



## ***Common Customs Law of the GCC States***

### ***Rules of Implementation and Explanatory Notes Thereof January 2003***

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**Explanatory Notes to the Common Customs Law.**

**Introduction**

Unification of the customs laws and procedures in the Customs Administrations of the GCC States is one of the main objectives that the GCC States seek to achieve. The adoption of a common customs law, which unifies customs procedures in all GCC Customs administrations and enhances cooperation among member States in the customs field, is one of such envisaged objectives.

The efforts to achieve this objective had been made since 1992 and the technical committee, assigned by the directors general of customs to undertake this task, had held seventeen meetings for this purpose which ended with the approval of the Law referred to above.

To ensure that this Law is in line with the provisions of the international agreements relating to customs, the Secretariat General had dispatched English versions of this Law to both the World Trade Organization and the World Customs Organization for their comments. The Secretariat General had received those comments and passed them to the competent technical committee for consideration and proposing appropriate action.

The Common Customs Law of the GCC States was adopted in the 20th Session of the Supreme Council held in Riyadh during the period 27-29 November 1999 provided that it would be implemented as a reference Law for one year from the date adopted by the Supreme Council and that it would be revised in the light of the comments received by the Secretariat General from the member States in an attempt to have it obligatorily implemented by all the Customs Administrations of the GCC States by 2002.

In order to complete the necessary implementation aspects of the Common Customs Law in the customs administrations of the GCC States and to review the comments of the member States and finalize the preparation of the Rules of Implementation and the Explanatory Notes, the Supreme Council, in its 21st Session held in Manama, Bahrain 30-31 December 2000, decided to extend the period of the reference implementation of the GCC Common Customs Law for one more year provided that it should be obligatorily implemented by all the Customs Administrations of the GCC States in January 2002.

The said decision "resolution" of the Supreme Council was a step forward that had enabled the customs administrations and the ad hoc committees of the GCC States to complete all the aspects that would provide the necessary factors for the proper implementation of this Law in order to achieve the objective for which it was made, that is the unification and facilitation of the customs procedures in the GCC States which would enhance the trade exchange among them and between the rest of the world countries, and lay down the firm foundations of the customs Union of the GCC States.

Pursuant to the recommendation of the Ministerial Council, in its 81st Preparatory Session, to adopt the recommendation of the Financial and Economic Cooperation Committee (The Ministers of Finance and Economy of the GCC States) in its 55th Meeting concerning the Common Customs Law of the GCC States, the Supreme Council, in its 22nd Session held in Muscat on 30-31 December 2001, resolved as follows:

1. Approval of the amendments proposed to the Common Customs Law of the GCC States and the Rules of Implementation and the Explanatory Notes thereof.
2. This Law shall come into force as of January 2002.
3. Implementation of Articles (9, 98) relating to the Common Customs Tariff and the mechanism for the collection and distribution (allotment) of duties in the customs union of the GCC States shall coincide with the setting up of the customs union.
4. Article (97) relating to drawback "the refund of the customs taxes "duties" on the goods re-exported to outside of the GCC States" shall be implemented after the issuance of the rules of implementation thereof.
5. Provisions of Article (109) entitling the GCC nationals the right to practice the activity (profession) of customs clearance shall be implemented after the Financial and Economic Cooperation Committee has agreed to permit the GCC nationals to practice this activity "profession" in the GCC States.

The Supreme Council, in its 23rd Session held in Doha, Qatar 21-22 December 2002, approved the decisions of the Financial and Economic Cooperation Committee concerning the application of Article (9) relating to the application of the Common Customs tariff, and Article (97) relating to Drawback, Article (98) relating to the goods exempted from the customs taxes "duties" and Article (109) permitting the GCC nationals to practice the activity of customs clearance.

This Law falls in (17) sections comprising (178) Articles that contain provisions regulating the customs work, the areas subject to customs control, the nature of the customs procedures at the land, sea , air and postal customs offices that apply to the import and export operations, the application of the customs tariff and the collection of the customs duties on the imported goods, the stages of the customs clearance of the goods, the exemptions and temporary admission of goods, the documents to be produced to customs for the clearance of the goods, and the provisions for the establishment of free zones and duty-free shops and the Law of the work of the customs brokers (clearing agents), the treatment of the customs offences and the smuggling cases and the rights and duties of the customs officers. Hence this Law is deemed the legal instrument regulating the customs procedures in the customs administrations of the GCC States and the relationship between these administrations and the trade community (i.e. nationals, residents , importers) so that the person dealing with the customs administrations would find no difference in the customs procedures applied in any of the GCC States. This Law does also regulate the relationship between these customs administrations and the government departments in each State.

When this Law was being prepared, it was taken into account that it would be utilized in the customs work for the time being and it would also prepare the customs administrations of the member States for the phase of the forthcoming customs union of the GCC States as it meets all requirements thereof.

**Common Customs Law of the Cooperation Council for  
the Arab States of the Gulf**

**Article 1**

This Law is called "The Common Customs Law for the Arab States of the Gulf (GCC Sates)".

**Article 2**

The following words and terms, wherever mentioned throughout this Law , its Explanatory Note and Rules of implementation, shall have the meanings hereby assigned for them, unless the context otherwise requires:

1. The term "the Council "means the Cooperation Council for the Arab States of the Gulf.
2. The term "the Minister "means the minister to whom the Customs Administration reports.
3. The term "competent authority" means the authority to which the customs administration reports.
4. The term "the Director General "means the Director General of Customs.
5. The term "the Director "means the director of a Customs office.
6. The term "the Administration "means the Customs Administration.
7. The term "Customs office " means the sector, designated by the Minister, at each seaport, airport, land port or

at any other place where there is a branch office of the Administration authorized to complete all or some of the customs procedures.

8. The term "Law " means the rules and provisions governing customs work, and any other supplementing or amending rules or provisions.

9. the term " customs zone " means that part of the lands or seas subject to the customs control and procedures set forth herein which is of two kinds:

(i). Sea customs zone: Which includes that part of the sea located between the shores and the end boundary of the territorial waters.

(ii) Land customs zone: which covers the lands located between the land boundaries or shores, on the one hand, and the internal line on the other hand, to be prescribed by a resolution by the Minister or the competent authority?

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10. The term "customs line "means that line conforming to the political boundaries (borders) separating between the country and the adjacent countries and the seashores surrounding that country.

11. The term " customs tariff " means the nomenclature containing the descriptions of the goods and the respective taxes and customs duties as well as the rules and notes of the kinds and types of commodities.

12. The term "customs taxes (duties) "means the amounts levied on the goods according to the provisions of this Law.

13. The term "fees/charges "means the amounts collected by customs for the services rendered.

14. The term "goods "means any natural, material or animal, agricultural, industrial or intellectual product.

15. The term "type of goods "means the description mentioned in the customs tariff nomenclature.

16. The term "the price actually paid or payable" means the total amount paid to the seller, directly or indirectly, for the goods imported by the buyer or for his favor.

17. The term "the imported goods being valued" means the goods being valued for customs purposes.

18. The term "identical goods" means goods that are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance would not preclude goods otherwise conforming to the definition from being regarded as identical.

19. The term "similar goods" means goods which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar.

20. The term "sales commission" means the commission paid to the seller's agent who is related to the seller or the factory, governed by or acting for its favor or on its behalf.

21. The term "packing costs" means the cost of all packing and coverings (excluding instruments of international traffic" whether for the labor or the materials used for placing the goods in packings suitable for shipping to the GCC states.

22. The term "unit price at the greatest total quantity" means the unit price at which certain goods are sold to unrelated persons, at the first commercial level after importation in its state when imported or after further preparation or processing, if the importer so requested.

23. The term "related persons" means persons who are:

- (a). legally recognized partners in business,
- (b). officers or directors of one another's business,
- (c). employer and employee,
- (d). any person directly or indirectly owns, controls or holds 5 per cent

or more of the outstanding voting stock shares of both of them, (e). one of them directly or indirectly controls the other,  
(f). both of them are directly or indirectly controlled by a third person,  
(g). together they directly or indirectly control a third person,  
(h). members of the same family.

24. The term "Valuation Agreement "means the Agreement on Implementation of Article VII of the GATT 1994.

25. The term "origin of the goods" means the producing country, whether these goods are natural resources, agricultural crops or animal or industrial products.

26. The term " prohibited goods " means any goods the import or export of which is prohibited under the provisions of this Law or any other Law.

27. The term " restricted goods " means those goods the import or export of which is restricted under the provisions of this Law "law " or any other Law.

28. The term "source " means the country from which the goods is imported.

29. The term "importer " means the natural or legal person importing the goods.

30. The term "exporter " means the natural or legal person exporting the goods.

31. The term " manifest " means the document containing a full description of the goods carried on the various means of transport.

32. The term " free zone " means a part of the state's territories in which commercial or industrial activities are exercised under the respective laws of that state. Any goods entering that zone are considered to be outside the customs zone and shall not be subject to the usual customs control and procedures.

33. The term "duty-free shop" means that licensed building or place wherein goods are placed free of customs duties (taxes) for purposes of display or sale.

34. The term " customs declaration " means the goods declaration or the declaration submitted by the importer or his representative describing the elements identifying the declared goods and quantity thereof in details according to the provisions of this Law .

35. The term "storehouse" means that building or place intended for the temporary storage of goods pending their withdrawal under one of the customs procedures whether such place/building is directly administered by the Administration or by the official public agencies or the investors.

36. The term " warehouse " means the place or facility wherein the goods are deposited under supervision of the Administration free of customs duties (taxes) according to the provisions herein.

37. The term"carrier "means the owner of a means of transportation or his authorized representative (under an official authorization).

38. The terms "specified routes "means the routes specified by the minister for the carriage of the imported or exported goods into/from the country or the goods in transit under a resolution.

39. The term"Treasury "means the public treasury.

40. The term "Customs Clearance" means documentation of the customs declarations for the imported, exported and transit goods according to the procedures provided for herein.

41. The term "Customs broker "means any legal or natural person licensed to undertake customs clearance for the account of the others.

42. The term "representative of the customs broker" means any legal or natural person licensed to follow up customs procedures.

### **Article 3**

The provisions of this Law apply to the sovereign territories and territorial waters of the country. Notwithstanding, free zones, totally or partially excluded from customs provisions, may be established in such territories.

### **Article 4**

Any goods crossing the customs line, at importation or exportation, shall be subject to the provisions of this Law .

### **Article 5**

The Administration shall perform its duty at the customs office or customs zone and May also exercise its powers

within the extent of the country's territories and territorial waters under the conditions set forth herein.

**Article 6**

Customs offices are established and canceled by a resolution of the minister or the competent authority.

**Article 7**

Competencies and work hours of the customs offices are specified by a resolution of the minister or the competent authority.

**Article 8**

Subject to the provisions of the articles relating to the inspection of goods, customs procedures shall only be conducted at the designated customs offices as set forth in article 7.

**Section II**

**Principles of application of the Customs tariff**

**Article 9**

Goods imported into the country are subject to the customs taxes "duties" specified in the customs tariff, and the other applicable fees, excluding those exempted under the provisions of this Law or under the Unified Economic Agreement of the GCC Arab states or any other international agreement within the framework of the Council.

**Article 10**

The duty rate of the customs tariff shall be either ad Valorem (percentage of the value of goods) or specific (an amount levied on each unit of the goods), or both.

**Article 11**

Customs taxes "duties" are levied, amended and abandoned by the legal instrument applicable in each Member State subject to the respective resolutions issued by the Council and the provisions of the international agreements in force.

**Article 12**

Resolutions amending the customs taxes "duties" shall specify the date at which such amended taxes "duties" shall be effective.

**Article 13**

Imported goods are subject to the customs taxes "duties" applicable at the date of registering the customs declaration with the customs offices unless otherwise provided for in the text of the resolutions amending the customs tariff.

**Article 14**

When custom taxes "duties" are to be levied on the goods deposited at the warehouse due to the expiry of the warehousing period, such goods shall be subject to the tariff provisions applicable at the date of registering the customs declaration.

**Article 15**

Goods taken out from the free zones and duty-free shops into the local markets are subject to the customs tariff effective at that time.

**Article 16**

Smuggled goods (contrabands) or the like are subject to the customs tariff prevailing at the time of the detection or occurrence of smuggling, if applicable, whichever is higher.

**Article 17**

The customs tariff effective on the sale day shall apply to the goods sold by the customs office according to the provisions provided for herein.

**Article 18**

Damaged goods shall be subject to the customs tariff based on their value at the date of registering the customs declaration.

**Section III**

**Prohibition and Restriction**

**Article 19**

A customs declaration shall be produced for any goods entering or leaving the country; the goods are then presented to the customs authorities at the nearest customs office.

**Article 20**

Marine means of transport entering the country, irrespective of their load capacity, are prohibited from anchoring in any seaports (harbors) other than those designated for receiving them, excluding the case of sea emergency or force majeure wherein the shipmaster shall immediately notify nearest customs office or security point of such occurrence.

**Article 21**

Vessels, loaded with prohibited or restricted goods or goods subject to high rates of duty, of a 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, excluding goods transported within the local seaports of the country whose customs procedures have been finalized.

**Article 22**

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 shipmaster shall promptly notify nearest customs office or security point of such occurrence and submit a report, approved by the customs office notified of that occurrence, unless otherwise provided for in any other Law or resolution.

**Article 23**

Land means of transport may not enter or leave the country through the areas where no customs offices exist.

**Article 24**

By virtue of the provisions of this Law or any other Law or resolution, the Customs Administration prohibits admission, transit or exit of the prohibited goods or infringing goods as well as the entry, transit or exit of any restricted goods except under approval from the competent authorities in the country.

**Section IV**

**Distinguishing Elements of the Goods  
(Origin, Value, type)**

**Article 25**

Imported goods are subject to the proof of origin according to the rules of origin adopted within the framework of the international and regional economic agreements in force.

**Article 26**

The value for customs purposes shall be calculated according to the rules and principles set forth in the rules of implementation.

**Article 27**

Acceptance of the value as a distinctive element of the goods requires the following:

1. Any customs declaration shall be accompanied by a detail original invoice and the director general or his representative may allow finalization of the clearance procedures without presentation of the authenticated original invoices and the required documents against an undertaking to produce them within a period not to exceed 90 days from the date of undertaking.
2. The value of the goods shall be proved by producing all original invoices and documents reflecting the value according to the rules set forth in Article 26.
3. The customs office may require all documents, contracts, correspondence and other relevant documents without having to accept all that is stated in them or in the invoices themselves.
4. The Administration may request Arabic translation of the invoices issued in a foreign language showing details of the goods in accordance with the customs tariff as well as the other documents, if so required.

**Article 28**

The value of the exported goods is that indicated in the customs declaration plus all the costs until arrival of the goods at the customs office.

**Article 29**

Goods not mentioned in the customs tariff (Harmonized System) and the explanatory notes are to be classified according to the classification advice given by the World Customs Organization. Goods that fall under national subheadings in the customs tariff are to be classified within the context of the Common Customs tariff of the member States of the Council.

**Section V**

**Importation and exportation**

**Chapter I: Importation**

**1. Sea transportation**

**Article 30**

a) Any goods imported into the country by sea shall be registered in the manifest.  
b) A single manifest for the whole load signed by the shipmaster shall be made which shall contain the following information:

- i. Name and nationality of the ship and its registered load.
- ii. Types of the goods, total weight thereof and the weight of bulk goods, if any. If goods are prohibited, their actual description shall be mentioned.
- iii. Number of packages and pieces, description of packing, marks and numbers thereof.
- iv. Names of the consignor and consignee.
- v. The seaports where the goods are shipped from (ports of loading).

c) When entering the customs zone, the shipmaster shall produce the original manifest to the competent authorities.

d) When the ship enters the harbor, the shipmaster shall submit to the customs office the following:

1. The cargo manifest
2. The manifest of the ship's supplies (logistics) and the crew's baggage and belongings.
3. A list of the passengers' names.
4. A list of the goods to be unloaded at this port.
5. All the shipping documents which the customs office may require for application of the customs Laws.

e) Manifests and documents shall be submitted within sixty-three hours from the time the ship enters the seaport, excluding official holidays.

#### **Article 31**

If the manifest belongs to a ship (vessel) that does not make regular voyages or that does not have a forwarder at the port, or if it is a sail ship, then the manifest must be endorsed by the customs authorities at the shipping port.

#### **Article 32**

a) Cargo of the ships and all other marine means of transportation may be unloaded only within the customs zone at the port. Any shipment may be unloaded or transshipped only under supervision of the customs office.

b) Unloading and transshipment shall be completed according to the conditions laid down by the director general.

#### **Article 33**

Shipmaster, forwarder or his representative shall be held responsible for any shortage in the number of pieces or packages or the amount of the bulk goods until delivery of the goods to the customs warehouses or acceptance of the goods by the owners, if so allowed, subject to provisions of Article 54 herein.

#### **Article 34**

If a shortage in the number of unloaded pieces or packages or in the amount of bulk goods, compared to those mentioned in the manifest, is found out, the shipmaster or his representative shall justify such shortage and prove that it has occurred outside the marine customs zone. If documents cannot be submitted at once, a time period not exceeding six months may be given to submit the same against a guarantee ensuring the Administration's rights.

### **2. Land transportation**

#### **Article 35**

Customs procedures of the goods imported by land should be completed at the first customs office and may be referred to another inland customs office, When necessary, under a resolution by the director general.

#### **Article 36**

a) A manifest of the total cargo of the land means of transportation shall be prepared and signed by the carrier or his representative and shall contain adequate information on the means of transportation, its cargo and all other details according to the conditions prescribed by the director general.

b) Carriers or their representatives shall submit the manifest to the port immediately upon arrival therein to.

### **3. Air transportation**

#### **Article 37**

Subject to the provisions of Article 22 herein, aircraft crossing the country borders shall follow the specified routes and shall land only at the airports where customs offices exist.

#### **Article 38**

A manifest of the airplane's cargo shall be prepared and signed by the captain according to the conditions set forth in paragraphs a, b, c, d, of Article 30 herein.

#### **Article 39**

The captain or his representative shall submit the manifest and the lists mentioned in Article 38 herein to the customs officers and shall deliver these documents to the customs office upon arrival of the aircraft.

#### **Article 40**

Goods may not be unloaded or dropped out of the aircraft during flight unless it is necessary to do so for safety purposes, provided that the customs office shall be notified of the same, subject to the provisions set forth in the other relevant Laws.

### **Chapter III: Postal traffic**

#### **Article 41**

Owners of the means of transportation of goods, loaded or unloaded, shall- when leaving the country- submit to the customs office the manifest according to the provisions of Section 1 of this Chapter and shall obtain exit permission. However, the Director General, may, in certain cases, make an exception to this condition.

#### **Article 42**

Exporters of goods shall proceed with the goods to be exported to the competent customs office and declare them in detail. Carriers towards land borders may not overpass the customs offices.

### **Chapter III: Postal traffic**

#### **Article 43**

Goods are imported or exported by mail according to the provisions of this Law and subject the other applicable international postal agreements and local Laws in force.

### **Chapter IV: Common provisions**

#### **Article 44**

a) Several sealed packages, assembled in any way whatsoever, may not be stated in the manifest as a single package. Containers, palettes and trailers are subject to the instructions given by the director general.

b) A single consignment may not be split. However, for acceptable reasons, the director general may allow such splitting, provided that such splitting shall not result in a loss to the treasury.



#### **Article 45**

Provisions of Articles 32, 33, and 34 herein shall apply to the land and air transport in respect to the unloading and transshipment of goods. Drivers, captains of aircraft and carriers shall be responsible for any shortage in case of land and air transport.

#### **Article 46**

The Administration may use Electronic Data Interchange (EDI) in customs clearance.

### **SECTION VI**

#### **Stages of customs clearance Chapter I: Customs declarations**

#### **Article 47**

When clearing any goods, even if exempted from customs taxes and duties, a detailed customs declaration, conforming to the forms approved within the framework of the GCC states, shall be submitted to the customs office containing all the information that enable application of the customs Laws and levying applicable customs taxes and duties and for statistical purposes.

#### **Article 48**

Subject to the provisions of para. (1) of Article 27 herein, The director general shall specify the documents to be attached with the customs declarations and the information to be contained therein and shall allow the completion of the clearance procedures in the absence of any of the required documents against cash or bank guarantees or a written undertaking to submit such documents according to the stipulated conditions.

#### **Article 49**

Contents of the customs declarations may not be modified after registration; however, the applicant may apply in writing to the customs office for correction before the customs declaration is referred to inspection.

#### **Article 50**

Owners of the goods or their representatives may check their goods before submitting the customs declaration and may take samples thereof, when necessary, after obtaining permission from the Director and under supervision of the customs office. Such samples shall be subject to the applicable customs taxes "duties".

#### **Article 51**

No parties other than the owners of the goods or their representatives may have access to the customs declarations excluding competent judicial or official entities.

### **Chapter II: Examination (Inspection) of goods**

#### **Article 52**

The designated customs officer shall examine the goods wholly or partially after registering the customs declarations according to the instructions of the director general.

#### **Article 53**

- a) Examination of goods shall take place at the customs office; however in certain cases such examination may be conducted outside the customs office according to the rules laid down by the director general.
- b) Transferring the goods to the place of examination and the unpacking and repacking of packages and all the 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.
- c) Goods placed in the customs warehouses or at the places intended for examination may not be removed without approval of the customs office
- d) The individuals carrying the goods and presenting them for examination shall be acceptable to the customs office.
- e) Access to the stores, customs warehouses, hangars, 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.

#### **Article 54**

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:

1. If the goods had been placed in the customs warehouses in packages that are in an apparently proper condition from which it can be ascertained that the shortage in their contents had occurred at the exporting country prior to shipping, then such shortage shall be disregarded.
2. If the goods entering the customs warehouses 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, contents 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.
3. 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 shall be responsible for any shortage or switching, if any.

