with previously accepted identical or similar articles, the value shall be based on values of identical articles in the first instance and if such values are not available, the value shall be determined in accordance with the values of similar articles.

Article (5)

Subject to provisions of the Common Customs law and where damages in respect to the vehicles bodies are found, the deduction percentage referred to in Article (2) of this Policy may be increased providing that a report approved by the Customs Office Manager or his representative detailing reasons, statement and cost estimate of the damages is presented.



Article (6)

The old vehicles that are deemed to be "classic" shall be excluded from such rules and their value shall be determined in accordance with the provisions of Article (26) of the Common Customs Law and the Rules of Implementation thereof.

Article (7)

Without prejudice to the provisions of Article (26) of the Common Customs Law and Rules of Implementation thereof, the rules contained herein shall be applicable.

Article (8)

The determined value of the articles specified in the attached list herein shall not be less than 20% of the previously accepted values or the similar articles (in the year of clearing) irrespective of the prescription of the production years that preceded the year of clearing except for cases provided for in Article (5) herein.

Article (9)

The Customs Valuation Department shall monitor the implementation of this policy and follow-up the procedures thereof



List of Deduction in Value Based on Years of Prescription

| DeductionPercentage | Year of Importation |
|----------------------------|---|
| 15% | New imported vehicles produced in the first year that preceding the year of clearing. |
| 15% | Used imported vehicles produced in the year of clearing. |
| 25% | Used imported vehicles produced in the first year that preceding the year of clearing. |
| 35% | Used imported vehicles that produced in the second year that preceding the year of clearing. |
| 45% | Used imported vehicles that produced in the third year that preceding the year of clearing. |
| 55% | Used imported vehicles that produced in the fourth year that preceding the year of clearing. |
| 60% | Used imported vehicles that produced in the fifth year that preceding the year of clearing. |
| 65% | Used imported vehicles that produced in the sixth year that preceding the year of clearing. |
| 70% | Used imported vehicles that produced in the seventh year that preceding the year of clearing. |
| 75% | Used imported vehicles that produced in the eighth year that preceding the year of clearing. |
| 80% | Used imported vehicles that produced in the ninth year that preceding the year of clearing. |



Date: 23/12/2008

Customs Policy

Policy Code: DCP (21)

Policy Title: Examination and Inspection of Goods

Policy details

Pursuant to the provisions of Articles (52 - 59) of the Common Customs Law of the GCC States concerning examination and inspection of goods, the following have been decided:

Article (1)

The customs office shall examine and inspect the goods after registering the customs declarations according to the following rules and controls:

- The owner of the goods or his representative shall be notified of the examination date and place.
- The goods shall be transferred to the place of examination.
- The competent customs officer shall examine the goods wholly or partially.
- The individuals carrying the goods and presenting them for examination shall be acceptable to the customs office.



- Access to the stores, customs warehouse, hangers, sheds and yards intended for the storage or deposit of goods and to the places allocated for examination may not be authorized to any person without approval of the customs office.
- The customs office may have the goods analyzed by specialized agencies to verify the kind and specifications of the goods.
- If the competent officer cannot verify the contents of the customs declaration through inspection of the goods or documents submitted, he may suspend inspection and request necessary supporting documents.
- The competent officer may re-inspect the goods, when necessary and when there is a fundamental reason.
- In the event of any difference between what is stated in the customs declaration or documents and the goods, the competent officer shall write a report on the same and submit it to his immediate supervisor for taking legal actions.

Article (2)

The following personalities and agencies shall be excluded from inspection:

- The individuals carrying the goods and presenting them for examination shall be acceptable to the customs office. Direct imports for Their Excellencies Rulers of the emirates, Kings, Princes and Sheikhs of the GCC States.



- The individuals carrying the goods and presenting them for examination shall be acceptable to the customs office. Direct imports of the international organizations, diplomatic crops, consulates accredited by the government and the political mail on reciprocity basis and may be inspected by approval from the Director General or his deputy according to the diplomatic norms.

Article (3)

Goods requiring the availability of certain conditions and specifications to be released shall be subject to analysis and inspection.

Such goods may be released against guarantees and according to the conditions and controls contained in the Policy of Release of Goods prior to completing some customs procedures against financial guarantees.

Article (4)

In the normal conditions goods shall be inspected by selecting a number of packages representing all items.

Article (5)

Priority shall be given to live animals, perishable items and goods requiring swift release according to their nature.



Article (6)

For inspecting goods and trucks transiting the country's territories, viewing the customs seal and ascertaining the safety of pavilion and ropes shall be sufficient. No physical inspection shall take place unless such trucks and goods are subject to suspicion or the customs office has received news or information in their respect.

Article (7)

The goods shall wholly be inspected under the following conditions:

- Bulk goods.
- Goods of various items being imported in irregular packages without detailed packing lists being attached.
- Where the position of customs seal, ropes or pavilion found to be unsafe.
- Goods the owners of which have submitted a request for amending what was stated in the customs declarations after being registered or cancelled.



Article (8)

Examination of goods shall take place at the customs office, stores and warehouses and may be conducted outside the customs office at the expense of the owner of the goods and against the prescribed service charges under the following conditions:

Sensitive, fragile or perishable goods such as furniture, glass and glass manufactures, artistic masterworks and antiquities.

Personal effects and household items for personal use.

Full production lines and units imported unassembled or in different consignments and goods, which cannot be inspected only after being assembled at workplace.