#### **Article 55**

When the customs office suspects the presence of prohibited or illegal, 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.

When necessary, the customs office may inspect the goods before notifying the owner of the goods or his representative. Such inspection may be conducted by a committee formed, for this purpose, by a decision of the director general and a report of the findings of inspection shall be made.

#### **Article 56**

- a) The customs office may have the goods analyzed by specialized agencies to verify the kind and specifications of the goods or their conformity to the Laws and laws.
- b) Goods requiring the availability of certain conditions and specifications to be released shall be subject to analysis (testing) and inspection; however the director may release them against an appropriate undertaking ensuring that they are not to be disposed of until the analysis result has come out.
- c) The director general may order that the goods, proved through inspection or analysis to be harmful or not conforming to the approved specifications, be 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 57**

Customs taxes "duties" shall be levied according to the contents of the customs declaration. Should physical inspection result in a difference (discrepancy) between the goods and what is stated in the customs declaration, customs taxes and 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 provisions herein?

#### **Article 58**

If the customs office cannot verify the contents of the customs declaration through inspection of the goods or the documents submitted, it may suspend inspection and request necessary supporting documents.

#### **Article 59**

The customs office may re-inspect the goods under the provisions of Articles 51 - 56 herein.

### **Chapter III: Provisions relating to passengers**

#### **Article 60**

Items or belongings accompanying the passengers shall be declared and inspected at the competent customs offices according to the rules and practices laid down by the director general.

### **Chapter IV: Adjustment of the value**

#### **Article 61**

A valuation committee composed of officers from the administration shall be established by a resolution of the director general to settle the disputes arising between the customs office and the persons concerned about the value of the imported goods. Such committee may seek assistance of experts at its discretion.

Without prejudice to the importer's right to appeal to court, the importer may appeal before the valuation committee against the decisions of increased value within fifteen days following the registration of the customs declaration or from the date of the valuation notice sent to him by registered mail. Decisions of this committee shall be taken by majority and shall be effective once approved by the director general. The importer shall be informed in writing of the decision taken by the committee concerning his complaint. Such decision shall be reasonable.

#### **Article 62**

a) Should a dispute arise between the competent customs officer and the owner of the goods about the value of the goods due to discrepancy in description, origin or any other reason, the matter shall be referred to the director for settlement. If the director approves the opinion of the customs officer but the owner of the goods does not accept such opinion, the matter shall be referred to the director general for settlement of dispute or for referral to the valuation committee.

b) The director may release the goods in dispute, if not prohibited, after collecting a deposit in an amount equivalent to the sum of the customs duties and taxes determined by the customs office. Samples of the goods shall be temporarily maintained for reference when necessary; such samples shall be returned to the owner of the goods unless they are consumed for inspection and analysis purposes.

### **Chapter V**

### **Payment of customs taxes "duties" and other charges and the Release of goods**

#### **Article 63**

(a) Goods shall be subject to customs taxes "duties" and may not be released unless after completion of their customs procedures and payment of customs duties and taxes according to the provisions herein.

(b) Goods shall be delivered to the owners or their duly authorized representatives according to the procedures prescribed by the director general.

#### **Article 64**

The customs officers assigned to collect customs duties and taxes shall execute an official receipt in the form prescribed by the minister or the competent authority.

#### **Article 65**

When a state of emergency is declared, precautions may be taken for removing the goods against special

guarantees and conditions prescribed by the minister or the competent authority.

**Article 66**

According to the rules and conditions prescribed by the director general, goods may be released prior to payment of the customs duties and taxes and after completion of the customs procedures against bank, monetary or documentary guarantees.

**SECTION VII**

**Cases where customs taxes "duties" are suspended and Drawback**

**Chapter I: General Provisions**

**Article 67**

Goods may be admitted and transported to any other place within the country without payment of the customs taxes "duties" against submission of a bail or bank guarantee equivalent to the amount of the customs taxes "duties" payable according to the instructions given by the director general.

**Article 68**

Bails, bank guarantees and securities shall be released under discharge certificates according to the conditions prescribed by the director general.

**Chapter II: Goods in Transit**

**Article 69**

Subject to Article 67 herein and the provisions of the Unified Economic Agreement of the GCC Arab States, goods are allowed to transit the territories of the Council states according to the applicable provisions and laws and the international agreements force.

**Article 70**

Transit operations can be completed only at the authorized customs offices.

**Article 71**

Subject to the provisions of the applicable regional and international agreements transit goods are transported through the specified routes by the various means of transport at the carrier's responsibility according to the instructions of the director general. The routes for the transit transportation and the conditions thereof are to be specified by a resolution of the minister or the competent authority.

**Article 72**

In the event goods are transported from one customs office to another, the persons concerned may be exempted from submitting a detail declaration at the port of entry and the referral shall be according to the documents and conditions prescribed by the director general.

**Article 73**

The minister or the competent authority shall issue the necessary resolutions governing the suspension of the customs duties and taxes applicable to all other kinds of transit transport.

**Chapter III: Warehouses**

**Article 74**

Warehouses inside or outside the customs office shall be established by a resolution of the minister or the competent authority; the rules and conditions controlling such warehouses shall be laid down by the director general.

**Article 75**

Goods may be deposited with the warehouses inside or outside the customs office without payment of customs duties and taxes according to the rules and conditions prescribed by the director general.

**Article 76**

The Administration is entitled to supervise and control the warehouses, managed by other agencies, under the provisions of this law and the other laws in force.

**Chapter IV: Free zones and duty-free shops**

**Article 77**

Free zones are established by the legal instrument of each State; the rules and conditions thereof are laid down by a resolution of the minister or the competent authority.

**Article 78**

(a). Subject to the provisions of Articles 79 and 80 herein, all foreign goods of whatever kind or origin may be brought into the free zones and duty-free shops, and taken out from them to outside the country or to other free zone and duty-free shops, without being subject to customs duties or taxes.

(b). Subject to the export restrictions and customs procedures applicable to re-exportation, the foreign goods re-exported from inside the country may be admitted into the free zones and duty-free shops.

(c). Goods in the free zones and duty-free shops shall not be subject to any restriction in respect to the period they can remain therein.

**Article 79**

The imported goods, stated in the cargo manifest, may not be transferred or admitted into the free zones and

duty-free shops unless by approval of the director general and under the conditions and controls prescribed by him.

#### **Article 80**

The following goods may not be admitted into the free zones and duty-free shops:

1. Flammable goods, excluding the fuels necessary for the operation allowed by the authority supervising free zones and duty-free shops under the conditions prescribed by the competent authority.
2. Radioactive materials
3. Arms, ammunition and explosives, of any kind, except those licensed by the competent authorities.
4. Goods infringing the laws relating to commercial and industrial property rights and copyright protection in respect of which resolutions have been issued by the competent authorities.
5. All kinds of narcotic drugs and derivatives thereof.
6. Goods originated in an economically boycotted country.
7. Goods prohibited from entering the country; a list of such goods shall be made by each State.

#### **Article 81**

The customs office may carry out inspection works in the free zones and duty-free shops for detection of prohibited goods, and it may also review the documents and examine the goods when smuggling operations are being suspected.

#### **Article 82**

The management of the free zones and duty-free shops shall submit to the Administration, if so requested, a list of all the goods brought into or taken out from them.

#### **Article 83**

Goods placed at the free zones and duty-free shops may not be transferred to other free zones and duty-free shops, stores or warehouses unless according to the securities, undertakings and procedures prescribed by the director general.

#### **Article 84**

Goods shall be withdrawn from the free zones and duty-free shops into the country according to the provisions of applicable laws and as instructed by the director general.

#### **Article 85**

Goods taken out from the free zones into the customs office are treated as foreign goods even if incorporating local raw materials or articles on which customs duties and taxes have been collected prior to their admission into the free zones.

#### **Article 86**

National and foreign vessels shall be permitted to obtain all necessary marine equipment from the free zones.

#### **Article 87**

The administration of the free zones and duty-free shops shall be held responsible for all the offences committed by its officers and for the goods illegally taken out from them. All laws and instructions relating to security, public health, smuggling and fraud control shall remain effective in these free zones and duty-free shops.

#### **Article 88**

The goods imported from the free zones and duty-free shops into or out of the country shall be treated as foreign goods.

### **Chapter V Temporary Admission**

#### **Article 89**

Subject to the provisions provided for in this chapter and in the Unified Economic Agreement of the Council countries and the other international applicable agreements, goods shall be temporarily admitted without collection of customs duties and taxes according to the conditions set forth in the Rules of Implementation.

#### **Article 90**

The director general may grant temporary admission to the following:

1. Heavy machinery and equipment for completion of projects or for conducting the experiments and tests relating to such projects.
2. Foreign goods imported for completion of processing.
3. Items temporarily imported for playgrounds, theatres, exhibitions and like events.
4. Machinery and equipment imported into the country for repair.
5. Containers and packing imported for refilling.
6. Animals admitted in for grazing.
7. Commercial samples for exhibition.
8. The other cases so requiring.

The items provided for herein shall be re-exported or deposited with the free zone, customs offices or warehouses during the temporary admission period prescribed by the Rules of Implementation.

#### **Article 91**

Provisions of the Unified Economic Agreement of the GCC states and the other international applicable

agreements governing the temporary admission of vehicles shall be observed according to the instructions prescribed by the Rules of Implementation

#### **Article 92**

The materials and articles released by temporary admission may not be used, allocated or disposed of for purposes and objectives other than those for which they were imported and declared in the submitted declarations.

#### **Article 93**

Any shortage develops in the goods released by temporary admission when taken out shall be subject to the customs duties " taxes " applicable at the time of admission.

#### **Article 94**

The Rules of Implementation shall prescribe the conditions for practical application of the temporary admission and the guarantees to be produced.

### **Chapter VI Re-exportation**

#### **Article 95**

The goods imported into the country, on which customs duties "taxes" were not collected, may be re-exported outside the country or to the free zone according to the procedures and guarantees prescribed by the Rules of Implementation

#### **Article 96**

In certain cases, permission may be given for transshipment of the goods or withdrawal of the goods that were not placed into the customs warehouses, from the wharves to the ships under the conditions prescribed by the director general.

### **Chapter VII Drawback**

#### **Article 97**

Customs duties "taxes" collected on the foreign goods shall be totally or partially refunded at re-exportation according to the practices and conditions set forth by the Rules of Implementation.

### **Section VIII Exemptions**

#### **Chapter I**

#### **Goods exempted from customs duties "taxes"**

#### **Article 98**

The goods agreed to be exempted from customs duties and taxes in the Common Customs tariff of the GCC states shall be exempted from customs duties and taxes.

### **Chapter II Diplomatic exemptions**

#### **Article 99**

Imports of the diplomatic corps, consulates, international organizations and the members of the diplomatic and consular corps accredited by the government shall be exempted from customs taxes " duties " on reciprocity basis according to the international agreements , laws and orders in force.

#### **Article 100**

a) The goods exempted under Article (99) herein may not be disposed of or abandoned for a purpose other than that for which they have been exempted ,unless after notifying the Administration of the payment of the due customs taxes " duties " .

b) Customs taxes" duties" are not to be levied if the beneficiary has disposed of the goods, exempted under Article (99) herein, after three years from the date released by the customs office provided that reciprocity basis is available.

c) Exempted vehicles " cars " may not be disposed of before the elapse of three years following the exemption date excluding the following cases:

- Termination of the mission of the diplomatic or consular member benefiting from exemption in the country.
- The occurrence of an accident to the exempted car which makes it unfit for the use of the diplomatic or consular member based on a joint recommendation by both the Traffic Department and the Administration.
- The sale by one diplomatic or consular member to another member provided that the assignee shall be entitled to the right of exemption.

#### **Article 101**

The right of exemption for the individuals benefiting from it under Article (99) herein shall begin from the date of commencing their jobs at their official places of work in the country.

### **Chapter III Military exemptions**

#### **Article 102**

Imports for all sectors of the military forces and internal security forces, such as ammunitions, arms, equipment, military means of transport and parts thereof and any other materials, shall be exempted from customs taxes "duties" by a resolution of the Council of Ministers or the authorized authority in each State.

### **Chapter IV**

## **Personal effects and household items**

### **Article 103**

(a). To be exempted from customs taxes "duties" are the personal effects and used household items brought into the country by the nationals residing abroad or the foreigners coming for the first time for residence in the country, subject to the conditions and controls prescribed by the director general.

(b) To be exempted from customs taxes "duties" are the personal effects and gifts in possession of passengers provided that such items are not of a commercial nature and shall be conforming to the conditions and controls prescribed by the Rules of Implementation.

## **Chapter V**

### **Imports of the Philanthropic Societies "Charities"**

#### **Article 104**

Imports of the Philanthropic Societies "Charities" shall be exempted from customs taxes "duties" according to the conditions and controls prescribed by the Rules of Implementation.

## **Chapter VI**

### **Returned goods**

#### **Article 105**

The following goods shall be exempted from customs taxes and duties:

1. Returned goods of national origin that were previously exported.
2. Returned foreign goods that are proved to have been previously re-exported to the outside the country, if returned within one year from the date of re-exportation.
3. Goods that have been temporarily exported for finishing or repair shall be subject to the customs taxes "duties" in an amount equivalent to the addition resulting from such finishing or repair according to the decision of the director general.

The minister or the competent authority shall prescribe the conditions to be satisfied for benefiting from the provisions of this article.

## **Chapter VII**

### **Common provisions**

#### **Article 106**

(a) The provisions of the exemptions set forth in this chapter apply to the goods covered by exemption, whether directly or indirectly imported or bought from the customs warehouses and free zones subject to the requirements prescribed by the Administration.

(b) Should a dispute arise on whether the goods provided for in this chapter are subject to or exempted from customs taxes and duties, the director general shall settle such dispute.

## **Chapter IX**

### **Service charges**

#### **Article 107**

- a. Goods placed in the yards and warehouses of the customs office are subject to the storage, handling and insurance charges and the other services required for the storage and inspection of goods at the applicable rates. However, storage charges shall not, in any way, exceed 50 per cent of the estimated value of the goods. In the event such warehouses are administered by other entities, they may collect such charges according to the provisions and rates specified in this connection.
- b. Goods may be subject to the charges of stowage, sealing, analysis and all services rendered.
- c. The services and charges mentioned in this Article and the levying conditions shall be determined by a resolution issued by the minister or the competent authority.

## **Chapter X**

### **Customs brokers**

#### **Article 108**

A customs broker is any legal or natural person engaged in the preparation of the customs declarations, signing them, submitting them to the customs office and completion of the customs procedures for clearing the goods for the others' account.

#### **Article 109**

Citizens of the GCC Arab States (natural or legal) have the right to exercise the profession of customs clearance upon obtaining a license from the Administration.

#### **Article 110**

Declaration of the goods at the customs office and the completion of their customs procedures, whether for importation, exportation or transit, shall be accepted from:

1. The owners of the goods or their authorized representatives satisfying the requirements prescribed by the director general including the authorization conditions.
2. Licensed customs brokers.

#### **Article 111**

Endorsement of the delivery order for the name of the customs broker or the representatives of the owners of the goods shall be deemed as an authorization for finalization of the customs procedures without any liability on

the part of the customs office for delivering the goods to the endorsee.

#### **Article 112**

The customs broker shall be held responsible for his acts and those of his employees vis-à-vis the importers, exporters and the Administration under the provisions herein.

#### **Article 113**

The director general may issue the directions concerning the following:

1. Licensing requirements for customs brokers,
2. Licensing requirements for the representative of the customs broker,
3. Licensing procedures for customs procedures and their representatives,
4. Obligations of the customs broker and his representative,
5. Requirements for opening the customs clearance offices,
6. The number of customs brokers and their representatives authorized to exercise the profession at the customs offices,
7. The customs office (s) wherein the customs brokers are authorized to work,
8. Procedures of dispensing with the customs brokers and their representatives,
9. Procedures of transfer (movement) of the representatives of customs brokers among the customs clearance offices,
10. Procedures of withdrawing the licenses of the customs brokers and their representatives,
11. Cases of deletion of the licence from the Administration's register.

#### **Article 114**

Subject to the provision of Article 140 herein and without prejudice to any civil or penal liability set forth herein or in any other Law, the director general may impose on the customs broker and his representative any of the following penalties commensurable with the offence committed:

1. Notice (warning).
2. A fine not to exceed SR 5000 or its equivalent in the currencies of the other Council Member States.
3. Suspension of activity for a period not to exceed two years.
4. Cancellation of the license and final prevention from exercising the profession.

An appeal against the imposition of these penalties may be made before the minister or the competent authority within thirty y days from the date of notification. The resolution (judgment) of the minister or the competent authority shall be final.

#### **Article 115**

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 (records) without objection by the broker.

### **Section XI**

#### **Rights and duties of the customs officers**

#### **Article 116**

- a. The customs officers, when performing their duties, shall be deemed as judicial officers within the limits of their competencies.
- b. The customs officers, when appointed, are given identification cards indicating the nature of their jobs, to be presented upon request.
- c. The customs officers shall put on the specified official uniform when performing their duties if the nature of their job so requires.

#### **Article 117**

Civil and military authorities and internal security forces shall render to the customs officers every assistance for the performance of their duties once requested and the customs office shall cooperate with the other official entities.

#### **Article 118**

Customs officers, whose nature of job so requires, are allowed to carry guns. Such officers are designated by a resolution of the minister or the competent authority.

#### **Article 119**

Any customs officer, whose services are terminated for any reason whatsoever, shall return the items in his custody to his immediate supervisor.

#### **Article 120**

The incentives and allowances granted to the customs officers are determined by a decision of the minister or the competent authority based on a proposal from the director general according to the nature of their jobs. Such incentives and allowances shall be effective once approved by the competent authorities.

### **Section XII**

#### **Customs zone**

#### **Article 121**

Prohibited goods, restricted goods and goods subject to higher customs taxes "duties" as well as the other goods designated by a decision of the director general shall be subject to the provisions of the customs zone. The Rules of Implementation shall specify the conditions of transportation within this zone and the necessary documents and procedures.

**Section XIII**  
**Customs matters**

**Chapter I: Investigation of smuggling**

**Article 122**

- a). Customs officers shall combat smuggling. To this effect, they are authorized to inspect the goods and the means of transport and to search persons under the provisions herein and the other applicable Laws.
- b) The body search of women shall be conducted only by a female inspector.
- c). In the event there are adequate evidences of the presence of contraband and after obtaining permission from the competent authority, customs officers shall be entitled to inspect any house, store or shop according to the applicable Laws.
- d). Customs officers shall not be held responsible for the damages resulting from the proper performance of their jobs.

**Article 123**

Authorized customs officers have the right to get aboard the vessels anchoring in the local ports or those entering or leaving such ports and to stay aboard until the cargo is unloaded and they may inspect all parts of the vessel.

**Article 124**

Authorized customs officers have the right to get aboard the vessels in the customs zone for inspection or presentation of the cargo manifest and the other required documents under the provisions herein; when refraining from producing such documents or in the absence of such documents and when contraband or prohibited goods are suspected to be concealed, customs officers may take all necessary measures to seize such goods and shall lead the vessel to the nearest customs office.

**Article 125**

The Administration may take appropriate actions for investigating (detecting) smuggling inside and outside the customs office according to the rules laid down by the minister or the competent authority.

**Article 126**

Investigation of smuggling, seizure of goods and proving customs offences may be conducted on all goods within the territories of the country in the following cases:

1. in both the land and maritime (sea) customs zones.
2. At the customs offices, seaports, airports and all the places subject to customs control.
3. Beyond the land and maritime (sea) zones when continuously tracking controlled deliveries of the goods that have been witnessed within the zone in a situation that obviously indicates that they are intended to be smuggled.

**Article 127**

Customs officers are entitled to have access to the papers, documents, records, correspondence, commercial contracts and instruments whatsoever, directly or indirectly relating to the customs operations, and to seize them when offences are found out which shall be done at the premises of the shipping and transportation companies and the natural and legal persons involved in customs operations.

Such companies and persons shall keep all the aforesaid documents for a period of five years from the date of completion of the customs operations.

**Article 128**

Customs officers may detain any person suspected to have committed or attempted to commit an offence or involved in committing any of the following offences:

- a). Smuggling
- b). Transporting or acquisition of contraband.

**Chapter II: Seizure report**

**Article 129**

The seizure report of the offences and crimes of customs smuggling shall be made according to the practices set forth in this Law.

**Article 130**

When the offence/crime or smuggling is detected, a seizure report shall be promptly made by at least two customs officers and it may be made by one customs officer when necessary.

**Article 131**

The seizure report shall contain the following details:

1. The place, date and hour (in letters and figures) it is prepared.
2. Names of the customs officers who had detected the offence and those who had prepared the seizure report, their signatures and the nature of their jobs.



3. Names of the offenders or those responsible for smuggling, their nationalities, characteristics, occupations and detail addresses.
4. Seized goods, kinds and quantities thereof, their value and tariff heading.
5. Detailed facts, statements of the offenders or the individuals responsible for smuggling and statements of witnesses, if any.
6. An indication in the seizure report that it has been recited to the offenders or those involved in smuggling who had approved it by signing it or refused to do so.
7. All the other useful documents and the presence or absence of the offenders or those involved in smuggling when making inventory of the goods.
8. Referring samples of the seized contraband to the competent authorities for verification of prohibited materials.
9. Identifying the authority to which contraband has been delivered and taking an acknowledgement of receipt.
10. Identifying the security entity to which the smuggler(s) has been delivered and the hour and date of delivery.

#### **Article 132**

- a). The seizure report prepared according to Articles 130 and 131 herein is a proof of the material facts that have been seen by the customs officers who had prepared it, unless proved otherwise.
- b) The formal deficiency in the seizure report does not cause it to be null and may not be returned to the customs officers who had prepared it unless such deficiency is relating to material facts.

#### **Article 133**

The Customs office may seize the goods subject of offence or smuggling and the other items used for concealment as well as the means of transport whatsoever (i.e. boats, vehicles and animals) excluding vessels, aircraft and public buses intended for the transport of passengers, unless they are specially designed for smuggling purposes.

#### **Article 134**

Smuggled goods or those attempted to be smuggled such as narcotic drugs and the like shall be disposed of according to the Laws and laws in force in the State.

### **Chapter III: Precautionary (Provisional) measures Part I: Precautionary (Provisional) seizure**

#### **Article 135**

- a. Customs officers executing the seizure report may seize the goods -subject of smuggling or offence- and the means of concealment and transport thereof and seize all documents in order to prove the offences or smuggling and to secure the duties, taxes and fines.
- b. The director general may, when necessary, have an order issued by the competent authorities to effect provisional attachment on the properties of the offenders and smugglers as a security of the payment of the customs duties and taxes and fines and implementation of the final decisions and awards issued in this respect.

#### **Article 136**

The director general may, when necessary and as a guarantee the public treasury's rights, impose a customs security on the property of the tax (duties) payers or their partners.

#### **Article 137**

Arrest may be authorized only in the following cases:

1. Smuggling offences in the act.
2. Resistance to customs officers or security officers that impedes seizure of smuggling cases or customs offences or the persons involved therein.
3. When the persons are likely to escape in order to avoid the fines, penalties or compensations that might be imposed.

The authorized customs officers or the security authorities shall issue the arrest order. The arrested person shall be presented to the competent court within 24 from the time of arrest.

### **Part II: Preventing the offenders and the persons accused of smuggling from leaving the country.**

#### **Article 138**

The director general or his authorized representative may ask the competent authorities to prevent the offenders or the persons accused of smuggling from leaving the country, if the value of the seized goods is not sufficient to cover the taxes, duties and fines.

Such prevention order shall be cancelled if the offender or the person accused of smuggling has submitted a bail equivalent to the claimed amounts or if it is found out thereafter that the value of the seized goods is sufficient to cover the claimed amounts.

### **Chapter IV: Customs offences and penalties thereof**

#### **Article 139**

The collected customs fines and seizures provided for herein are deemed as a civil compensation to the Administration and shall not be covered by the provisions of amnesty.

#### **Article 140**

In the even of multiple offences, fines shall be imposed on each offence separately and the severest fine will be sufficient to if the offences are so correlated and cannot be separated.

#### **Article 141**

Excluding the smuggling cases provided for in Article 142 herein and without prejudice to the international agreements in force, a fine shall be imposed on the following offences according to the rules of implementation of this Law:

1. Offences of importation and exportation.
2. Offences of customs declarations.
3. Offences of goods in transit.
4. Offences of warehouses.
5. Offences of zones under control of customs.
6. Offences of temporary admission.
7. Offences of re-exportation.
8. Any other offences.

### **Chapter V: Smuggling and penalties thereof**

#### **Part I: Smuggling**

#### **Article 142**

Smuggling is to bring or attempt to bring goods into or out of the country in contravention to the applicable laws without payment of the customs taxes "duties, in whole or in part, or contrary to the provisions of prohibition or restriction provided for herein or in the other laws.

#### **Article 143**

The following actions are particularly deemed as smuggling:

1. Not proceeding with the goods to the first port of entry (customs office).
2. Not following the routes specified for getting the goods into or out of the country.
3. Unloading or loading the ships contrary to the Laws applicable at the customs office or unloading or loading the ships beyond the marine customs zone.
4. Illegal unloading or loading of aircraft cargo outside official airports or dropping goods during flight, subject to the provisions of Article (40) herein.
5. Not declaring at customs office the incoming or outgoing goods without a manifest including the goods accompanied by passengers, which have a commercial character.
6. When the goods surpass the customs office at entry or exit without being declared.
7. Discovering goods, not declared to a customs office, concealed in places or cavities not usually designed for containing such goods.
8. Increase, shortage or alteration in the number of the packages or the contents thereof in a situation suspending the duties provided for in Chapter VII herein discovered after the goods have left the customs office. This provision applies to the goods that have illegally transited the country or without finalization of their customs procedures in which case the carrier shall be held responsible.
9. Failure to produce the evidences prescribed by the Administration to justify suspensions of the customs taxes "duties".
10. Taking the goods out of the free zones and duty-free shops, customs warehouses, stores or customs zones without finalization of their customs procedures.
11. Producing false, fraudulent or fabricated documents or lists or affixing false marks intended to evade the customs taxes "duties" , in whole or in part, or to avoid the provisions of prohibition and restriction.
12. Transporting or acquisition of prohibited or restricted goods without submitting evidences supporting their legal importation.
13. Transporting or acquisition of goods subject to customs authority within the customs zone without legal documents.
14. Not re-importation of the goods prohibited from exportation that were temporarily exported for any purpose whatsoever.

#### **Part 2: Penal responsibility**

#### **Article 144**

The penal responsibility for the smuggling offence requires the presence of intention. Determination of this responsibility takes into account the applicable penal provisions. The following are deemed to be penally responsible in particular:

1. Principal perpetrators (offenders).
2. Partners in the offence.
3. Inciters and interferes.
4. Possessors of contraband.
5. Owners of the means of transport used for smuggling, drivers and assistants who are proven to be involved in the contraband.
5. Owners or tenants of the shops and places where contraband are kept or the beneficiaries who are proved to be aware of the presence of contraband in their shops or places.

#### **Part 3: Penalties**

#### **Article 145**

Without prejudice to any higher penalty provided for in the other laws applicable in the State, smuggling and like offences and the attempt to commit any of them, shall be penalized as follows:

1. If the smuggled goods are subject to high customs taxes "duties", the penalty shall be a fine not less than double the payable customs taxes "duties" and not more than double the value of the goods and imprisonment for not one month but not to exceed one year or either of them.
2. As for the other goods, the penalty shall be a fine not less than double the payable customs taxes "duties" and not more than the value of the goods and imprisonment for not less than one month but not to exceed one year or either of them.
3. If smuggled goods are exempted from customs taxes "duties", the penalty shall be a fine of not less than ten percent of the value of the goods and not more than their value and imprisonment for not less than one month but not to exceed one year or either of them.
4. If smuggled goods are prohibited ones, the penalty shall be a fine not less than the value of the goods but not more than three times the value and imprisonment for not less than six months but not to exceed three years or either of them.
5. Confiscation of the smuggled goods or imposing a fine equivalent to the value thereof when the goods are not seized.
6. Confiscation of the means of transportation and the tools and materials used in smuggling, excluding public means of transportation such as ships, aircraft, trains and public vehicles, unless they are intended or hired for smuggling purposes, or imposing a fine equivalent to their value when goods are not seized.
7. The penalty may be doubled if the offence is repeated.

**Article 146**

The director general may hold the goods and the seized means of transport in case the smugglers have escaped or could not be caught and sell them according to the provisions of Section 14 herein and the proceeds of sale shall revert to the government upon the expiry of one year from the date of sale with the smugglers not being caught. Should the smugglers be caught or brought to court during this period and the goods have been ordered to be confiscated, the order of confiscation shall apply to the proceeds of sale.

**Chapter VI: Prosecutions (Pursuits)  
Part I: Administrative prosecutions (pursuits)**

**Article 147**

- a) The director general may issue the necessary orders for collection of the payable customs taxes "duties" and fines, which the payer has not paid.
- b) Objection to the collection orders may be made to the Administration within fifteen days from notification date. Nevertheless, this shall not stay execution of the orders (Judgments) unless the claimed amounts are paid under deposit through a bank guarantee or in cash.

**Article 148**

- a) The fines provided for in chapter 5 of this section shall be imposed by a resolution of the director general or his authorized representative.
- b) The offender or his representative shall be notified of the imposed fine by a written notice through the competent authority. The offender shall pay the fines within fifteen days from the date of notification.

**Article 149**

The penalization orders (judgments) referred to in the preceding Article may be appealed before the minister or the competent authority during the same period and the minister or the competent authority has the right to confirm, amend or cancel the penalization order.

**Part 2: Prosecution of the smuggling offences**

**Article 150**

The action of smuggling offences may be reconsidered only upon written request from the director general.

**Part 3: Conciliatory settlement (compromise)**

**Article 151**

- a). The director general or his authorized representative may- upon a written request by the person concerned- make a compromise (conciliation), in the smuggling issues, whether prior to the bringing of the action or when the action is being tried and prior to the issuance of the first instant judgment which will be in lieu of all the customs penalties and fines provided for in article 145 herein.
- b). The Guide of the Reconciliatory Settlements is issued by a resolution of the minister or the competent authority.

**Article 152**

Subject to the provisions of Article 150, the conciliatory settlement (Compromise) shall be as follows:

1. If contraband are goods that are subject to high customs taxes "duties" , the penalty shall be a fine not less than twice the amount of the customs taxes ' duties" and not exceeding double the value of the goods.
2. As regards the other commodities, the penalty shall be a fine not less than the amount of the payable customs taxes ' duties" and not exceeding 50% of the value of the goods.
3. If the smuggled goods are not subject to customs taxes "duties" (exempted), the penalty shall be a fine not less than 10% of the value of the goods and not more than 50% of their value.
4. If smuggled goods are prohibited ones, the penalty shall be a fine not less than the value of the goods and not more than three times their value.
5. Confiscation, release or re-exportation (wholly or partially) of the smuggled goods in question.
6. Confiscation of the means of transport together with the tools and Materials used for smuggling excluding the public means of transport such as vessels, aircraft and cars unless these are designed or rented for this purpose.

#### **Article 153**

The action (claim) shall be relinquished when a reconciliation is reached.

### **Chapter VII: Liability and Joint liability**

#### **Article 154**

a. The offence and the consequent civil liability in the smuggling offences arise when the material evidences thereof are available. Good faith or ignorance shall not be taken into account. However, the offender shall be exonerated from liability if he is proved to be a victim of a force majeure as well as he who proves that he has not committed any act of offence or smuggling or caused it to occur or be committed.

b. Civil liability shall include, in addition to the offenders and smugglers, the partners, financiers, sponsors, beneficiaries, agents, clients, donators, carriers, possessors and consigners of the goods.

#### **Article 155**

Investors of private shops and premises wherein infringing or smuggled goods are kept shall be held responsible. Whereas investors and employees of public shops and premises as well as the owners, drivers and assistants of public means of transport shall be held responsible unless they prove their ignorance of the presence of such infringing or smuggled goods and that they have not a direct or indirect interest them.

#### **Article 156**

Guarantors (sponsors) shall be responsible, within the limits of their guarantees, for the payment of customs taxes "duties", fines and the other amounts payable to the Administration by the principal payers.

#### **Article 157**

Customs brokers shall be fully responsible for the offences and smuggling offences they or their authorized employees commit in the customs declarations. But they will not be responsible for the undertakings submitted in the customs declarations unless such undertakings are made by them or they have guaranteed the undertakers.

#### **Article 158**

Owners of the goods, employers and carriers of goods shall be responsible for the acts of their employees and all the persons working for their account in respect to the duties and taxes collected by the customs office and the fines and confiscations provided for herein as a result of such acts.

#### **Article 159**

Heirs shall not be responsible for the payment- from their own shares of the heritage- of the fines payable by the dead offenders from unless they are partners in smuggling. The action (suit) shall be relinquished upon the death of the offender.

#### **Article 160**

Payable customs duties, taxes and fines shall be jointly paid by the offenders or the persons liable for smuggling according to the applicable practices for collecting the funds due to the State Treasury. The seized goods and means of transport, if any, shall be a security for the payment of the payable amounts.

### **Chapter VIII: Rules of Court Proceedings**

#### **Article 161**

First instance customs courts may be established at both the Administration and the customs offices according to the legal instrument applicable in each state.

#### **Article 162**

The first instance customs court shall have the following jurisdictions:

1. Hearing all smuggling offences and the like.
2. Hearing all offences committed against the provisions of this Law and the Rules of Implementation thereof.
3. Hearing the objections to the collection orders under the provisions of Article 147 herein.
4. Considering the objections submitted against the penalization judgments under the provisions of Article 148 herein.
5. The court may request any person accused under this Law to bring a sponsor to guarantee his appearance before the court or it may decide to detain him until settlement of the issue.

#### **Article 163**

a). Judgments of the first instance customs court may be appealed before an ad hoc appeal court formed under the legal instrument applicable in each State.

b). this court shall try the actions brought to it and shall take its decisions by majority.

c) The period of appeal shall be thirty days from the date of notification of the first instance judgment by default and from the date of pronouncement of the judgment in presence of the litigant.

#### **Article 164**

The judgments passed by the court of appeal shall be final.

#### **Article 165**

Collection and penalization orders and the judgments passed in the customs matters shall be carried out by all means of execution, after having the final status, on the movable and unmovable property of the offenders. The minister or the competent authority may have an order issued to attach a sufficient amount of such property to cover payment of the claimed amounts.

### **Section XIV**

## **Sale of Goods**

### **Article 166**

a). The Administration has the right to sell the perishable seized goods and those subject to shortage or leakage or if the goods are in a condition that might endanger the safety of the other goods and the facilities therein.

b) Seized goods which are subject to a considerable depreciation may be sold by authorization from the director general or his representative. The sale of the goods shall be based on a report showing the condition 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.

If a judgment (order) to return the goods to its owner is issued thereafter, then price of the sold goods shall be paid to the owner after deducting any payable duties or taxes.

### **Article 167**

Upon expiry of the period specified by the minister or the competent authority, the Administration may sell the goods placed in the customs warehouses, those existing in the yards or wharves or left out goods at the customs offices.

### **Article 168**

The Administration shall sell the following:

1. The goods and means of transport that have become property of the customs under a confiscation judgment, a compromise or a written waiver.
2. The goods not withdrawn from the customs warehouses within the legal period specified according to Article 75 herein.
3. The goods and items whose owners are unknown and which have not been claimed within the storage period specified by the director general or the competent authority.

### **Article 169**

The Administration assumes no responsibility for any damage caused to the goods being sold under the provisions herein unless it is proved that the Administration had committed an obvious default in the procedures of the sale process.

### **Article 170**

a. The sales provided for in this Section shall be effected in an auction according to the rules and conditions prescribed by the minister or the competent authority.

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

### **Article 171**

a). The proceeds of sale shall be distributed as follows:

1. Customs taxes "duties".
2. The costs of the sale process.
3. The expenses incurred by the Administration whatsoever.
4. Transportation charges, when necessary.
5. 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 provided for in paragraph (a) 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). As for the goods that are prohibited or not allowed to be imported on the day of sale, the remaining balance shall be property of the Treasury.

d). As for the goods that are prohibited, restricted or not allowed to be imported and those sold under a compromise, penal order or a court judgment (relating to smuggling), the remaining balance shall be distributed according to the provisions of article 172 herein after deducting the taxes ,duties and costs.

### **Article 172**

The share of the treasury from the proceeds (amounts) of the customs fines and the value of the seized or abandoned goods and means of transport are determined at 50% after deducting the customs duties taxes "duties" and costs. The remaining portion of the balance shall be deposited with the customs rewards fund or with any other account in favour of the customs, to be paid to the individuals who had discovered and seized the offences and their assistants. The rules for distributing such rewards shall be laid down by the minister or the competent authority upon a proposal from the director general.

## **Section XV**

### **Privilege of the Customs Administration**

#### **Article 173**

For the purpose of collecting the customs taxes "duties" and the other fees and taxes to be collected as well as the fines, compensations, confiscations and refunds, the Administration shall have a general privilege over the movable and immovable property of the tax payers and offenders, even in the case of bankruptcy, and shall also have precedence over all debts except for the judicial expenses.

## **Section XVI**

### **Prescription**

**Article 174**

Any claim or action for refunding the customs taxes "duties" paid since over three years shall not be accepted.

**Article 175**

The Administration may destroy the records, receipts, declarations and the other customs documents upon the expiry of five years following finalization of the customs procedures. The Administration shall not be bound to present such documents or give copy thereof to any entity upon the elapse of that period.

**Article 176**

Without prejudice to the other laws and regulations in force in the State, prescription period for the Customs Administration, if not prosecuted, shall be as follows:

**15 years for the following two cases:**

- a). Acts of smuggling and the like effective from the date of committing the offence.
- b). Execution of the smuggling judgments and the like effective from the date of passing the judgment.

**5 years for the following cases, if not claimed:**

- a). Investigation of the offences from the date occurred.
- b). Collection of the fines and the confiscations imposed on the offences with effect from the issuance of the penalization order.
- c). Collection of the customs taxes" duties" and the other charges that have not been collected due to a mistake by the customs office effective from the date of lodgment of the customs declaration .

**Section XVII  
Final Provisions**

**Article 177**

- a). the director general may exclude the ministries, government departments and the official public organizations from certain procedures to facilitate their duties.
- b). The director general may sell the confiscated or abandoned goods and materials to the interested ministries, government departments and official public organizations, if they express their need for them, at the prices he deems appropriate, or may abandon them free of charge by a resolution by the minister or the competent authority .

**Article 178**

The Financial and Economic Cooperation Committee of the GCC States shall approve the Rules of implementation of this law which will be issued according to the legal instrument of each State.

**Article 179**

The Unified Customs Law of the GCC States shall, when implemented, supersede the customs Laws and laws in force in the Member States within the limits of the constitutional rules and Laws and the basic laws in force in each State without contradiction therewith.

***Rules of Implementation of the Common Customs  
Law of the Member States of the Cooperation Council  
for the Arab States of the Gulf***

**I. Value of goods for customs purposes**

Based on the provisions of Article (26) of the Common Customs Law of the GCC States, the value of goods for customs purposes shall be according to the following rules and principles:

**Article (1)**

**I. General Provisions:**

- 1. The importer may clear his goods after payment of the customs taxes "duties" under cash deposit, if the final determination of the value is prolonged.
- 2. The importer may obtain, upon a written request, a written clarification of the method used in determining the customs value of his goods.
- 3. The importer or any person liable for payment of the customs taxes "duties" may appeal against the determined customs value, without penalty.
- 4. The confidential information or the information provided on confidential basis for valuation purposes shall be treated as top confidential and may not be disclosed unless within the limit required for court procedures.
- 5. Freight, insurance and other relevant charges shall be added up to the customs value of the imported goods until arrival to the port of destination in the GCC States.
- 6. The time of payment of the customs taxes "duties" shall be the time approved for currency exchange rate.
- 7. In determining the transaction value, no discounts or deductions of the payable or actually paid price shall be considered if such discounts/deductions are made between the buyer and seller after the date of importation of the goods. Also, no credit balances pertaining to previous consignments shall be considered when determining the customs value of the goods being valued.
- 8. The Valuation Agreement shall be the reference for the interpretation and application of the present article.

**ii. Bases of Customs Valuation:**

Imported goods are valued according to the following bases:

1. The first basis for determining the value for customs purposes is the transaction value of the imported goods.
2. If the customs value can not be determined according to the first basis above, it shall be determined by the sequential application of the following alternative methods:
  - a. Transaction value of identical goods
  - b. Transaction value of similar goods
  - c. Deductive value
  - d. Computed value
3. If the customs value cannot be determined under the above methods, it shall be determined by application of reasonable methods that conform to the general principles and provisions of the Valuation Agreement, but with more flexibility.
4. The importer may request that "Deductive value" and "Computed value" be applied in reverse sequence.

#### **First Method: Transaction Value of the Goods Being Valued.**

Transaction value is the price actually paid or to be paid against the sale of the goods for export to GCC States, mutatis mutandis.

##### **I: Conditions of the transaction value:**

##### **The transaction must satisfy the following conditions:**

1. that there are no restrictions applicable to the disposition or use of the imported goods by the buyer, other than the restrictions imposed by law in the GCC States, or those which specify the geographical area within which the goods may be resold, or those which do not substantially affect the value of the goods;
2. The sales price is not subject to any condition or compensation whose value can not be determined;
3. that the seller is not entitled to any part of the proceeds of the resale, disposition or use of the goods by the importer as a subsequent stage, directly or indirectly, unless a proper adjustment, based on objective and quantitative data, can be made; and
4. that no relationship, if any, shall exist between the seller and buyer which affects the transaction value according to the provisions of paragraph (23) of Article (2) of this Law.

##### **II: Adjustments to the transaction value:**

When necessary, the following shall be added to the price actually paid or to be paid:

1. The costs borne by the buyer to the extent they are not included in the price actually paid or to be paid;
  - a. amounts of commission and brokerage, excluding the purchasing commission,
  - b. cost of the containers that are treated for customs purposes as one unit along with the goods under assessment, and
  - c. packing cost, whether for labor or material
2. An appropriate percentage of the costs of the following goods and services provided by the buyer, directly or indirectly, free or at a reduced cost, against its use in production of the imported goods, if it was not included in the price paid or to be paid, as per the following:
  - a. materials, parts, components and similar items used in production of the imported goods,
  - b. tools, dies, molds and similar items used in production of the imported goods,
  - c. materials consumed in production of the imported goods, and
  - d. engineering works, designs, studies, graphs, drawings and similar items necessary for production of the imported goods and done in a country other than the GCC States.
3. license and royalty fees relating to the imported goods under assessment that must be paid by the importer (buyer), directly or indirectly, as a condition of sale of the goods being valued if not included in the price actually paid or payable, and
4. Value of any part of the proceeds from any subsequent sale, disposition or use of the imported goods, payable to the seller directly or indirectly.

**III. The amounts related to the items mentioned in paragraphs 1 and 2 above shall be included based on objective and quantifiable data.**

#### **Second Method: Transaction Value of Identical Goods**

Transaction value of the identical goods sold for export to the GCC States and exported at or about the same time as the export of the goods being valued. At the time of its application, the transaction value of identical

goods in a sale at the same commercial level and quantity shall be used.

In case such a transaction is not found, the transaction value of identical goods sold at a different commercial level or different quantity, adjusted for the difference, shall be used. In case such a transaction is not found, the transaction value of identical goods sold at a different commercial level or different quantity adjusted for the difference shall be used.