Very heavy pieces of goods that cannot be unloaded and handled within the customs office.

Furthermore, without prejudice to the Customs' right to conduct inspection for the above conditions at the Customs office if deemed appropriate or so required.

Article (9)

Transferring of goods to the place of examination and the unpacking and repacking of packages and all other works required for examination shall be at the expense of the owner of the goods who will be held responsible until arrival of the goods at the place of examination. The goods placed in the customs warehouses or at the place intended for examination may not be removed without approval of the customs office.



Article (10)

Examination shall be conducted only in the presence of the owner of the goods or his representative. Should a shortage in the contents of the packages develop, responsibility for such shortage is determined as follows:

If the goods had been placed in the customs warehouse in packages that are in an apparently proper condition from which it can be ascertained that shortage in their contents had occurred at the exporting country prior to shipping, then such shortage will be disregarded and the pursuit shall be discontinued.

If the goods entering the customs warehouse or stores are in packages that are not in an apparently proper condition, the entity in charge of these warehouses or stores shall, together with the carrier, record this occurrence in the acceptance report and verify the weight, content and number of packages. It shall also take the necessary precautions to ensure safety of the goods. In this case the carrier shall be held responsible unless a reservation is indicated on the manifest and endorsed by the customs office of the exporting country in which case the shortage will be disregarded and the pursuit shall be discontinued.

If the goods have been admitted into the customs warehouses and stores in packages that are in an apparently proper condition then they became subject of suspicion, the entity in charge of the warehouses and stores shall be responsible for any shortage or switching, if any.



Article (11)

When the customs office suspects the presence of prohibited or illegal goods, it shall have the right to open the packages for inspection. Such opening of packages may be authorized in the absence of the owner of the goods or his representative, if he refrains from attending the inspection at the specified time notified to him.

Article (12)

The customs office may have the goods analyzed and examined to determine the customs tariff heading or value and ensure the application of the necessary procedures providing that samples are in small quantities suitable to the purpose for which they have been taken.

Article (13)

Customs duties shall be levied according to the contents of the customs declaration. Should physical inspection result in a difference between the goods and what is stated in the customs declaration, customs duties shall be levied on the basis of this finding without prejudice to the customs right to levy the applicable fines, when necessary, under the applicable laws and regulations.



Article (14)

The Director General may order that the goods, proved through inspection or analysis to be harmful or not conforming to the approved specifications, be re-exported to the source country or destroyed at the expense and in presence of their owners or their representatives. When necessary, such goods shall be re-exported to the source country in which case a report of the same shall be made.

Article (15)

This policy shall come into force as of immediate effect and supersede whatsoever.



Date: 29/12/2008

Customs policy

Policy code: DCP (22)

Policy Name: Splitting of Single Consignment

Policy details

Pursuant to the provisions of Para (b) to Article (44) of the Common Customs law of the GCC States in respect with splitting of a single consignment, the following have been decided:

Article (1)

The following words and terms wherever mentioned throughout this policy, shall have the meanings hereby assigned for them unless the context otherwise requires:

Single Consignment: means the goods, which are imported under a single bill of lading and their ownership belongs to a single owner.

Customs offices: means the customer service centers.



Article (2)

A single consignment may be split providing that such splitting does not result in a loss to the customs revenue.

Splitting of a single consignment shall not be approved if such splitting results in a reduction to the value of goods.

Article (4)

Splitting of a single consignment shall not be approved if such splitting results in a reduction to the customs duty rate in the event of classifying the contents of the consignment on individual basis.

Article (5)

The managers of the customs offices (customer service centers) shall be authorized to approve splitting of consignments in accordance with provisions of this policy.

This policy shall come into force as of 01/01/2009.



Date: 29/12/2008

Customs Policy

Policy Code: DCP (23)

**Policy Name: Revised Customs Policy Concerning
Conditions and Controls for Implementing the
Agreement on Creation of a Greater Arab Free Trade Area**

Policy details

Further to the Customs Policy No. DCP (15) issued on 19th March 2008, and pursuant to the provisions of the Implementation Programme for the Agreement on Facilitating and Developing Inter-Arab Trade for the Creation of a Greater Arab Free Trade Area, and invoking the Resolutions of the Economic and Social Counsel of the Arab League taken at the Sessions of (81/82) in respect of determining the detailed Rules of Origin Application Mechanisms, the following have been decided:

Article (1)

Article (2) of the Customs Policy No. 15/2008 shall be revoked and replaced by the general provisions and detailed rules of origin decided by the Economic and Social Counsel of the Arab League (copy attached here with).



Article (2)

Notwithstanding the provisions of Article (1) above, the enforcement of Arab general rules of origin, which approve local value added on Arab goods and products whose detailed rules have not yet been agreed, shall remain.

Article (3)

The new certificate of origin form, a copy of which attached here with shall be adopted for all goods and products being imported by Party-States of Arab Greater Free Trade Area Agreement.

Article (4)

Certificates of origin issued prior to 1st October 2008 in accordance with the old format shall be accepted subject to its validity being 4 months from the date of issue at the country of exportation.

Article (5)

The exporter's declaration shall not be demanded along with the certificate of origin by the country of importation.



Article (6)

If a Certificate of origin based on the new format was found to be containing nominal errors, it shall be accepted providing that such errors do not influence the origin of goods and not arousing Customs doubts.

Article (7)

This policy shall come into force as of 01/01/2009.