If more than one transaction value for identical goods is found, the lowest of such values shall be used for determining the customs value for the imported goods.

### **Third Method: Transaction Value of Similar Goods**

Transaction value of the similar goods sold for export to the GCC States and exported at or about the same time as the export of the goods being valued. At the time of its application, the transaction value of similar goods in a sale at the same commercial level and quantity shall be used.

In case such a transaction is not found, the transaction value of similar goods sold at a different commercial level or different quantity, adjusted for the difference, shall be used

When there is more than one transaction value of similar goods, the lowest value will be used as the customs value of the imported goods.

### **Fourth Method: Deductive Value**

The customs value will be determined according to the unit price at which the goods being valued were sold, or identical goods, or similar goods (in the same condition as imported), in the earliest sale in the Kingdom, in the local market, at the greatest aggregate (wholesale) quantity at or about the time the goods being valued are imported but before the elapse of 90 days from importation of the goods being valued, to non-related persons, provided that the following costs and expenses, incurred after arrival of the goods at the port of destination in the GCC States, shall be deducted:

1. Commissions usually paid or payable or additions usually added to allow for profit and general expenses in connection with the imported goods of the same class or kind sold in the Kingdom;
2. Local transportation and insurance costs and other related costs;
3. Customs taxes (duties).

If the imported goods, identical goods or similar goods, are not sold in the local market in the same condition as imported, the customs value shall be based, if requested by the importer, on the unit price at which the imported goods are sold, after processing and finishing, at the greatest aggregate quantity to non-related persons in the GCC States, along with making the appropriate deductions for the added value for such processing in addition to the deductions provided for in paragraphs (1), (2) and (3) of this method.

### **Fifth Method: Computed Value**

Computed value is the sum of the various costs incurred in the country of origin of the goods which includes the following:

1. Cost or value of materials and fabrication or other processing employed in producing the imported goods;
2. an amount for profit and general expenses equal to that usually reflected in the sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the GCC States;
3. The costs listed in II b. of the first method, if not included in (1) or (2) above, and the cost of packing.

### **Flexible Valuation Methods**

If the customs value of the imported goods cannot be determined under the foregoing methods, the customs value shall be determined by reasonable methods that are in line with the general principles and provisions of the Valuation Agreement by referring once again to those five methods, but with more reasonable flexibility of application.

### **Imported goods may not be valued on the basis of:**

1. The selling price in the GCC States of goods produced in the GCC States;
2. The selling price of the goods in the local market of the country of exportation;
3. Minimum, arbitrary or fictitious values;
4. Production costs different from the computed value defined in the fifth method
5. The price of goods for export to a country other than the GCC States; or
6. A system which provides for the acceptance, for customs purposes, of the higher of two alternative values.



## **II. Temporary Admission**

Based on the provisions of Articles (89 – 94) of the Common Customs Law of the GCC States, temporary admission shall be subject to the following conditions and procedures:

### **Article (2):**

- (a). the goods mentioned in Articles (89) and (90) herein shall be allowed to be placed under temporary admission for six renewable months with the suspension of the levied customs taxes "duties" as stated in the Rules of implementation.
- (b). the customs taxes "duties" and other taxes "duties" , if any, shall be secured by a bank or cash guarantee as circumstances may require and at the discretion of the director general.
- ( c). Temporary admission status shall be terminated by re-exporting the admitted goods to outside of the state or depositing them into the free zones or customs warehouses or stores or placing them for home consumption and payment of payable customs taxes "duties" according to the procedures prescribed by the director general.

### **Temporary admission of heavy machinery and equipment**

#### **Article (3):**

- a). Temporary admission of the heavy machinery and equipment, which are not available in the markets and are required for the completion of projects or the conducting of practical and scientific tests relating to those projects, shall be granted for a period of six months renewable for similar periods which shall not exceed three years at the most unless the completion of a project requires a longer period.
- b). for the project to benefit from temporary admission under these rules , it shall be one of the projects completed for favour of the government or an investment project the completion of which requires the admission of such machinery and equipment for this purpose.

#### **Article (4):**

- a). Temporary admission shall not be granted to the spare parts, tyres, batteries and other materials that can be consumed in the projects.
- b). the type and description of the admitted piece of machinery or equipment may not be changed unless after obtaining approval from the Customs Administration.
- c). the use of the machinery and equipment shall be limited to the completion of project for which they have been admitted.

#### **Article (5):**

The entity applying for the temporary admission of the machinery and equipment required for the completion of its projects shall:

1. submit a copy of the contract or agreement made with the governmental body for the account of which the projects being completed; and
2. make a customs declaration according the form approved for temporary admission and state all information and attach the documents required under this Law. The declaration shall be subject to all customs procedures; and
3. submit a bank guarantee or cash deposit equivalent to the amount of the customs taxes "duties" payable on the registration date of customs declaration for placing them under the temporary admission procedure.

### **Temporary admission of goods for finishing and re-exportation**

#### **Article (6):**

Foreign goods shall be temporarily admitted into the State with the suspension of the customs taxes "duties" levied on them for the purpose of finishing and re-exportation within a time period not to exceed a year.

#### **Article (7):**

The director general shall give instructions specifying the conditions to be satisfied for granting temporary admission to the other types of goods mentioned in Article (90) of this Law, provided that the period of temporary admission shall not exceed six months.

### **Temporary admission of foreign vehicles**

#### **Article (8):**

Foreign tourist vehicles (other than those registered in a GCC member state) shall be granted a temporary admission as follows:

1. Six months for the vehicles covered by an International Passage Carnet (IPC); and
2. Three months for the vehicles not covered by an International Passage carnet to be renewed for a similar period if the person concerned submits bank guarantees or cash deposit equivalent to the amount of the payable customs taxes 'duties'.

#### **Article (9):**

A). for a vehicle to benefit from the provisions of temporary admission, the following conditions shall be satisfied:

1. The vehicle shall be officially registered in the country licensed in under a document proving the same; and
2. The vehicle's licence shall be valid and shall not have export plates; and
3. Production of an insurance from an insurance company approved in the State covering its territories during the period of temporary admission; and
4. The production of an accredited IPC to secure the customs taxes "duties".

B). In order to benefit from the provisions of these Rules, the following shall be satisfied by the person wishing to obtain temporary admission for his vehicle:

1. He shall be the owner of the vehicle or authorized to drive it under a special authorization issued from the country of registration and duly certified; and
2. He shall have a valid residence in the country where the vehicle is registered unless he' is a national of that country; and
3. He shall have a valid driving licence.

#### **Article (10):**

a. To benefit from the provisions of these Rules, the IPC shall be accepted by the customs administration and its validity shall cover the period of temporary admission of the vehicle.

b. The following procedures shall be followed when a vehicle is admitted under the IPC:

1. The number, date and period of the temporary admission permit shall be recorded on the IPC.
2. The relevant coupon shall be cut out from the carnet at entry and exit.

#### **Article (11):**

Students and those on scholarships (other than the GCC nationals) studying at one of the universities and institutes in the State shall be allowed to renew the period of temporary admission for their vehicles during the period of study or scholarship, provided that the vehicle shall be guaranteed by a valid IPC.

#### **Article (12):**

The customs office shall grant temporary admission to vehicles according to the provisions herein.

#### **Article (13):**

a. The temporary admission permit shall contain all the information relating to the vehicle and the person concerned (i.e. plates No., chassis No., engine No., make and colour of vehicle as well as the name of the person concerned, his nationality and passport number).

b. The procedure of the temporary admission of foreign vehicles shall terminate when the vehicle leaves the country via one of the customs offices or when it is placed in the free zone or when it is cleared for home use with the payment of the due customs taxes "duties" subject to the approval of Customs.

### **III. Re-exportation of the Goods**

Pursuant to the provisions of Article (91) of the GCC Unified Customs Law, procedures, conditions and guarantees when re-exporting the foreign goods entering the country shall be as follows:

#### **Article (14):**

Foreign goods, imported into the country without payment of the customs taxes "duties", may be re-exported. Such goods include the following:

1. Imported goods that were not withdrawn from the customs stores.
2. Imported goods, intended to be re-exported, which have been temporarily released against cash or bank guarantees covering the customs taxes "duties" to be submitted within a period not to exceed six month from the date released.
3. Goods imported into the country under the temporary admission procedure whose owners wish to re-export them.

4. Goods deposited at warehouses which is one of the situations for suspension of the customs taxes "duties".

**Article (15):**

- a) Re-exportation of the goods shall be under re-export declarations containing all the distinctive elements of the goods; such declarations are made at the discretion of the director general.
- b) The goods may be re-exported by a person other than the importer subject to the approval of the customs office.
- c) The number of the customs declaration under which the goods have been imported shall be affixed on the re-export declaration.
- d) The goods shall be subject to the customs inspection and procedures prescribed by the Unified Customs Law "Law".

**Article (16):**

Pursuant to the provisions of Article (97) of the Common Customs Law of the GCC States, the customs taxes "duties" levied on the foreign goods re-exported to outside of the GCC States shall be refunded (drawn back) according to the following controls:

- 1. The exporter "re-exporter" shall be the person in whose name the foreign goods were imported or any other person who can definitely prove to the customs administration that he has purchased the goods.
- 2. The value of the re-exported foreign goods for which the customs taxes "duties" are to be refunded shall not be less than five thousand US dollars (or its equivalent in the local currency).
- 3. A) The foreign goods "commodity" shall be re-exported within one Gregorian year from the date of payment of the customs taxes "duties"
- B) The claim for drawback shall be made within six Gregorian months from the date of re-exportation.
- 4. The foreign goods to be re-exported shall be of a single consignment for ease of identification and matching with the importation documents; however, a single consignment may be re-exported in part shipments once it is definitely proven for the customs administration that such shipments constitute a part of the same consignment.
- 5. The claim for drawback shall be for foreign goods that were not locally used after importation from outside of the GCC States and at the same condition when imported.
- 6. Drawback shall be limited to the customs taxes "duties" that were actually paid on the imported foreign goods.
- 7. The customs taxes "duties" shall be refunded after re-exportation of the foreign goods and verification of all the documents required for re-exportation.
- 8. The approved unified "single" customs declaration shall be used for re-exportation of the goods, whose customs taxes "duties" are to be refunded, to outside of the GCC states.
- 9. These controls shall be implemented immediately upon the application of the single point of entry and the common collection and allotment of the customs taxes "duties" levied on the foreign goods.
- 10. These controls shall be reviewed after three years of application or whenever necessary at the request of a member State, and the Financial and Economic Cooperation Committee has the right to interpret and amend these controls.
- 11. These controls shall have priority of application upon contradiction with the laws, regulations and procedures in force in any member State.

**Article (17):**

- a) Means of land transport carrying re-exported goods shall be subject to the provisions relating to the customs sealing and security of covering (canvas), ropes and the other provisions applicable to transit.
- b) Goods shall be re-exported within the prescribed period.
- c) Customs taxes "duties" levied on the goods to be re-exported shall be secured by cash or bank guarantees.

**Article (18): ):**

Re-export declarations shall be discharged and settled and their guarantees shall be released upon submission of one of the following evidences:

- 1. a copy of the re-export declaration sealed and signed by the competent customs officer at the customs office of exit proving that the goods have left the country.
- 2. a copy of the re-export declaration sealed and signed by the competent customs officer indicating that the goods have entered the free zone.
- 3. a discharge certificate approved by the competent authorities at the country of destination certifying that the re-exported goods have been imported into it.

**IV. Exemption of personal effects and gifts accompanying the passengers.**

Pursuant to the provisions of Article 103(b) of the GCC Unified Customs Law, the conditions and controls for exempting the personal effects and gifts accompanying the passengers shall be as follows:

**Article (19):**

Personal effects and gifts accompanying the passengers whose value does not exceed 3000 Saudi riyals or its equivalent value in one of the other GCC currencies shall be exempted from the customs taxes "duties".

**Article (20):**

The following requirements shall be satisfied to qualify to this exemption:

1. Effects and gifts shall be of a personal nature and in non-commercial quantities.
2. The passenger shall not be a frequent traveler through the customs office or a trafficker of the items in his possession.
3. The number of cigarettes subject to exemption shall not exceed 400 (four hundred) cigarettes.

**Article (21):**

Personal effects and gifts benefiting from the exemption referred to in Articles 18 and 19 of these Rules shall be subject to the provisions of prohibition and restriction set forth in the GCC Unified Customs Law and the national legislation of each Member State.

**V. Exempting the imports of the philanthropic societies (charities) from the customs taxes "duties".**

According to the provisions of Article (140) of the Common Customs Law of the Cooperation Council for the Arab States of the Gulf, the conditions and controls for exempting the imports of the charities from the customs taxes "duties" shall be as follows:

**Article (22):**

- a) The charity benefiting from exemption shall be registered with the competent authority in the State and the purpose for establishing it shall be to provide services in the humane, social, educational, scientific or religious fields or any other charitable purpose not being a profitable one.
- b) Societies with political purposes shall not benefit from exemption from the customs taxes 'duties'.

**Article (23):**

To benefit from exemption from the customs taxes "duties", imports of the charities shall:

1. be of a nature suitable for the purposes and activity it performs according to its Articles of Incorporation; and
2. the volume and quantity of the imports to be exempted shall be proportional to the actual needs that enable it to perform its charitable activity; and
3. Such imports shall be directly imported in the name of the charity.

**Article (24):**

- a) the charity may not dispose of the exempted imports for purposes other than those for which they have been exempted and the management of the charity shall be held responsible for that vis-à-vis customs.
- b) Should the charity wish to sell the consumed or used materials and supplies that were exempted from customs taxes "duties", the charity shall apply in writing to the customs administration to obtain approval of the sale after conducting the necessary inspection thereof.

**Article (25):**

The competent government authority shall address the customs administration for exempting the imports of charities from the customs taxes "duties" on a case by case basis.

**VI. Goods subject to the provisions of the customs zone and the conditions of transport therein.**

Pursuant to the provisions of the GCC Common Customs Law, goods subject to the provisions of customs zone shall be treated as follows:

**Article (26):**

Goods subject to the provisions of the customs zone shall be accompanied with a transport authorization issued by the customs office indicating the following:

1. name of the person concerned
2. The distinguishing elements of the goods such as type, number, weight, origin and value.
3. Name, type and number of the means of transport and the name of its driver.

**Article (27):**

- A) Possession of goods within the customs zone shall be prohibited except at the places specified by the customs office.
- B) Normal requirements of goods which can be possessed within the customs zone for consumption purposes shall be specified by a decision of the customs administration.

**Article (28):**

The illegal transportation of the goods that are subject to the provisions of customs zone or possession or circulation thereof within the customs zone shall be deemed as smuggling.

**VII. Fines imposed on the customs offences.**

Without prejudice to the provisions of Articles 142, 143, 144 and pursuant to the provision of Article 141 of the Common Customs Law, the rules for imposing fines on the customs offences shall be as follows:

**Article (29):**

A fine not exceeding twice the amount of the customs taxes "duties" and not less than their equivalent amount on the following offences:

1. The customs declaration (exportation, re-exportation) that could lead to benefiting from drawback or finalization of the temporary admission procedure for temporarily admitted goods without a legal ground.
2. The unjustified increase/decrease of the goods compared to that stated in the manifest.
3. The use of the materials subject to exemption or to reduced customs tariff for purposes other than those for which they have been imported or replacing, selling or disposing them without the approval of the customs administration and the payment of the customs taxes "duties" imposed under Articles 99, 100 and 104 of the Common Customs Law and the provisions of these Rules.
4. Disposing the goods on which the customs taxes "duties" have been suspended for purposes other than those for which they have been imported or replacing them without the approval of the customs administration and the payment of the customs taxes "duties".
5. Redemption of or the attempt to redeem the customs taxes "duties".

**Article (30):**

A fine not less than five hundred Saudi riyals (SR 500) and not exceeding five thousand riyals (SR 5000) or its equivalent in the other currencies of the GCC States on the following offences:

1. improper customs declarations that may lead to evading any condition or restriction relating to import or export.
2. improper customs declaration in respect to value, type, number, weight, measurement or origin that may lead to the loss of the customs taxes "duties" through misdeclaration according to the provisions of Article (47) of this law
3. Alteration of the routes specified in the transit declaration without the consent of the Administration according to the provisions of Article (710) of this law
4. The lack of the manifest of the goods or the availability of more than one manifest for the goods according to the provisions of Articles 30 (a), 36 (a) and (38) of this law
5. Submission of the required certificates for the discharge and settlement of the transit, temporary admission or re-export declarations in contravention to the conditions prescribed by the director general under the provisions of Article (68) of this law
6. Contravention of the rules and conditions prescribed by the director general for depositing the goods at the warehouses according to the provisions of Articles (74, 75) of this law
7. Anchorage of vessels, landing of aircrafts or stopping of other means of transport at places other than those prescribed by the Administration according to the provisions of Articles (20, 21, 22, 37) of the Law "law".
8. Departure of vessels, aircrafts and other means of transport from the ports or the customs boundary without authorization by the customs administration according to the provisions of Article (41) of this law
9. Transfer of goods from one means of transport to another without the consent of the Administration according to the provisions of Articles (32, 45) of this law
10. Unloading of goods from vessels and other means of transport or withdrawing the goods without authorization from the Customs Administration or in the absence of the customs officers or outside the office hours prescribed according to the provisions of Articles (32, 40, 45) of this law
11. Impeding the customs officers from carrying out their duties and exercising their right of inspection, auditing and reviewing according to the provisions of Section XIII of this law This fine shall be imposed on every individual involved in the offence.
12. Not keeping records, documents and the like for the period prescribed in Articles (115, 127) of this law
13. Breaking the sealing or removing the customs seals from goods.

**Article (31):**

A fine not less than five hundred Saudi riyals (SR 500) and not exceeding one thousand riyals (SR 1000) or its equivalent in the other currencies of the GCC States on the following offences:

1. Non-submission of the manifest or the other documents at importation or exportation as well as delaying the submission of the manifest or the other documents beyond the prescribed time according to the provisions of Articles (30, 36, 39, and 40) of this law
2. Not having the manifest endorsed by the customs authorities at the port of shipping in the cases so requiring according to the provisions of Article (31) of this law
3. Declaring several sealed packages combined in any way in the manifest or the like document as being a single package according to the provisions of Article (44) of the Law subject to the instructions given by the director general in respect of the containers, pallets and trailers.
4. Neglecting to mention some necessary information in the manifest or the like document.
5. The postal import of closed parcels or boxes not bearing the approved labels which is contrary to the provisions of the Arab and international postal agreements and the national legislations according to the provisions of Article (40) of this law
6. Any other contravention to the provisions of the ministerial resolutions and the instructions issued under this law

**Article (32):**

A fine amounting to two hundred Saudi riyals (SR 200) or its equivalent in the currencies of the other GCC States for each day of delay provided that the fine shall not exceed half the price of the goods; this applies to the offences of delaying the production of the transit goods or re-exportation to the customs office through which the goods will leave or to the customs office to which the goods are dispatched after expiry of the period prescribed in the customs declarations.

**Article (33):**

A fine amounting to two hundred Saudi riyals (SR 200) or its equivalent in the currencies of the other GCC States for each day of delay of the public transport vehicles and taxis entering the country provided that such fine shall not exceed one thousand Saudi riyals (SR 1000) or its equivalent in the currencies of the other GCC States.

**Article (34):**

A fine amounting to one thousand Saudi riyals (SR 1000) or its equivalent in the currencies of the other GCC States for each week of delay or a fraction of the week provided that the fine shall not exceed twenty percent (20%) of the value of the goods, for the offences of delaying re-exportation of the temporarily admitted goods beyond the period prescribed in the customs declarations. In respect of the tourist cars, these shall be subject to a fine of twenty Saudi riyals (SR 20) or its equivalent in the currencies of the other GCC States for each day of delay provided that the fine shall not exceed ten percent (10%) of the price of the tourist car after expiry of the period prescribed in the temporary admission licence.

**Explanatory Notes**

**To the Common Customs Law  
Of the Cooperation Council for the Arab States of the Gulf**

The GCC Common Customs Law, which was prepared by a technical committee of the GCC member States, has been laid down to meet the provisions relating to the customs affairs and regulate the relationship between customs and the public. The Law contains provisions and procedures for the importation, exportation and transit of goods through the territories of the GCC States. This law also clarifies the rights of the employees of those administrations.

This Law aims at protecting the society through the control of the entry and exit of individuals, goods and means of transport.

This Law falls into 17 sections comprising 179 articles and represents the legal instrument regulating the duties of the customs offices and specifying the areas subject to customs control, the nature of the customs procedures at the land, marine and air ports and the postal customs offices as well applied to the various customs transactions such as importation, exportation, temporary admission, re-exportation and transit. It is the instrument by which the customs tariff is applied and the customs taxes "duties" are levied on the imported goods. All these Laws support the trend to make the GCC States an international market, encourage their national industries and projects and extend the scope of their transactions and increase their exports.

This Law also contains provisions specifying the stages of the clearance of the goods, exemption from customs taxes "duties", conditions of the temporary admission of the goods without payment of the customs taxes "duties", the documents to be produced to customs for the clearance of the goods in addition to the provisions governing the establishment of the free zones and duty-free shops and controlling the activity of the customs clearing agents (brokers) and the conditions of obtaining the licences for practising the customs clearance job and treatment of the customs offences and smuggling matters.

This Law employs the latest customs Laws and regulations in force in the GCC States and the Arab States in addition to the privacy of the GCC States and the nature of the role of customs therein, and the WTO Agreement as well as the WCO Conventions.

The Unified Customs Law of the GCC states was adopted in the 20th Session of the Supreme Council held in Riyadh, Kingdom of Saudi Arabia in December 1999 and was agreed to implement it as a reference (guidance) Law for one year from the date adopted and that it would be reviewed in the light of the comments received by the Secretariat General from the member States in an attempt to have it obligatory implemented by all customs administrations of the member States by 2000.

Due to the completion of the requirements of implementation and the review of the comments of the member States and finalizing the preparation of the explanatory notes and Rules of Implementation thereof, the Secretariat General proposed in the 21st Session of the Supreme Council that the reference implementation should be extended for one more year and the Supreme Council, in its 21st Session held in Manama, Bahrain in December 2000, decided to extend the reference implementation for one more year provided that it would be obligatory implemented by all customs administrations of the GCC States in January 2002.

The objective of having a Common Customs Law of the GCC States is to unify customs procedures in all customs administrations of the GCC States and contribute to the enhancement of cooperation in the customs field and regulate the relationship between these administrations and the community of traders in the GCC States so as to ensure unification of the customs procedures in all the GCC States. This Law regulates the relationship between the customs administrations and the other governmental administrations in the member States and supports the trade exchange between them and the other foreign countries which is one of the bases of the customs union of

the GCC States.

### **Section (I) Definitions and General Provisions**

This Section deals with the definition of this Law as the "Common Customs Law of the Cooperation Council for the Arab States of the Gulf" and contains definitions of the terms provided for therein. It provides that the provisions of this Law shall apply to the territories subject to the sovereignty of the State and its territorial waters and allows the establishment of free zones thereon and that all goods entering or leaving the State shall be subject to the provisions of this Law.

Article (5) entitles the customs administration to exercise its powers in the customs offices and the customs zone and within the extent of its lands and territorial waters subject to the conditions set forth in this Law.

As regards the setting up and the cancellation of the customs offices, this shall be issued by a decision of the competent minister to whom the customs administration reports, and the same applies to the designation of the competences and office hours of the customs offices.

Article (8) provides that customs procedures shall be carried out only in the customs offices; these procedures mean those applied when the goods enter the customs office. This Article excludes the cases prescribed by the director general through application of the provision of Article (53) of this Law.

### **Section (II) Provisions for Application of the Customs tariff**

This Section contains the principles of application of the customs tariff as follows:

Article (9) provides that goods entering the State shall be subject to the taxes "duties" stated in the customs tariff and to the other taxes and fees excluding those goods excluded under the provisions of this Law or under the GCC Unified Economic Agreement or any other international agreement through mutual coordination among the GCC States.

The objective of limiting the exclusion from the customs Taxes "duties" to the cases covered by this Article is the setting up of the customs union among the GCC States which is based on a single point of entry and the common collection of the customs Taxes "duties" vis-à-vis the external world.

Article (10) provides for the bases for levying the taxes "duties" which could be ad valorem (a percentage of the value of the goods for customs purposes) or specific (a lump sum for each unit of the goods such as weight, number, volume, measurement or the other specifications of the goods).

This Article also provides that the customs taxes "duties" could be ad valorem and specific at one time which is based on combining both the ad valorem and specific categories for one type of goods.

Article (11) provides that the imposition, amendment or cancellation of the customs taxes "duties" shall be made according to the legal instrument and the legal and constitutional practices of each State subject to the resolutions issued by the Council in this connection and to the provisions of the international agreements in force.

The other Articles of this Section deal with the subjection of the goods to the customs taxes "duties" from the registration date of the customs declaration and the provisions of the customs taxes "duties" relating to the clearance of the goods whose deposit period at the warehouses has elapsed and taking out these goods from the free zones and duty-free shops and the tariff to be applied to the smuggled goods or those damaged.

### **Section III Prohibition and Restriction**

This Section requires the importers to submit a customs declaration for any goods imported into or exported from the country. This declaration shall be the official document produced to the customs along with all the other documents relating to the goods provided that the declared goods shall be presented to the nearest customs office at the point of entry (land, sea or air). The Section also provides that anchorage of the marine means of carriage shall be according to the conditions and situations set forth in Articles (20, 21).

Article (22) deals with the arrival and departure of aircraft and the conditions of landing and takeoff according to the provisions of this Article.

Article (23) limits the entry or exit of the land means of transport to those areas within the country where customs offices exist, and Article (24) stipulates that the customs administration shall apply the conditions and procedures prohibiting the entry, exit or passage of the prohibited goods or the goods contravening this Law or any other Law or resolution.

### **Section IV The Distinguishing Elements of the Goods**

This Section provides clarification and description of the distinguishing elements of the goods (origin, value, type) and stipulates that imported goods shall be subject to the proof of origin according to the rules agreed on within the framework of the international and regional economic organizations. The provision of Article (26) of the Law and the provision of Article (1) of the Rules of Implementation are in line with the provisions of the WTO Valuation Agreement where calculation of the value of goods for customs purposes is determined according to the provisions and principles prescribed in detail in the Rules of Implementation of this law .

Article (27) specifies the documents to be attached with the customs declaration and the nature of these documents and the treatment of the cases where the importer fails to submit such documents to customs, whereas Article (28) provides that the value of the exported goods shall be their value prevailing at the time of

registering the customs declaration plus all charges incurred until arrival of the goods to the customs office. Article (29) provides that the goods that are not mentioned in the customs tariff nomenclature and the explanatory notes thereof shall be classified according to the classification advice issued by the World Customs Organization which the approved body in respect to the international classification. However, goods falling under national subheadings of the customs tariff beyond six digits are classified within the framework of the GCC as the Common Customs tariff for the Classification and Coding of Commodities is in line with the Harmonized System in force.

#### **Section (V) Importation and Exportation**

This Section covers Articles (30 to 46 ) of the Law which contain provisions of importation and exportation such as the rules, practices and procedures to be followed- at importation and exportation- by the carriers of the goods through the air, land and sea means of transportation or by post, and the documents to be produced to the customs authorities and the times of producing and the details to be contained in these documents and the controls to be observed by carriers at loading and unloading and the extent of their responsibility for the goods they carry when such goods traverse the borders of the State.

Article (46) of this Section provides an important element of facilitation of the customs operations which is the use of the modern technology media in the Electronic Data Interchange for the clearance of the goods according to the rules prescribed by the minister or the competent authority.

#### **Section (VI) Stages of the Customs Clearance**

This Section elucidates in detail the stages of the customs clearance beginning with the lodgment of the customs declaration according to the forms approved within the frame of the Council and that the director general is empowered to specify the documents to be attached with the customs declarations and the details to be contained therein and the clearance cases without production of such documents gains cash or bank guarantees or undertakings according to the conditions prescribed by the director general. The Law permits the owners of goods or their representatives to examine their goods prior to the lodgment of the customs declaration and to have access to the customs declarations and documents to which no other persons can have access except the competent judicial and official authorities.

Articles (52 to 59) deal with the right of the competent customs officer to inspect the goods wholly or partially on a case-by-case basis according to practices in force, the inspection procedures, the movement of goods and the presence of the owner of the goods during the inspection and the right of the administration to open the packages and make analysis (tests) of the goods, the discrepancy cases and the missing (incomplete) documents stating the description and specifications of the goods and the right of the administration to re-inspect the goods and the other relevant matters.

Article (60) tackles the declaration and inspection, at the customs offices, of the passengers accompanied luggage and belongings according to the practices and rules prescribed by the director general.

Article (61) discusses the formation of valuation committee composed of the administration's employees under a resolution issued by the director general. Such committee is specialized in the settlement of the disputes arising between the customs office and the importers concerning the valuation of the imported goods and the committee may seek assistance of experts according to the measures and procedures provided for in Article (26) of this Law without prejudice of the importer's right to appeal before the court.

Article (62) deals with the disputes between the customs officer and the owner of the goods concerning the valuation of the goods and provides that the dispute shall be referred to the director general for settlement or to the Valuation Settlement Committee. This article also provides for the right of the director to release the goods against the guarantees provided for in this Article and the conditions thereof.

Articles (63 to 66) deal with the payment of the customs taxes "duties" and the other charges and the release of the goods according to the rules and conditions prescribed by the director general.

#### **Section VII The cases where the customs taxes "duties" are suspended and Drawback**

This Section deals with cases where the goods could be released and moved from one place or another in the country without payment of the customs taxes "duties"; these are known as the cases where the customs taxes "duties" are suspended. The Section also deals with the Drawback (a system under which the paid the customs taxes "duties" can be refunded when the goods leave the country according to the following provisions and rules:

The release of the goods against submitting cash or bank guarantees in an amount equivalent to the customs taxes "duties" according to the instructions of the director general. Such guarantees shall be released upon presentation of the discharge certificates.

1. When the goods transit the territories of the GCC States according to the provisions of the international Laws and agreements in force such as the Transit Agreement of the Arab States and according to the specified routes and at the responsibility of the carrier as instructed by the director general. The routes and conditions of transport shall be prescribed by a resolution of the minister or the competent authority.

2. The placement of the goods inside the warehouses of the customs office according to the conditions and rules prescribed by the director general.



3. The free zones and duty-free shops set up by the legal instrument of each State; the rules, conditions and customs procedures thereof are to be prescribed under a resolution by the minister or the competent authority subject to the enhanced control thereof.

Article (80) designates the goods prohibited from entering the free zones and duty-free shops and Article (83) provides that goods may not be moved from one free zone to another unless in accordance with the Laws in force, whereas Article (85) provides that the goods taken out from the free zone into the country shall be treated as foreign goods.

Article (87) holds the Administration of the free zone responsible for the offences committed by its employees.

Articles (89 to 94) deals with the cases where the goods not imported for home markets can be temporarily admitted and then re-exported from the country upon completion of the purposes and expiry of the legal duration of time for their stay in the country.

These Articles also refer to the temporary admission of tourist vehicles under the Temporary Admission System subject to the international agreements made in this connection.

Article (97) deals with the cases where the customs taxes "duties" levied on the foreign goods are wholly or partially refunded (drawback) at re-exportation according to the conditions set forth in the Rules of Implementation.

### **Section VIII Exemptions**

This Section contains provisions for the exemption from the customs taxes "duties" (Articles 98 to 106). Exemption covers the following commodities and items:

1. The commodities exempted in the Common Customs tariff of the GCC States.
2. The commodities imported for the diplomatic and consular bodies and the international organizations, the heads and members of the diplomatic and consular missions approved by the country according to the international agreements, laws and practices in force subject to the reciprocity principle and subject to the provisions of Article (100) concerning the conditions and procedures relating to the goods exempted under Article (99) of this Law.
3. Imports by all sectors of the Armed Forces and the Internal Security Forces such as ammunition, arms,...etc.
4. The personal effects and used household appliances belonging to the citizens residing abroad or those brought with the foreigners (expatriates) upon their first arrival for residence in the country according to the conditions prescribed by the director general.
5. Personal effects and gifts brought by passengers according to the conditions of the Rules of Implementation.
6. Imports of the philanthropic societies (Charities) according to the conditions set forth in the Rules of Implementation of this Law.
7. The cases provided for in Article (105) exempted from the customs taxes "duties" such as the returned goods of national origin that were exported to outside of the country as well as the foreign goods returned to the country which are proved to have been previously re-exported to outside of the country and the goods temporarily exported for completion of processing or repair.

### **Section IX Service Charges**

Article (107) provides that the goods placed in the yards and warehouses belonging to the customs office shall be subject to the storage, handling and insurance charges and the fees of the other services required for the storage and inspection of the goods according to the specified rates.

However, In no case shall the storage charge exceed half the estimated value of the goods, in the event such warehouses are managed by other entities, these fees shall be collected according to the provisions and rates prescribed in this respect. This Article permits the collection of charges for the sealing and analysis (testing) of the goods and all the other rendered services and that the services mentioned in this Article and the conditions of collection shall be prescribed by a resolution to be issued by the minister or the competent authority.

### **Section X Customs Brokers**

This section defines the customs broker and his capacity (Article 108) and Article (109) entitles the natural and legal nationals of the GCC States the right to exercise this profession (activity) after obtaining the necessary licence from the Administration.

### **Section XI The rights and duties of the Customs officers of the Administration**

This section outlines two important aspects of the nature of the job of the customs officers; the security aspect which is to prevent the entry of the smuggled goods and contraband into the country via the customs ports and the economic aspect being to collect the customs taxes "duties". The section regulates the rights and duties of the officers of the Administration and the incentives given to them and this Law entitles them the power of judicial arrest. The section does also permit the customs officers to carry guns provided that such officers shall be nominated by a resolution of the minister or the competent authority and it requires the civil and military authorities and the Internal Security Forces to help them carry out the duties assigned to them when so

requested.

**Section XII  
Customs Zone (Boundary)**

**This section contains provisions of the Customs zone (boundary):**

Article (121) states that there are provisions relating to the customs boundary ( para. 9 of Article (2) of this Law states that the marine customs boundary covers that area of the sea located between the seashores and the ending of the territorial waters). The land customs boundary covers the lands located between the shores or the land borders on the one hand, and an internal line to be specified under a resolution by the minister or the competent authority on the other hand. This provision states that prohibited and restricted goods as well as high customs taxes goods shall be subject to the provisions of the customs boundary. Hence the presence of such goods within these areas requires their subjection to the provisions of the customs boundary and the movement of such goods is usually subject to special provisions in order to avoid their smuggling into the country.

**Section XIII  
Customs Matters**

This section deals with the customs matters which are an important aspect of the provisions of this Law. Articles (122 to 128) relate to the investigation of smuggling according to the controls and powers set forth in these Articles such as the inspection of the goods and the means of transportation, the search of persons, seizure of the goods, examining the documents, records, correspondence and other documents and the right to detain any suspect according to the rules prescribed by a resolution issued by the minister or the competent authority. Para (3) of Article (126) states that the exercise of work outside of the two customs zones shall be within the borders of the State.

Articles (129 to 134) deal with the seizure report and the main elements to be contained therein. This report is deemed as a pretext (proof) of the material facts and the incompleteness of the report shall not render it null.

Those Articles allow the customs office to seize the contravening or smuggled goods and the items used for concealing them as well as the various means of transport excluding those intended for the transport of persons unless such means are specially designed for the purpose of smuggling. The Administration has the right to dispose the goods smuggled or being smuggled if such goods are narcotics and the like according to the Laws and regulations in force in the country.

Articles (135 to 137) deal with the provisional seizure of the smuggled goods and the things used for concealment thereof and the mean of transport and the seizure of all documents to ensure the customs taxes "duties". These Articles also authorize the director general – when necessary- to obtain an order from the competent authorities to effect the provisional attachment of the properties of the offenders and those involved in smuggling. The director general may, when necessary to ensure the rights of the public treasury, impose a customs security on the properties of the tax "duty" payers or their partners. The Articles have specified the arrest cases in the smuggling crimes in the act, the resistance of the customs officers or the security officers and the other matters regulating the arrest process provided that the arrested persons shall be brought to the competent court within 24 hours following the time of arrest.

Article (138) provides that the offenders and the persons accused of smuggling shall be prevented from travel by a decision of the director general in the event the value of the seized items is not sufficient to cover the customs taxes "duties" and fines. This decision can be cancelled if the offender submits a guarantee in an amount equivalent to the claimed amounts or if the value of the seize items turn to be sufficient to cover the claimed amounts.

Articles (139 to 141) deal with the customs offences and the penalties thereof and regard the collected customs fines and confiscations provided for in the Law as a civil compensation to the Administration and not subject to amnesty. These Articles also provide that a penalty shall be imposed on each offence separately provided that the higher (sterner) penalty shall be sufficient if the penalties are inseparable.

Except for the cases deemed as smuggling which are provided for in Article (143) of the Law and without prejudice to the provision of the international agreements in force, a fine shall be imposed on the offences referred to in Article (141) of this Law according to the rules set forth in the Rules of Implementation.

Articles (142, 143) deal in detail with the subject of smuggling, its definition and the cases deemed as smuggling. Para. "14" of Article (143) defines such cases as those goods prohibited from exportation to outside of the country, but are exceptionally allowed to be exported provided that they should be re-imported into the country. Non-compliance with this requirement shall be deemed as smuggling, while Article (144) defines the penal liability and the persons deemed penally liable.

Article (145) provides for the penalties imposed on the customs smuggling or attempted smuggling (the fines provided for in Article 145).

Articles (147 to 149) deal with the administrative prosecution "pursuit" and entitle the director general to issue the necessary decisions for the collection of the taxes "duties" and the measures of such collection and allow for the complaint before the minister or the competent authority against the penalization judgments. Within a specified period and that the minister or the competent authority may confirm, amend or cancel such judgments.

Article (151) provides that smuggling cases (actions) can only be activated by a written request from the director general.

Article (151) provides for the rules of reconciliatory settlement and entitles the director general or his representative to make a reconciliation (compromise) of the smuggling actions whether prior to bringing out the actions or during trial and before the issuance of the first instance judgment which shall be in lieu of the penalties and fines provided for in Article (145) of this Law provided that a manual of reconciliatory settlements shall be issued by a resolution of the minister or the competent authority.

Article (152) provides in detail for the amount of reconciliation subject to the provisions of Article (151).

Article (153) provides that the action (claim) shall be settled after reconciliation and Articles (154 to 160) deal with the subject of liability and joinder in the smuggling matters and the rules thereof, while Article (155) holds the investors of the private shops and premises where the goods, subject of the offence or smuggling, are stored responsible for such premises; whereas the investors of the public shops and premises and the employees, the owners of the means of transport and drivers and their assistants shall be held responsible unless they prove their ignorance of the presence of such infringing goods or contraband and that they have got no direct or indirect good in them.

Article (156) provides that sponsors "guarantors" shall be held responsible within the extent of their guarantees upon payment of the customs taxes "duties" and fines while Article (157) provides that customs brokers shall be responsible for the offences and smuggling crimes they commit in the customs declarations and Article (158) holds the owners of the goods, employers and the carriers responsible for the acts of their employees and those working for them.

With respect to the customs taxes "duties", fines and confiscations, Article (159) provides that heirs shall not be responsible for the payment of the fines imposed on the deceased unless they are partners in the smuggling.

Article (160) provides that the applicable customs taxes "duties" and fines shall be jointly paid by the offenders or smugglers according to the practices adopted for the collection of the property of the Government Treasury and that the seized goods and means of transport, if any, shall be a security for the payment of the claimed amounts.

Articles (161 to 165) provide for the formation of first instance customs courts at the Administration and the customs offices according to the legal instrument applicable in each State. The competences and judgments' finality of such first instance customs courts and appeal courts as well as the collection of fines and the methods and means of executing attachment on the movable and immovable property of the offenders have been set forth in these Articles. Article (165) empowers the minister or the competent authority to order that a sufficient amount of such property shall be retained for the payment of the claimed amounts.

#### **Section XIV The Sale of Goods**

This section contains provisions relating to the sale of the goods in possession of the Administration provided for in Articles (166 to 172) and the rules to be followed for the sale of goods as set forth in Article (166) whereas Article (167) entitles the Administration, after expiry of the period specified by the minister or the competent authority, the right to sell the goods stored in the customs warehouses or placed in the yards and wharves or the goods left out in the customs offices.

Article (168) provided for the goods to be sold by the Administration and Article (169) provides that the Administration shall not be responsible for any damage caused to the goods sold by the Administration under the provisions of this Law unless it is proven that the Administration had committed an obvious error in the sale process. Article (170) contains some provisions relating to the sale process described in detail in this Article.

Article (171) deals with the controls under which the disposition of the proceeds of the sale of the permitted, prohibited and restricted goods.

Article (172) provides that the portion due to the Government Treasury of the proceeds of the customs fines and the value of the confiscated or abandoned goods and means of transport shall be 50% after deducting the customs taxes "duties" and charges and contains provisions for the disposition of the remaining portion.

#### **Section XV Privilege of the Customs Administration**

This section grants the customs administration a general privilege over the movable and immovable property of the taxes "duties" payers in case of bankruptcy through precedence over all debts excluding the legal expenses in order to collect the customs taxes "duties" and other charges and the fines, compensations, confiscations and redemptions.

#### **Section XVI Prescription**

This section contains provisions of prescription. Article (174) provides that any claim or action for the refund of the customs taxes "duties" that have been paid since more than three years shall not be accepted, and Article

(175) empowers the administration to destroy the records, receipts, customs declarations and the other documents after five years following the finalization of the customs procedures thereof and the administration shall not be required to produce them to any entity or give copies or duplicates thereof after the expiry of that period.

Article (176) provides that, without prejudice to the other Laws and laws applicable in the State, specifies the prescription time, in respect to customs, if no pursuit "prosecution" has been initiated.

#### **Section XVII Final Provisions**

This section contains final provisions as follows:

Article (177) empowers the director general to:

1. exclude the ministries, governmental departments and official and public institutions from certain procedures for facilitation of their business, and
2. sell the confiscated goods to the ministries and official departments and public institutions belonging to the government at the price he deems appropriate if they indicate their need of such goods, or to abandon such goods free of charge under a resolution by the minister or the competent authority.

Article (178) entitles the Financial and Economic Cooperation Committee of the GCC States the right to adopt the Rules of Implementation of this Law and Article (179) provides that this Law shall, after implementation, supersede the customs Laws and laws in force in the member states subject to and without contradiction to the Laws and constitutional rules in each State.

## ***Implementation Procedures for the Customs Union of the Cooperation Council or the Arab States of the Gulf ( The GCC Customs Union)***

*January 2003*

### ***Implementation Procedures for the GCC Customs Union***

The Supreme Council, in its 23rd Session held in Qatar ( 21 - 22 December 2002), approved the launch of the customs union of the GCC States as of 1st January 2003. It also approved the procedures and steps recommended by the Financial and Economic Cooperation Committee ( The GCC Ministers of Finance and Economy) for the establishment of the customs union of the GCC States.

These procedures and steps comprise the following:

#### **I. The date of setting up the customs union of the GCC States:**

The GCC customs union shall be implemented effective 1st January 2003.

#### **II. Principles and Concept of the Customs Union of the GCC States:**

1. Customs Union is the territory wherein customs duties "taxes" as well as the regulations and procedures restricting trade among the member States are abolished and wherein unified customs duties "taxes" and trade and customs regulations for trade with the non-member States are implemented.
2. The GCC customs union is based on the following principles:
  - a. A Common External Customs Tariff for products imported from outside of the GCC customs union
  - b. A Common Customs Law .
  - c. Unified customs regulations and rules applicable in all member States.
  - d. Unification of the internal customs, financial and administrative regulations and procedures relating to importation, exportation and re-exportation in the GCC States.
  - e. The free movement of goods among the GCC States without customs or non-customs restrictions, while taking into consideration the implementation of the veterinary and agricultural quarantine regulations and the prohibited and restricted goods.
  - f. Treatment of the goods produced in any of the GCC States as national products.

#### **III. Single Point of Entry into the GCC States:**

The Single Point of Entry is one of the most important principles for the formation of the customs union of any economic community. The following are the most important requirements of the single point of entry into the GCC States:

1. Any land, sea or air customs port of the GCC States that has connection with the external world shall be deemed as a point of entry of the foreign goods into any member State.
2. The first customs port of the GCC States vis-à-vis the external world shall conduct the inspection of the goods imported to any member State, verify their conformity to the required documents, ensure that they do not contain any prohibited commodities and collect the applicable customs duties.
3. Unification of the restrictions imposed on the goods permitted to be imported subject to the fulfillment of certain conditions in all the GCC States.
4. The adoption of unified rules for importation and movement of the government imports and of exemptions from customs duties.
5. The goods whose importation is prohibited in certain member States while permitted in other member States shall be directly imported through the importing State or through another member State that permits entry of such goods provided that such goods shall not transit the territories of the member States that prohibit importation of these goods.
6. The foreign goods imported into the GCC States from the free zones shall be subject to the customs duties when exiting these zones and shall be treated during movement to the other member States the same as other foreign goods.

**IV. Unification of the Customs Tariff of the GCC Customs Union toward the external world:**

1. The common customs tariff of the GCC Customs Union shall be 5% on all foreign goods imported from outside of the Customs union with effect from 1st January 2003.
2. The attached list (Appendix No. 1) incorporating 417 commodities (subheadings) shall be exempted from all customs duties "taxes", in addition to the exemptions provided for in the Unified Customs Regulation "Law" of the GCC States.
3. Ad valorem or specific customs duties "taxes" imposed on tobacco and products thereof in the member States of the Customs union shall be 100% (Products of chapter 24 of the H.S. - based Unified Customs Nomenclature for the Commodity Description and Coding of the GCC States). The max. limit of the specific duty or weight in the GCC Unified Customs Tariff shall be adopted. The customs revenues levied on tobacco and products thereof shall be considered the same as the revenues from any other commodity whose customs duties are collected within the common customs revenues of the CU member States.

**V. Common Customs Law of the GCC States:**

All customs administrations of the member States shall implement the Common Customs Law of the GCC States, its Rules of Implementation and Explanatory Notes.

**VI. Collection of the customs revenues in the GCC customs union:**

Customs duties are collected at the first customs point of entry of the GCC States with the external world as of 1st January 2003. The shares of the member States of the customs proceeds shall be distributed according to the final destination of the goods for the first three years following the establishment of the GCC customs union (Transitional Period) according to the following mechanism.

This mechanism shall be adopted for the movement of goods among the member States of the GCC Customs Union based on the final destination of the goods for the distribution (allotment) of the customs revenues during the transitional period of the GCC Customs union (that has been previously determined at max. three years ):

**If the source of the goods is the First point of Entry:**

a. Whole consignments:

1. All customs procedures (i.e. lodgment of the unified customs declaration, inspection of the goods, collection of customs duties) shall be conducted on the goods imported into the GCC States at the first customs point of the GCC States with the external world.
2. The whole consignments imported from outside of the GCC States shall leave the first point of entry, after completion of the customs procedures and collection of the applicable customs duties, to their final destination either directly or through one member State or more after affixing the customs seals and under a copy of the import declaration stating their value and the payable customs duties in favor of the country of final destination.
3. The copy of the import declaration shall be endorsed to indicate exit of the goods and passage through the

member States.

b. Partial Consignments:

1. If the goods to be transported among the GCC States constitute a part of a consignment whose customs procedures have been completed at the point of entry and the importer wants to transport a part of it to another GCC State or through its territory prior to leaving the customs office for its final destination, the goods in this case shall be transported under the GCC approved statistical customs declaration along with a copy of the original customs declaration after affixing the customs seals.
2. Intra- GCC customs offices shall endorse the statistical customs declaration indicating the entry or exit of the goods. Copies of the goods documents shall be maintained for the purpose of clearing among the member States.

**c. If the source of the goods is local markets:**

Foreign goods purchased from the local markets of the member States and destined for a member State, either directly or through another member State, shall be treated during the transitional period as follows:

1. The goods that have been imported into the GCC States before 1/1/2003, and the source of which is the local markets the GCC States, shall have their customs duties collected at the customs office of the final destination of the goods.
2. The goods that were imported into the GCC States after 1/1/2003 and whose owners have submitted customs certificates issued by the first point of entry proving the payment of the applicable customs duties after formation of the customs union shall not be subject to any more customs duties.
3. The goods that have been imported into the GCC States after 1/1/2003 and whose owners have not submitted evidence proving payment of the applicable customs duties after formation of the customs union, shall have their customs duties collected at the point of entry of the country of final destination.
4. Goods that are imported into any of the GCC States and are exempted from customs duties under free trade agreements with another country shall have their customs duties collected at the border point of the country into which they will be re-entered.
5. The customs declaration approved within the framework of the GCC States shall be used for the purposes of redistributing and clearing the customs revenues among member States.
6. The customs declaration for statistical purposes shall be completed by the owner of the goods or his representative and shall be approved by the exit customs office, to be accompanied by the local invoices indicating the actual value of the goods and their country of origin.
7. The Entry/Exit customs office which the goods pass through shall endorse the customs declaration indicating the entry/exit of the goods.
8. The customs declaration for statistical purposes shall be computerized depending on the technical potentials available in each Member State to facilitate the task of the customs offices of monitoring the intra-GCC trade and providing the accurate data for the clearing authority.
9. The decision of the Financial and Economic Cooperation Committee taken in its 58th meeting "that in the event of movement of the foreign goods from the local markets, the value at the first point of entry shall be adopted irrespective of the period that has elapsed since the entry of the goods into the first point of entry, subject to facilitation of procedures and the required forms" shall be adopted for clearing purposes.

**VII. Customs functions of the intra-GCC customs offices after formation of the Customs Union:**

Customs functions of the intra- GCC customs offices after formation of the Customs Union shall be defined according to the following phases:

**First phase:**

This phase commences with the formation of the customs union according to the timetable (First of January, 2003, and lasts for one year ending on December 31, 2003). The functions of the intra-GCC customs offices focus on completion of the customs procedures relating to the formation of the customs union as follows:

1. Procedures of exportation, re-exportation and transit shall be abolished at the intra-GCC customs offices.
2. Import documents of the foreign goods imported from outside the GCC region are appropriately matched with goods to ensure that customs duties have been collected and that the goods do not contain any goods prohibited in the transit country or the final destination country.

3. Ensuring that the non-customs procedures applicable to the importation of certain goods have been completed according to the regulations in force in the importing country based on the documents accompanying the good.

4. The above mentioned procedures shall apply to the foreign goods directly transported from the customs border points of the GCC States with the external world to the other member States and to the goods transported from the local markets of one member State to the other member States. Local invoices and the documents agreed upon within the framework of the Council pertaining to foreign goods shall be sufficient for customs purposes.

5. National products shall be allowed to move freely among the member States accompanied by their local invoices and statistical declaration.

6. Periodic reports on the results attained from the application of these procedures in this phase shall be submitted to the committee assigned to monitor implementation of the customs union of the GCC States.

#### **Second Phase:**

This phase commences with the beginning of January 2004 and lasts for one year (ending by December 2004). Functions of the intra- GCC customs offices shall focus on strengthening the GCC customs union and the enhancing its credibility and benefiting from the positive results of the first phase, as follows:

1. Import documents shall continue to be matched with the foreign goods imported from outside of the GCC States to ensure that applicable customs duties have been collected and that the goods contain no goods prohibited in the transit or final destination country.

2. Procedures of verification that non-customs procedures specific to the import of certain goods have been completed according to the regulations applicable in the importing country based on the documents accompanying the goods shall be abolished, with the exception of the procedures set forth in Article (1) of the GCC Economic Agreement.

3. Intra-GCC customs offices shall allow passage of the foreign goods transported from the markets of one member state to the other member States against presentation of the local invoices and the statistical declaration relating to such goods.

4. Periodic reports on the results attained from the application of these procedures shall be submitted to the committee assigned to monitor implementation of the customs union of the GCC States.

#### **Third phase:**

This phase commences with the beginning of January 2005 wherein the customs functions of the intra-GCC border offices shall be abolished in the light of the results attained in the previous phases based on the periodic reports of the committee assigned to monitor implementation of the customs union of the GCC States, taking into account the provision of paragraph. (d) of Article (1) of the Economic Agreement of the GCC States.

These transitional periods shall give the customs administrations of the member States sufficient time to accommodate to the new situation and overcome any difficulties, if any, that hinder implementation of these phases as agreed upon leading to the final status of the customs union of the GCC States.

#### **VIII . Allowing the customs brokers to get engaged in the customs clearance in the GCC States:**

Nationals of the GCC States shall be allowed to engage in the business of customs clearance in the GCC States pursuant to Article (109) of the GCC Common Customs Law entitling GCC nationals to engage in the business of customs clearance in the member States.

#### **IX. Internal Regulations of the Member States governing importation, exportation, Re-exportation and Transit:**

Matters closely related to the process of goods transportation in the GCC Customs Union member States and the principle of the Single Point of Entry shall be dealt with as follows:

##### **1. Government Exemptions, Special Exemptions and Diplomatic Exemptions:**

Government Exemptions, Special Exemptions and Diplomatic Exemptions shall be limited to the provisions of the Common Customs Law of the GCC States approved by the Supreme Council. Any other exceptions shall be cancelled unless jointly agreed upon.

##### **2. Exemptions under International Agreements:**

When discussing such agreements, the GCC States shall take into account that these agreements are in line with the requirements and plan of the GCC Customs Union and the provisions of the GCC Economic Agreement.

##### **3. Availability of information relating to Commercial Registration in the Customs Offices at the**

**implementation of the GCC Customs union:**

**The importance of the availability of the following key information about the commercial Registration at the Single Point of Entry of the GCC customs border ports with the external world for purposes of customs clearance according to the following mechanism approved by the Council:**

1. Name of establishment.
2. Owner of the commercial registration (CR).
3. CR No. and place of issue.
4. Date and validity of CR.

**4. Temporary Admission/Exportation:**

The subject of temporary admission and exportation under the customs union and the principle of the single point of entry of the GCC States shall be dealt with in the light of the provisions of the GCC Common Customs Law.

**5. Import licenses:**

The prerequisite of obtaining an import license for importing any commodity into any of the GCC States shall be abolished because it goes into conflict with the requirements of the formation of the GCC customs union and the principle of the single point of entry.

**6. The goods whose documents are received through the banks at the implementation of the customs union and the single point of entry:**

The goods whose documents are received through the banks at the implementation of the customs union and the single point of entry shall be dealt with according to the provisions of the GCC Common Customs Law.

**7. Treatment of the customs duties "taxes" collected under deposit on the foreign goods at the implementation of the customs union and the single point of entry:**

The customs duties "taxes" collected under deposit on the foreign goods in the GCC customs union shall be refunded according to the mechanism approved by the Council.

**8. Controls of Drawback (Refund of customs duties "taxes" on the foreign goods re-exported to outside the GCC States):**

Refund of customs duties "taxes" collected on the foreign goods re-exported to outside of the GCC States shall be in accordance with the provision of Article (16) of the Rules of Implementation of the GCC Common Customs Law.

**9. Mechanism of treatment of the in-transit goods under the GCC Customs Union:**

In-transit goods in the GCC Customs union shall be dealt with as follows:

1. The GCC States in the customs union are deemed as a single economic community and shall apply the provisions of the international transit agreements in force when dealing with non-member States.
2. Abolishment of the transit of goods among the member States after implementation of the customs union.
3. Application of the technical conditions and procedures provided for in the Arab Transit Agreement signed by the member States when dealing with transit with the external world.
4. The transit procedure for the goods imported into the GCC States shall be finalized at the first customs port (sea, land or air customs port) and normal customs procedures ( i.e. inspection, collection of customs duties ) shall be completed the same as other goods.
5. Transit for the goods exported or re-exported from any GCC State shall commence from the last customs port (sea, land or air port).
6. Goods that have been originally imported into the GCC States under the transit procedure shall be transported to any of the other GCC States upon finalization of their customs procedures the same as the other goods without any obstacles.
7. The goods that are subject to restrictions at their importation into any of the GCC States according to the list



of the restricted commodities to be agreed upon by the GCC States the shall be transported from one member State to another member State(s) under the approved mechanism for the movement of such goods within the GCC States which ensures their arrival to the importing country if their nature so requires.

**10. Mechanism for facilitation of the flow of the vegetable and animal products and the live animals imported into the GCC States:**

The mechanism for facilitation of the flow of the vegetable and animal products and the live animals imported into the GCC States shall be implemented according to the controls agreed upon by the GCC States.

**11. Treatment of the duties of the goods of special nature within the GCC Customs Union:**

Goods whose importation is prohibited in some of the member States and permitted in the other member States are to be directly imported to the importing country or through a member State that permits their entry provided that such goods shall not pass across the territories of the member States that prohibit the importation of such goods and that the customs duties "taxes" applicable to such goods shall be collected by the importing country. These revenues "customs duties" shall be the right of the importing country and shall be excluded from the common customs proceeds of the customs union. The member States that import such goods shall unify the customs duties "taxes" levied on such goods.

**12. Controls for exempting the industry imports from customs duties "taxes" :**

Imports of the industrial installations in the GCC States (i.e. machinery, equipment, spare parts, raw materials, semi-manufactured materials and packing materials directly required for the industrial production) are granted exemption from customs duties "taxes" according to the controls agreed upon by the Council, provided that the customs office in any of the GCC States through which the goods have been imported shall facilitate the entry of imports whose certificate has been issued by the competent authority in any of the GCC States.

**13. Treatment of the prohibited and restricted commodities in the member States under the GCC Customs Union:**

A consolidated list of the prohibited imports and another list of the restricted imports are to be agreed upon by all the member States. Each Member State shall have its own list of the prohibited and restricted commodities which shall be observed by the other member States during the movement of such commodities among the constituent states of the GCC customs union.

**14. Restrictions and controls of the importation and release of medicaments and pharmaceuticals:**

A maximum period of twenty-four months shall be granted for the application of the unified GCC procedures for the importation and release of medicaments and pharmaceuticals in the single point of entry at the commencement of the GCC customs union provided that the Drug Registration Committee shall develop a unified mechanism for the customs release of the medicaments and pharmaceuticals including the unified drug registration under the GCC customs union.

**15. Conditions and controls of the importation of foodstuffs:**

A maximum period of thirty-six months shall be granted to reach standard conditions for the importation of foodstuffs to be applied at the single point of entry upon the formation of the GCC customs union, provided that the Food Safety Committee of the GCC States shall adopt a common mechanism for the movement of foreign foodstuffs among the GCC States and refer, for guidance, to the mechanism of the flow of the vegetable, animal products and live animals imported into the GCC States. However. It will be necessary to build up advanced technical centers and laboratories in the GCC States, whether inside the State or at the frontier points to expedite the flow of these goods and avoid their deterioration at the customs offices.

**16. Treatment of the means of transportation on which customs duties have been collected in one of the member States and their owners want to replace the plates thereof in another member State:**

Customs duties shall be levied on the means of transportation and vehicles in the customs union of the GCC States and all customs procedures shall be finalized at the single point of entry. Like the other goods, such means of transportation and vehicles shall move among the member States without being subject to any customs duties.

**17. Unified Customs Declaration :**

The unified Customs Declaration (importation, exportation, re-exportation, temporary exportation, transit, free zones, statistical purposes) shall be used by all customs administrations of the GCC States for customs and statistical purposes.

**18. Prequalification of the GCC industrial producers for the exemption of their products from customs duties :**

Prequalification of GCC industrial producers for the purpose of exemption from customs duties shall be abolished with the implementation of the customs union of the GCC States as of January 1st , 2003.

**XIII. Application of the specifications and standards under the implementation of the customs union and the single point of entry:**

The principle of mutual recognition of the national specifications and standards in the GCC States shall be adopted until the GCC unified standards for all national and imported commodities have been completed which would facilitate the flow of goods within the customs union.

**XIV. Protection of national industries after the formation of the customs union of the GCC States including anti-dumping and countervailing measures and safeguards:**

a. Member States that are currently imposing a protective duty on the products similar to some of their national manufactures shall be given the right to keep on collecting such protective duties during the transitional period specified at three years ending by 2005, provided that the member States shall agree, during the year 2003, on a unified list of the commodities to be subjected to collective protective duties by the GCC States.

b. The first port of entry shall collect an amount of 5% ( according to the mechanism of the final destination of the product for the allotment of the customs proceeds among the member States during the transitional period.) if the commodity is not protected in the country and the difference in the duties shall be collected by the country of the final destination of the commodities that are subject to protective duties at the inter-frontier port of that country.

c. The amount of 5% collected by the first port of entry shall be subject to the clearing system.

d. The adoption of the Common Law of Anti-dumping and Countervailing Measures and Safeguards as a reference (advisory) law for three years as of January the 1st , 2003.

**XV. Procedures for registration of the intra-GCC trade for statistical purposes:**

a. The statistical declaration shall be one of the forms covered by the approved automated unified customs declaration comprising several declarations (i.e. import, export, re-export, temporary exportation, free zones and transit).

b. Boxes in the unified customs declaration to be used for statistical purposes shall be marked either with a certain color or by coloring the printing font of the declaration.

c. The member States that do not have an automated customs system shall continue to manually complete the customs declaration for statistical purposes until the operation of their automated system is completed.

d. Application of the unified customs declaration for statistical purposes shall commence with the implementation of the GCC customs union.

The Supreme Council in its 23rd Session had instructed the competent ministerial committees to double their efforts in following up the implementation of the customs union during 2003 in order to ensure the good progress of operation and to reduce the approved transitional periods and to facilitate the flow of goods among the GCC States and remove the customs and non-customs barriers that restrict the movement of trade among them.

## **TARIFF EXEMPTIONS**

According to Articles 98-106 of Common customs Law of the GCC states the following goods fall under exempted categories from Customs Duty and Taxes.

### **RAW MATERIALS FOR MANUFACTURING**

The National Industrial License holders can claim for Duty exemption for their raw material imported for manufacturing purposes. The exemption shall be granted subject to approval from Ministry of Finance and Industry on the imports. When an Industry is licensed elsewhere in GCC, the declaration should be accompanied with "Form B" approved by the competent authority in the country where the industry is licensed.

### **GREATER ARAB FREE TRADE AGREEMENT (GAFTA)**

Goods produced in any of the GAFTA member country shall be exempted from duty in any other member country provided that the shipment is accompanied by the specific certificate of origin issued by the competent authority of the producing member country. Refer to Dubai Customs Policy 25 for more details. GAFTA member countries:

1. Hashemite Kingdome of Jordan
2. Republic of Tunisia
3. Republic of Sudan
4. Republic of Syria
5. Republic of Iraq
6. Republic of Lebanon
7. Republic of Morocco
8. Palestine
9. Republic Libya
10. Republic of Egypt
11. Republic of Yemen
12. Republic of Algeria
13. GCC States

## **REGULATION ON RETURNED GOODS**

Duty exemption can be claimed on returned goods where previously exported goods to ROW are returning back and they meet the following criteria. For

### *RETURNED GOODS OF NATIONAL ORIGIN:*

- The goods must be returned within 3 years from the date of exportation.
- The returned goods must be the same goods which have been exported under a cleared Export declaration with the proof of their origin, specifications and distinguished Marks & Nos.
- Goods must be returned in the same state in which they have been exported.
- The imported goods must be identifiable against the goods exported and the re-export Declaration should be referenced in the import declaration.

### *FOR RETURNED FOREIGN GOODS:*

- The goods must be returned within one year from the date of Re-Exportation.
- Applicable Customs Duty on the re-exported goods must have been paid when goods were originally imported.
- The Duty or Deposit on the goods must not have been refunded at the time of re-exportation.
- The goods must have been re-exported under a cleared Re-Export.
- Declaration with the proof of their origin, specification and distinguished Marks and Nos.
- The goods must be returned in the same statement in which they have been re-exported.
- The imported goods must be identifiable against the goods exported and the re-export Declaration should be referenced in the import declaration.

### *FOR TEMPORARILY EXPORTED GOODS:*

The Goods that have been temporarily exported for finishing or repair shall be subject to customs duty only on an amount that was added with the goods value as a result of such finishing or repair. However, the following requirements shall be met to avoid full duty payment on whole goods:

- The goods must be returned within one year from the date of Re-Exportation.
- Applicable Customs Duty on the temporarily exported goods must have been paid when goods were originally imported.
- The Duty or Deposit on the goods must not have been refunded at the time of temporarily exporting the goods.
- Goods must have been examined prior to exporting under a cleared Declaration Type of Temporary Export from Local to ROW with the proof of their origin, specification and distinguished Marks and Nos.
- The purpose of Temporary exportation must be specified on the respective customs declaration.
- The imported goods must be Identifiable against the exported goods and Temporary Export Declaration number should be referenced in the import declaration.
-

## **REGULATION ON MAKASA PROCESS**

Foreign goods across Member States can be moved without levying customs duties and taxes repeatedly at each point of entry of member states. Such goods must be exported after clearing a Statistical Export to be followed by obtaining a MAKASA stamp from customs counters. Client can declare Statistical Export Bill with Import Bill as reference and approach designated Makasa counter with the Bill.

- If the Importer is found to be different from the exporter on verification of the export bill and the other documents, then the copy of the Import Bill and Invoice shall be required.
- If the Import Bill Reference number does not exist in the system or not a valid number, then the client can correct the reference number in Export Bill and approach the counter again.
- The respective customs calculate only the exact duty payable to the GCC Country.
- The System will create and print a MAKASA stamp with refundable amount of the transaction on the original Statistical Export Bill.
- If the reference bill is cleared against Import for Re-Export or Duty Deposit, then the system will calculate the applicable duty and collect it through the same process.

### **FINES AND PENALTIES:**

<b>CLAIM FOR RE EXPORT DEPOSIT</b>	<b>FINE/DEDUCTION</b>
	10% Of The CIF Value
Returned Cheque Fines	500
Broker Card Renewal Delay	50 Per Month
E-Clearance–Penalty For Late Submission Of Docs	50
Mirsal- 2 -Penalty For Late Submission Of Documents	50
Tariff- Fines	500
Wrong Declaration Fine	500
Claims Submitted Within 1 To 60 Days after the expiry date	15 % Of Deposit Will Be Deducted
Claims Submitted Within 61 To 90 Days after the expiry date	30 % Of Deposit Will Be Deducted
Claims Submitted Within 91 To 120 Days after the expiry date	45 % Of Deposit Will Be Deducted
Claims Submitted After 120 Days from the expiry date	Claim will be rejected totally
Claim for Customs Duty Deposit	Fine/Deduction
Claims Submitted Within 30 Days From The Expiry Date	10 % Of The Deposit will Be Deducted

Claim for Deposit against Invoice& Certificate Origin	Fine/Deduction
Claims Submitted Within 30 Days From The Expiry Date	25 % Of The Deposit Will Be Deducted
Claims Submitted Within 31 To 60 Days From The Bill Date	50 % Of The Deposit Will Be Deducted
Standing Guarantee Import For Re Export	Fine/Deduction
Late Submission Fine For Not Export Cargo (After 180 Days) -First Month	Dh.1000/- Per Bill Of Entry For 1st Month
Late Submission Fine For Not Export Cargo (After 180 Days)-From Second Month	Additional Dh.1000/- Per Bill -Total Dh.2000/-

UNITED ARAB EMIRATES  
National Transport Authority

**EXECUTIVE REGULATIONS  
OF FEDERAL LAW No. (9) FOR THE YEAR 2011  
CONCERNING LAND TRANSPORT**

The Chairman of the Board of Directors of the National Transport Authority; and  
after reviewing:

The Federal Law No. (1) of 1972 concerning the jurisdictions of Ministries,  
competences of Ministers and the amending laws thereof; and

The Federal Law No. (8) of 1980 concerning the regulation of employment  
relations; and

The Federal Law No. (18) of 1981 concerning the regulation of trade agencies;  
and

The Federal Law No. (17) of 1981 establishing the Emirates General Transport  
and Services Corporation and amending laws thereof; and

The Federal Law No. (8) of 1984 concerning commercial companies and  
amending laws thereof; and

The Federal Law No. (9) of 1984 concerning insurance companies and agents and  
the amending laws thereof; and

The Federal Law No. (8) of 1986 for determining the axial load of vehicles using  
the paved roads in the state; and

The Penal Code issued as per the Federal Law No. (3) of 1987 and amending laws  
thereof; and

The Penal Procedures Law issued as per the Federal Law No. (35) of 1992 and  
amending laws thereof; and

The Commercial Transactions Law issued as per the Federal Law No. (18) of 1993; and

The Federal Law No. (21) of 1995 concerning traffic and amending laws thereof; and

The Decree issuing the Federal Law No. (1) of 2001 concerning guarding of land and sea borders of the state; and

The Federal Law No. (28) of 2001 for establishing the Emirates Authority for Standardization & Metrology, and amending laws thereof; and

The Federal Law No. (1) of 2003 for establishing the Federal Customs Authority; and

The Federal Decree No. (95) of 2006 concerning the state joining international agreements on international land transport of goods and on traffic on roads; and

The Federal Law No. (9) of 2011 concerning land transport; and

According to the proposal of the General Director of the National Transport Authority;

**HAS DECIDED THE FOLLOWING:**



# **CHAPTER ONE**

## **DEFINITIONS**

## CHAPTER ONE

### DEFINITIONS

#### Article (1)

When applying the provisions of these Regulations, the following terms and words shall have the meanings stated beside each one hereof, unless the context prescribed otherwise:

State:	United Arab Emirates.
Authority:	National Transport Authority.
Board:	Authority's Board of Directors.
Chairman:	Chairman of the Authority's Board of Directors.
Competent Authority:	Local competent authority.
Customs Authorities:	Federal Customs Authority and local customs departments.
Land Transport:	Any international land transport or land transport between the emirates on roads of passengers or goods using licensed land means of transport in return for a fee.
International Land Transport:	Any land transport on roads for passengers or goods from/to the state by using licensed land means of transport in return for a specific fee.
License:	License issued by the Authority for practicing the land transport business.
Licensee:	Natural or corporate entity holding a license from the Authority for practicing land transport activity.
Operation Card:	The document issued by the Authority by virtue of which the land means of transport is allowed work in the licensed activity field.
Land Means of Transport:	Any vehicle, bus, truck or trailer moving on roads, including those moving on railways.
Truck:	Every truck designed for transporting goods and likewise.
Bus:	Any vehicle designed for carrying more than eight passengers, excluding the driver.
Regular Transport:	Transport of passengers and their personal belongings, and of goods on specific routes according to fixed published times and in return for fees in the form of a regular land transport service provided by licensed carriers.
Automobile Club:	An organization accredited in the state for providing general services to car owners, services such as issuing carnets de passages en douanes and international driving licenses.
Guarantor:	An institution, established in the state pursuant to the provisions of the law, which guarantees the settlement of fees and taxes imposed on national and foreign vehicles according to land transport cards (Customs Pass Document (TIR)) issued by it or by a similar body in another state.
Insurance Policy:	Contract concluded between the carrier and the insurance company by virtue of which the insurance company undertakes to compensate the passenger in case of death or injury or to pay

	compensation in respect of any other damages which may occur during the transport operation.
Authority's Branches:	The offices affiliated to the Authority worldwide.
Fees:	Financial amounts collected by the Authority in return for the services it provides.
Forms:	Paper or electronic forms issued by the Authority.
Transport Contract:	Contract concluded between the carrier and the passenger (or the owner of the goods) pursuant to the agreed conditions therein.
Passenger:	The person using any of means of passenger transport.
Transport between Emirates:	Transport of passengers or goods between the emirates of the state by using various means of transportation.
Subagent:	The natural or legal person appointed by the transport company, the international shipping company or the exclusive agent authorized to appoint subagents in the state.
International Tourist Transport:	The regular transport of individuals or of tourist groups from/to the state.
Internal Tourist Transport:	The regular or irregular transport of individuals or of tourist groups for excursion or entertainment purposes, or for visiting the prominent landmarks in the state.
Transit transport:	Transport that starts and ends outside the state passing through the state.
Carrier:	Any natural or legal person practicing land transport activity of passengers or goods according to the law.
Transport Installations:	Installations that are taking any of the forms stipulated in the Companies Law to practice the transportation and shipment of goods.
Goods:	Materials, equipment or any other things whether industrial, animal or agricultural in nature, whether consisting of foodstuffs, raw materials (liquid, solid, bulk and gaseous or any other state) being transported by whatever a means of transport of any kind.
Consignor:	The owner of shipment or the legal owner be it a natural or corporate entity.
Consignee:	Any natural or corporate entity named by the consignor for receiving the goods.
Roads:	Roads travelled on by means of transporting passengers and goods and are governed by specific routes, including all kinds of roads such as maintenance and emergency roads and detours.
Railway line:	Federal railway line defined by resolution issued by the Council of Ministers.
Law:	Federal Law No. (9) of 2011 Concerning Land Transport.
Depots:	Places where means of transport are parked when they are not operating.
Terminals:	Places from which the journey begins or ends.
Carnet de Passages en Douanes (CPD):	A document for facilitating customs procedures used to cover the interim entry of private cars without paying customs duties.
Customs Transit Card (TIR):	A document for facilitating customs procedures used to cover the interim entry of trucks and passenger buses without paying customs duties.
International Driving License (IDL):	License issued according to the two UN treaties of 1949 and 1968 concerning traffic and is issued by any of the automobile clubs that are accredited by the Authority.

**CHAPTER TWO**  
**LICENSES**

## CHAPTER TWO

### Licenses

#### Article (2)

The land transport activity may not be practiced before obtaining a license from the Authority.

#### Article (3)

##### Types of Licenses

The Authority shall issue the licenses for practicing land transport operations according to the following terms and procedures:

##### 1. Licenses Granted to Individual Firms:

Land transport operations maybe practiced according to the following conditions:

Firstly: Firms that have less than ten means of transport:

- a) Applicant must be a UAE citizen.
- b) A copy of the commercial license must be presented (after the original copy is checked by the employee concerned).
- c) The license application must be submitted using the form prepared by the Authority for this purpose.
- d) The application must include the type of activity for which the license is sought.
- e) The applicant must present proof of his ownership of means of transport, or hire contracts to be approved by the Authority in case the applicant was a hirer or operator.
- f) The land transport means must be equipped with the safety equipment and must satisfy all the technical conditions required by the licensing authorities and by the Emirates Standardization & Metrology Authority.
- g) The specifications of the land means of transport must, in so far as dimensions, loads, weights and safety and security equipment, must satisfy all the technical conditions required by the licensing authorities and by the Emirates Standardization & Metrology Authority.
- h) The approval of the competent licensing authorities must be obtained.
- i) An operation card must be obtained for every means of transport pursuant to the provisions of these Regulations.
- j) The power of attorney given to the responsible person and the approved signatures must be submitted.

- k) The Authority must be provided with evidence about the depots to be used for parking the means of transport when they are not operating (a lease contract of an area of land/title-deed).
- l) Evidence must be presented to prove the availability of emergency teams for repairing transportation vehicles that are used in the operations and for towing broken-down vehicles to workshops to be repaired if they happen to be out of the workshops or to prove that the licensee has contracted a specialist company in this respect.
- m) Settlement of the set fees.

Secondly: Firms that have more than ten means of transport.

In addition to the conditions mentioned under Item (Firstly) above, the following conditions must also be satisfied:

- A. The applicant must present an organizational structure of the administrative and technical staff allocated to the activity and the required manpower, equipment, machinery and likewise, including the following:
  - 1. Number of means of transport necessary for practicing the activity.
  - 2. Number and specialties of the technical staff in charge of operation and maintenance.
  - 3. Organizational structure of the activities in the maintenance workshop.
  - 4. The Authority must be provided with the details of the terminals and their required facilities and services (toilettes, rest rooms, awnings for cars, storage places) including the lease contract/title deed of the location of the said terminals, as licensed by the local transport departments.

**2. License Issued to a corporate entity:**

Companies (corporate entities) may be established to practice land transport operations according to the following conditions:

- a) The company must be incorporated pursuant to the provisions of the Companies Law.
- b) A copy of the commercial license must be presented (after the original copy is checked by the employee concerned).
- c) The license application must be submitted using the form prepared by the Authority for this purpose.
- d) The approval of the competent licensing authorities must be obtained.
- e) The applicant must specify the transport activity/activities for which the license is being sought or the practice of which is desired.
- f) The applicant must determine the type of transport to be licensed: inter-emirates, international or both.

- g) The applicant must prove the existence of appropriate site/sites for practicing the activity and that they are equipped according to the terms and specifications set by the Emirates Standardization & Metrology Authority and by the competent environmental authority in respect of the means of transport, the equipment and the maintenance workshops when applying to the Authority for the license and the latter must verify these matters. In case of the new licenses, it is sufficient to give an undertaking of the above until the licensing procedures are completed.
- h) The applicant must either provide evidence of ownership of the means of transport or provide lease contracts to be approved by the Authority in case the applicant is a hirer or operator.
- i) The specifications of the land means of transport must, in so far as dimensions, loads, weights and safety and security equipment, must satisfy all the technical conditions required by the licensing authorities and by the Emirates Standardization & Metrology Authority.
- j) The set fees must be paid.
- k) An operation card must be obtained for every means of transport according to the provisions of these Regulations.
- l) The corporate entity must provide the following documents:
1. Copy of the memorandum of association, after the concerned employee has been shown the original and has endorsed the said copy accordingly.
  2. Statement of the number of means of transport possessed or operated by the corporate entity.
  3. The power of attorney given to the responsible person and the approved signature must be submitted.
  4. In case the corporate body is the operator (hirer) of vehicles, it must submit the lease contracts in order to be approved by the Authority.
  5. The approval of the competent local authorities must be obtained.
  6. An organizational structure of the administrative and technical staff related to the activity must be submitted together with the required manpower, equipment, machinery and likewise, including the following:
    - Number of means of transport necessary for practicing the business.
    - Number and specialties of the technical staff in charge of operation and maintenance.
    - Organizational structure of the activities in the maintenance workshop.

- The Authority must be provided with the details of the terminals and their required facilities and services (toilettes, rest rooms, awnings for cars, storage places) including the lease contract/title deed of the location of the said terminals, as licensed by the local transport departments.
- The Authority must be provided with the details of the terminals and their required facilities and services (toilettes, rest rooms, awnings for cars, storage places) including the lease contract/title deed of the location of the said terminals, as licensed by the local transport departments.
- Emergency teams for repairing transportation vehicles that are used in the operations and for towing them to workshops to be repaired if they happen to be out of the workshops or to prove that the licensee has contracted a specialist company in this respect.

### **3. Licensed Agents:**

Nobody may practice the work of a land transport agent without getting a license from the Authority pursuant to the conditions stipulated in Article (29).

#### **Article (4)**

##### **Opening of Branches**

Establishments and companies may open a branch or branches for practicing the land transport activity provided that a prior license is obtained from the Authority in respect of this branch or these branches, according to the licensed activity, within the licensed category and pursuant to the provisions of the Commercial Companies Law as well as according to the licenses issued by the competent authorities. Branches shall be subject to the same required conditions and procedures related to the license as stipulated in these Regulations.

#### **Article (5)**

##### **Procedures for Obtaining a Permanent License**

After the license application is submitted, the Authority shall take the following measures:

1. The submitted application shall be studied to verify that it satisfies the required conditions.



2. A decision shall be taken over the application where the applicant shall be notified about the acceptance or rejection of the application in writing within ten working days.
3. The applicant's offices shall be inspected.
4. In case the application is rejected, the Authority must give the reasons for the rejection.

### **Article (6)**

#### **License Type, Period and Renewal**

The Authority shall issue two types of licenses as stated below:

##### **First – Initial Approval:**

(The initial approval shall be for three months renewable once only for a similar period must there be reasons and justifications calling for such renewal). The initial approval shall be issued pending the completion of the registration procedures and receipt of licenses from other authorities in relation to the company's incorporation requirements according to the following:

1. A letter by the local authority in charge of issuing the commercial/vocational licenses in the emirate in which it is desired to practice the activity.
2. The application must be presented using the form attached to these Regulations which has been prepared for this purpose.
3. The applicant must specify the type of activity to be licensed.
4. The applicant must present a copy of passport/identity card of the license applicant/s.
5. The established fees must be paid.

##### **Second – License:**

The Authority shall issue the license after the licensee has satisfied all the conditions required by the Authority as stipulated under Article (3) of these Regulations as stated below:

1. The commercial license issued by the local authority in charge of issuing the commercial/vocational licenses in the emirate in which it is desired to practice the transport activity.
2. The application must be accompanied by the original initial approval in principle issued by the Authority.
3. The application must be submitted using the form prepared for this purpose.
4. The period of the license issued by the Authority shall be for one Gregorian year. The Authority may, at the request of the license holder, grant the license

for a period longer than one year provided that the set fees are collected in respect of the entire requested period.

5. The set fees must be paid.
6. The license shall be deemed terminated at the expiry of its period if its renewal has not been requested.

### **Third – Renewal of License:**

1. The application must be submitted using the form prepared for this purpose.
2. The licensee interested in renewing the license must submit the renewal application to the Authority within thirty days prior to the expiry of its validity.
3. In case the application is submitted after the license validity period has ended, a delay penalty shall be collected in respect of the month or part thereof according to the financial list.
4. The Authority may accept renewal applications after the expiry of the license validity period but without prejudicing the imposition of the financial penalties set for the applicant's delay in submitting the renewal application, according to the fines stipulated in the financial list annexed to the Regulations. In all cases, the license shall be deemed void once 90 days have passed since its expiry date and it may not be renewed without the approval of the Authority's General Director.
5. The following conditions apply to all cases related to the license renewal:
  - a) Satisfaction of all the conditions required for the license renewal and the payment of the required renewal fees set for practicing the relevant activity, as stipulated in Article (3) of these Regulations.
  - b) The financial fines imposed on the licensee for violating the terms and conditions stipulated in these Regulations must be paid to the Authority, and to all the relevant local and federal authorities. The Authority must be provided with the supporting evidence in this regard.
6. All set fees must be paid.

### **Article (7)**

#### **Insurance Policy**

The licensee must present an insurance policy issued by any of the local companies covering all the means of transport to be licensed, including the following:

1. The means of transport or equipment.
2. The driver and his assistant.
3. Third parties.

4. Civil indemnities.
5. Goods and passengers according to the licensed category.

### **Article (8)** **Cessation of Activity**

In case the licensee wishes to stop practicing his land transport activity, he must follow the following steps:

#### **First: Temporary Suspension:**

1. The licensee must present his application in this regard using the form prepared by the Authority.
2. The temporary cessation period must be specified.
3. The Authority's approval must be obtained.
4. The licensee may not practice any land transport business during the temporary suspension period.
5. The validity of the operation cards related to his means of transport shall be suspended.
6. The licensee shall hand over all licenses and original operation cards to the Authority during the suspension period and they shall be returned to the licensee at the end of the suspension period.
7. If the licensee wishes to resume his activity, he must submit an application according to the form prepared for this purpose and he must get the Authority's approval thereon.
8. The fee specified in the financial list annexed to these Regulations must be paid.
9. The approval of the competent local authorities must be obtained.

#### **Second: Final Cessation of Activity:**

1. An application must be submitted using the form prepared by the Authority.
2. The licensee must hand over all licenses and operation cards to the Authority.
3. The Authority shall cancel the license and operation cards.
4. The fee set in the financial list annexed to these Regulations shall be paid.

#### **Third: The license shall be suspended or cancelled without reference to the licensee in the following cases:**

1. If the licensee sells or assigns the license without getting the Authority's consent.

2. If the licensee fails to apply to the Authority to renew the license and 90 days pass after its expiry date, the license shall be deemed void.
3. If a final judgment is passed stipulating the liquidation of the licensee's business (corporate entity).
4. If the licensee violates the specifications approved by the Authority for the means of transport.
5. If the corporate entity does not adhere to the technical and administrative conditions set by the Authority.
6. If the licensed corporate entity dies (if the heir is not a national).
7. The license is suspended pursuant to a court judgment or to a resolution passed by the competent authorities.
8. If the operation card is not renewed within 90 days from the date of its expiry.
9. If the licensee breaches the Labor Law concerning the employment of manpower.
10. If the licensee violates any of the license conditions.
11. If the ownership is transferred to a person who is not a national.

#### **Article (9)**

1. The licensee, his heirs, guardians or liquidators, as the case may be, may apply for license to be cancelled within ninety days in any of the following cases:
2. If the practice of the activity is suspended for any of the suspension reasons.
3. If the licensee dies (for individuals and individual enterprises).
4. If the licensee's company is liquidated, whether the liquidation is agreed by the partners or takes place due to the expiry of the company's period or pursuant to a judicial judgment.

#### **Article (10)**

##### **Deletion of a Means of Transport**

If the licensee intended to delete a means of transport registered with the Authority, he must follow the following steps:

1. The form prepared by the Authority must be filled in.
2. The vehicle's operation card must be handed over to the Authority.
3. The set fees must be paid.

In all cases, the local authorities shall not delete from their records any means of transport except after getting a certificate from the Authority indicating its approval of such measure.

### **Article (11)**

According to the provisions of the Law, the license issued by the Authority is a personal license which may not be assigned except according to the following conditions:

1. The assignee must be a UAE citizen, if it has the form of an establishment.
2. If the assignee is a company, the conditions governing company licenses shall apply as stipulated in these Regulations.
3. All the conditions required by the Authority for issuing a new license shall apply to the assignee.
4. The license must be for the same type of activity and for the same category.
5. The assignee may not obtain a temporary license.
6. The approval of the competent authorities must be obtained.
7. The fee in the financial list annexed to these Regulations must be collected.

### **Article (12)**

#### **Amendment/Addition of Data or Activity**

Any licensed carrier may apply in writing to the Authority, in writing, to request the amendment or addition of any item of data included in the operation license according to the following:

1. The application shall be presented using the form prepared by the Authority, attached to these Regulations.
2. The type of the required amendment or addition must be stated.
3. The application must be accompanied by all the data mentioned in the licenses together with the legal documents, approved by the competent bodies, supporting the amendment or addition.
4. The application must be in conformity with the Law and its Executive Regulations.
5. The approval of the competent local authority must be obtained.
6. The Authority is entitled to accept/reject the application. The reasons for the rejection must be given. The application must be decided upon within 30 days from the date of its submission.
7. The set fees must be collected.

**CHAPTER THREE**  
**LICENSEE'S OBLIGATIONS**

## CHAPTER THREE

### Licensee's Obligations

#### Article (13)

The licensee must comply with the following regulations and conditions:

**Firstly: Goods Means of Transport:**

1. Licensed means of transport shall be used.
2. The means of transport shall be used for the licensed activity only.
3. Means of transport that are out of operation must not be parked on public roads or in residential areas. Goods and supplies must not be unloaded and placed on public roads, on pavements of public roads or on plots of land that are not built-up or are not not surrounded by external fencing or walls.
4. The specifications related to the set and permissible loads, weights and dimensions for trucks and trailers moving on roads must be adhered to according to the relevant laws, regulations, systems and resolutions which maybe promulgated in this respect.
5. All transported goods must be accompanied by a shipping document as prescribed in the provisions of these Regulations.
6. The licensee must check that the transported goods are not prohibited. The carrier must also verify the owner's name, address, destination and the name of the consignee and must provide a statement showing the weight, volume, load quantity, value and received fees.
7. The licensee must provide the Authority, on annual basis and when renewing the license renewal (or any time required by the Authority), with a detailed statement about his activities during the previous year or during any period required by the Authority. This statement must include the following:
  - a) Number of vehicles the licensee owns or hires and is authorized to use and the load of each such vehicle.
  - b) Volume of goods and supplies transported per month to each emirate and to each state separately.
  - c) Verification that the driver of the vehicle that is registered in the state holds a driving license that is approved according to the laws of the state.
  - d) Verification that every vehicle has an operation card.

- e) The foreign vehicle must not be loaded unless they are so licensed by the Authority and provided that the loading must be as stipulated in the license issued by the Authority.
- f) The loaded goods must be protected.
- g) An insurance policy must be obtained covering the goods to be carried and for the vehicle transporting the goods.
- h) An insurance policy must be submitted covering the vehicle, the driver and his assistant.

**Secondly: Passenger Means of Transport:**

1. Licensed means of transport must be used and the licensee must use them according to the licensed activity.
2. Passenger means of transport must be operated along the authorized routes only.
3. The licensee must ensure that the vehicle's driver holds a driving license that is approved in the state.
4. The licensee must ensure that every vehicle carries an operation card.
5. A permit must be obtained from the Authority concerning every destination inside and outside the state.
6. The licensee must commit to operating regular transportation services for each local and international destination. The licensee must adhere to specific travel times and must notify the Authority thereof.
7. The passenger means of transport must be authorized and must carry an operation card.
8. The passenger means of transport must be owned or hired and it must be documented at the Authority.
9. Foreign passenger means of transport must have a local agent.
10. The means of transport must be inspected, maintained and cleaned from inside and its external appearance must be kept in good order.
11. No passenger may be carried who is not holding a transit visa to the state he is travelling to unless he is a citizen of that state.
12. The Authority and the competent authorities must be provided with a statement showing the names, numbers and destinations of passengers (in relation to international travel) carried to each state and for every trip.
13. The Authority must be provided on monthly basis with the numbers of passengers transported within the state.
14. An insurance policy must be presented covering the vehicle, the driver and his assistant.



## **CHAPTER FOUR**

### **OPERATION CARDS & TYPES OF MEANS OF TRANSPORT**

## CHAPTER FOUR

### Operation Cards & Types of Means of Transport

#### Article (14)

#### Data of Operation Card

No means of transport may be put into operation unless the licensee obtains an operation card from the Authority. Operation cards shall be issued according to the authorized activity and shall include the following information:

1. Authority's name and logo.
2. Licensee's name.
3. Licensee's address.
4. Vehicle's number plate, number given to the licensee authorized to practice the activity.
5. Type of the licensed activity.
6. Load and type of vehicle.
7. Transportation route must be specified (inter-emirates/international).
8. License expiry date.
9. Date of issue and expiry of the operation card.
10. Any other data the Authority finds necessary to be add.
11. The fee set in the financial list annexed to these Regulations shall be collected.

#### Article (15)

#### Operation Cards of Passenger Buses and Goods Trucks

All means of transportation must get an operation card issued by the Authority in respect of every vehicle or truck (whether a trailer-head or a trailer) according to the type of activity practiced.

#### **Firstly: Transport of Passengers**

Categories of Operation Cards:

- A. International.
- B. Inter-emirates.
- A. Categories International Operation Cards:
  - 1) Tourist Category: For international transportation of passengers from inside the state to a destination outside the state or vice-versa for the purpose of travel or tourism.

- 2) Hajj and Umra Category: Transport of passengers for the purpose of performing Hajj or Umra from the state to the holy places in the Kingdom of Saudi Arabia and vice-versa.

International Transport Cards are divided as follows:

- a) Tourist vehicle operation card:
  1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.
  
- b) Operation cards of buses transporting passengers performing Hajj & Umra:
  1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.
  
- c) Operation cards of buses belonging to vehicles lease companies:
  1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.

**B. Operation Cards Categories of Inter-Emirates Passenger Busses:**

- a) Tourist vehicle operation card:
  1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.
  
- b). Operation cards of ordinary inter-emirates passenger buses:
  1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.

- c). Operation cards of vehicles owned by car hire companies:
1. Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  2. Heavy buses whose capacity exceeds 26 passengers, excluding the driver.

**Secondly: Operation Cards for Trucks Used to Transport Goods are as Follows:**

1. Truck/tanker for transporting petroleum and its derivatives (liquid and gas).
2. Tanker transporting water (drinking & irrigation).
3. Tanker for transporting sewage.
4. Truck/tanker for the transport liquid, bulk and packaged chemicals.
5. Truck transporting live animals.
6. Truck for transporting all kinds of refrigerated food.
7. Truck for transporting containers.
8. Truck for transporting foodstuffs.
9. Truck for transporting waste materials.
10. Truck for transporting hospital waste.
11. Truck for transporting agricultural, industrial, mining and construction materials.
12. Truck transporting and towing all kinds of equipment and machinery.
13. Truck for transporting small means of transport.
14. Truck for transporting and drawing broken-down or violating means of transport.
15. Truck for transporting dangerous materials.
16. Truck for transporting any other materials or goods.
17. Light-transport truck working in cities.
18. Trailer-head and trailer.
19. Any other kinds of trucks which may be developed in future.

Cards are classified according to the category being licensed. Each kind and each category shall have a different design.

Trailer-heads and trailers shall be subject to the same provisions governing the licensing and classification of trucks.

The financial list attached to these Regulations shall set the fees for issuing the operation card for each kind of activity separately.

**Thirdly: Operation cards of vehicles owned by car hire companies:**

1. Buses and means of transport used for international freight.
2. Buses and freight trucks working inter-emirates.

As far as buses working in international transport, the licensee must provide 2 drivers for every bus.

**Article (16)**

The licensee must keep the operation card permanently in the vehicle and must present it whenever it is requested by the competent officers. If the operation card is not so presented, a financial fine shall be imposed as stipulated in the list of fees and fines attached to these Regulations.

**Article (17)**

In case the operation license or operation card is lost or damaged, the following actions shall be taken:

**Firstly: In case of the loss of the operation license or the operation card:**

1. The Authority must be notified immediately of this loss.
2. The licensee shall submit evidence showing that he has officially reported the matter to the competent authorities.
3. The form prepared by the Authority in this respect must be filled in.
4. A written undertaking letter must be given to hand over the lost license in case it is found and to refrain from using it.
5. The Authority shall issue a new license bearing a new number to replace the lost license.
6. The fees specified in the financial list attached to these Regulations must be paid.

**Secondly: In case of the operation license or operation card being damaged:**

1. The licensee must hand over the damaged license to the Authority.
2. The form prepared by the Authority concerning this matter must be filled in.
3. The Authority shall issue a license bearing the same number to replace the damaged license.
4. The fees specified in the financial list attached to these Regulations concerning the issue of an operation card in lieu of a damaged one must be paid.

5. The financial list attached to these Regulations shall set the fees for issuing the operation card.

## **Article (18)**

### **Types of Means of Transport**

Means of transport are classified according to their type as follows:

#### **Firstly: Transport of Passengers**

1. International Transport:
  - a) Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  - b) Heavy buses whose capacity exceeds 26 passengers, excluding the driver.
2. Inter-Emirates Transport:
  - a) Light buses whose capacity does not exceed 26 passengers, excluding the driver.
  - b) Heavy buses whose capacity exceeds 26 passengers, excluding the driver.

#### **Secondly: Transport of Goods**

1. Truck/tanker for transporting petroleum and its derivatives (liquid and gas).
2. Tanker transporting water (drinking & irrigation).
3. Tanker for transporting sewage.
4. Truck/tanker for the transport liquid, bulk and packaged chemicals.
5. Truck transporting live animals.
6. Truck for transporting all kinds of refrigerated food.
7. Truck for transporting containers.
8. Truck for transporting foodstuffs.
9. Truck for transporting waste materials.
10. Truck for transporting hospital waste.
11. Truck for transporting agricultural, industrial, mining and construction materials.
12. Truck transporting and towing all kinds of equipment and machinery.
13. Truck for transporting small means of transport.
14. Truck for transporting and drawing broken-down or violating means of transport.
15. Truck for transporting dangerous materials.
16. Truck for transporting any other materials or goods.
17. Light-transport truck working in cities.

18. Trailer-head and trailer.
19. Any other kinds of trucks which may be developed in future.

**Article (19)**

The above means of transport mentioned shall be licensed pursuant to the technical conditions approved by the Authority and by the competent authorities and according to the specifications approved by the Emirates Standardization & Metrology Authority.

**CHAPTER FIVE**  
**TRANSPORT OBLIGATIONS & CONDITIONS**



## CHAPTER FIVE

### Transport Obligations & Conditions

#### Article (20) Transport Documents

The licensee engaged in land transport activity shall be bound to issue the following documents:

##### **Firstly: Passengers:**

1. Issue of individual tickets showing the following:

- a) Passenger's full name.
- b) Passenger's address.
- c) Identity card number or passport number.
- d) Departure point.
- e) Destination point.
- f) Carrier's name and address.
- g) Departure date and return (if any).

- The Authority shall collect a transport fee in respect of every passenger using any means of transport used to transport passenger in the international trips as stipulated in the financial list attached to these Regulations.
- The collection and settlement of fees shall be accompanied by copies of passenger lists and the stubs of issued tickets.

2. Issue of passenger luggage registration card which shall include the following:

- a) Number of bags collected from the passenger.
- b) Type of luggage and approximate weight.
- c) Passenger's name and address.
- d) Carrier's name and address.
- e) Departure point.
- f) Destination point.
- g) Travel date.

##### **Secondly: Goods**

Issue of documents for international transport of goods and for inter-emirates transport of goods shall include the following:

- a) The date on which the goods are sent.
- b) Consignor's name, address and destination point.

- c) Consignee's name, address and destination point.
  - d) Date and time of receiving the goods and Consignee's signature.
  - e) Goods related data concerning its quantity and weight.
  - f) Transport fees, method of payment and the party authorized to receive the fees.
  - g) Name and signature of the employee who received the transport fees.
  - h) Carrier's name and its head office.
  - i) Carrier's signature or the person authorized by it.
  - j) Insurance company's name, insurance policy number and date.
  - k) Place and date of issuing the insurance policy.
- Concerning international transport, the Authority shall collect a fee in respect of every shipping document issued by the licensee. The collected fees shall be forwarded to the Authority accompanied by a copy of every issued document.
  - The Authority shall collect goods transport fees in respect of international trips as stipulated in the attached financial list.
  - The fees paid to the Authority shall be accompanied by copies of the relevant issued shipping documents.

#### **Article (21)**

It is prohibited to use the land means of transport for any purpose other than purpose for which the vehicle is licensed. In case the licensee wishes to use the means of transport for the transportation of materials other than those for which the said means of transport is licensed, the licensee must follow the following:

1. The licensee shall apply to the Authority by filling in the form prepared by the Authority in this respect.
2. The licensee must specify the materials he wishes to transport.
3. The licensee must obtain the approval of the local and federal competent authorities (Ministry of Interior Traffic Department/ Local Transport Authority/Emirates Standardization & Metrology Authority).
4. The set fees must be paid.

#### **Article (22)**

The Authority shall establish electronic or paper records to register those licensed to practice land transport activity in which the following data shall be recorded:

1. Licensee details.
2. License details including its issue date, expiry date and number.
3. Data concerning every registered vehicle under the same license in respect of:
  - a) Vehicle's specifications;

- b) Vehicle's tonnage and number of passengers.
- c) Purpose for which the vehicle is licensed.
- d) Vehicle's roadworthiness (to be determined according to the annual technical examination).

#### **Article (23)**

- A. The licensee shall keep special records including the following information:
  - 1. Vehicles owned or operated by the licensee.
  - 2. Staff.
  - 3. Transported goods and materials.
  - 4. A separate passenger list for each and every trip.
  
- B. The Authority and the competent authorities may access the above records upon request.

#### **Article (24)**

Licenses licensed to undertake international trips shall provide the Authority with a full set of data about the trip, including:

- 1. All the information about the means of transport and the staff working on it.
- 2. Lists of the transported goods and materials.
- 3. Passenger lists.
- 4. Trip route.

#### **Article (25)**

Land means of transport that are not registered in the state are prohibited from entering the state or crossing its territories while being empty, unless they have obtained a prior permit from the Authority in coordination with the customs authorities and other competent authorities according to the following conditions:

- 1. A prior permit must be obtained from the Authority by the carrier's agent in the state.
- 2. The permit can be obtained from any of the state's border crossings.
- 3. An application must be presented according to the form prepared for this purpose. The said application must specify the reason and period of entry.
- 4. The set fees must be paid.

#### **Article (26)**

Land means of transport that are not registered in the state are prohibited from entering the state's territories unless the following conditions are satisfied:

1. An application in this respect must be submitted using the form prepared by the Authority for this purpose.
2. The vehicle should be loaded with goods, commodities or passengers.
3. The destination point must be mentioned.
4. The carrier must have a local agent.
5. The type and quantity of loaded materials must be specified.
6. The established fees must be paid.
7. The conditions set by the customs, local and federal authorities shall be satisfied.

#### **Article (27)**

Land means of transport that are not registered in the state are prohibited from entering the state to undertake land transport operations inside any of the emirates in the state. Such means of transport are also prohibited from loading when leaving the state to any other state other than that in which they are registered without a special permit according to the following controls and conditions:

1. An application shall be submitted using the form prepared by the Authority in this regard.
2. The destination point must be specified.
3. The approval of the state of destination must be submitted.
4. The carrier must have a local agent and must finalize, in advance, all the procedures related to the entry of said means of transport into the state.
5. The type and quantity of loaded materials must be specified.
6. The conditions imposed by the local and federal authorities in the emirate shall be applicable.
7. The fees specified in the financial list must be paid.

#### **Article (28)**

**Drivers of land means of transport shall be bound by the following:**

1. The utilized means of transport must be licensed according to the law.
2. Drivers must carry their original driving licenses.
3. Ownership document of the means of transport.
4. Operation card related to the means of transport; the sticker related to which must be placed in a prominent place.
5. Insurance policy covering the means of transport.

6. Insurance policy covering the transported goods.
7. Goods must be loaded from the specified places.
8. The stipulated axial loads and weights for the road must be complied with.
9. The regulations and laws valid in force in the state must be complied with.
10. Loaded goods should be protected.
11. Manifests of the loaded goods and shipping documents must be kept.
12. The goods transport operation should be monitored at the loading, arrival and offloading stages.
13. The declared route must be complied with.
14. Routes specified by the Authority in coordination with the local authorities and other competent authorities must be complied with.

#### **Article (29)**

The licensee may have one agent or more in the state of destination abroad or in the (emirate/city) concerning the regular transport of passengers, provided that the said agents satisfy the following conditions:

1. An application shall be submitted using the form prepared by the Authority in this respect.
2. The type of activity to be licensed and the type of transport agency to be licensed must be specified (International or inter-emirates).
3. The agent must take one of the forms stipulated in the Commercial Companies Law.
4. The agent's licenses issued by the competent authorities must be submitted.
5. A copy of the memorandum of association, after the concerned employee has checked and verified it against the original. In case of individual enterprises, the commercial license shall be sufficient.
6. The agency held by the agent must be accompanied by a certificate issued by the Ministry of Economy and must be according to the Commercial Agencies Law.
7. Copy of the power of attorney (the authorization) related to the responsible officer and the approved signature.
8. The agent must have a permanent head office and a complete administrative system.
9. The due fees must be paid as specified in the financial list.
10. The Authority may accept/reject to license within 30 days from the submission date of the application after it had satisfied all the conditions, provided the reasons for the rejection must be given.

### **Article (30)**

**The licensee, his agent and the international carrier shall comply with the following:**

1. The licensed activity shall be practiced as specified in the license issued by the Authority.
2. Individual tickets shall be issued showing the following:
  - a) Full name of passenger.
  - b) Address of the passenger.
  - c) Identity card number or passport number.
  - d) Destination point.
  - e) Carrier's name and address, travel date and return date (if applicable).
3. Issue of a registration card of passengers' luggage, including the following:
  - a) Number of bags collected from the passenger.
  - b) Type of luggage and approximate weight.
  - c) Passenger's name and address.
  - d) Carrier's name and address.
  - e) Destination point.
4. The number of staff must be sufficient to operate the business effectively and (2) drivers and (2) stewards shall be allocated to every bus. Drivers must hold a driving license for the category of vehicle they are driving and must be physically fit.
5. The operation program and transport routes, directions, traffic and preset timings approved by the Authority must be complied with. The licensee shall also comply with any modifications to the operation program.
6. Measures ensuring the preservation of the luggage of the passengers should be put in place.
7. Vehicles must not stop for embarking and disembarking passengers at locations other than the authorized stop points.
8. Ensure that the buses continue to be equipped with the safety and security requirements.
9. Traffic laws and systems and the laws protecting the environment from the pollution generated by means of transport shall be complied with.
10. Clear markings must be placed on the side doors of the licensed bus showing the carrier's name, logo and address.
11. Continuous inspection and periodical maintenance of buses must be carried out and their technical and operation readiness and the availability of safety and security equipment must be verified prior to every trip.

12. Accommodation must be provided to passengers if the means of transport broken down. Broken down buses should be replaced quickly within a period not exceeding (4) hours without any increase in the transport fares as a consequence.
13. The Authority must be notified within two weeks of the cessation if the carrier ceases to practice the activity or if the licensed means of transport ceases to operate and the reasons for the cessation must be stated.
14. The conditions and procedures regulating the activity of land transport of passengers for which they are licensed shall be complied with.
15. Buses must be parked and kept overnight in the depots approved by the Authority for the purpose.
16. The operation card sticker of the means of transport must be placed in a prominent place and the activity may not be practiced without this sticker being present.
17. The Authority's representatives must be allowed to inspect and monitor the means of transport, and must be given access carrier's records.
18. The Authority must be provided with a passenger manifest for every trip.
19. Large serial numbers starting with number (1) must be placed on buses of each company to identify the route of every bus between cities. This number must also be written on the ticket.
20. The number of passengers must not exceed the number of seats in the bus.
21. Passengers must only be picked up from the licensed stations. Passengers may not be picked up from the roadside or from cities after the bus has left the station of departure.
22. The Arab Agreement regulating the transport of passenger on roads between and across Arab countries shall be complied with, in addition to the international agreements the state is party to.
23. The carrier shall be responsible for the safety of the passengers being transported in his vehicle as stipulated in the insurance policy.
24. The carrier shall be bound to pay compensation in respect of any loss, damage, shortage or detriment which may occur to the luggage. The compensation shall be estimated according to the luggage value and condition at the time it was handed over provided that the carrier is notified and a report is prepared at the time to document the matter.
25. If compensation is being claimed for the loss, damage, shortage or detriment which may occur to the luggage, the claim may be submitted to the carrier or to its legal representative at its head office or may be submitted to its accredited agent located in the state of the other contracting party.

**CHAPTER SIX**  
**GUARANTOR & AUTOMOBILE CLUBS**



## **CHAPTER SIX**

### **Guarantor & Automobile Clubs**

#### **Article (31)**

The Authority shall license the guarantor according to the following conditions:

1. The license applicant must be a UAE citizen.
2. The corporate entity must be established pursuant to the provisions of the Companies Law.
3. The Authority must be provided with the bank guarantee specified in the financial list which must be issued by any of the approved banks in the state in favor of the National Transport Authority.
4. The original contract agreement between the guarantor and the Customs Authorities must be presented.
5. The guarantor shall provide evidence proving its membership in the International Road Transport Union.
6. Corporate entities must provide the following documents:
  - a) Copy of the memorandum of association after the concerned employee has checked and verified it against the original.
  - b) Copy of the commercial license after the concerned employee has checked and verified it against the original.
  - c) The documents concerning the legal representative of the corporate entity must be presented.
  - d) The license application must be submitted using the form prepared by the Authority for this purpose.
  - e) The type of activity to be licensed must be specified.
  - f) The set fees must be paid.
7. The guarantor must guarantee the settlement of the fees and taxes related to the national and foreign means of transport according to the land transport card (customs transport card) issued by it or by any similar authority found in another state.

#### **Article (32)**

Automobile clubs that are members of the International Road Transport Union shall be licensed, after obtaining the Authority's approval, to provide the services of issuing customs transit cards (TIRø) to the owners of trucks and passenger buses after submitting evidence proving that they have obtained the necessary approvals of the competent authorities in the state according to law, provided:

1. that copies of the passport of the customs transit card applicant are kept.

2. The bank guarantee provided by the customs transit card applicant for the customs transit card must be kept.

The Authority is entitled to audit all documents issued by these clubs.

### **Article (33)**

The Authority shall license those wishing to practice automobile clubs activities according to the following conditions:

1. The license applicant must be a UAE citizen.
2. The corporate entity must be established according to the provisions of the Companies Law.
3. The Authority must be provided with the bank guarantee specified in the financial list which must be issued by any of the approved banks in the state and must be issued in favor of the National Transport Authority.
4. The original contract agreement between the applicant and the Customs Authorities must be submitted.
5. The applicant shall provide evidence proving the continuity of its membership in the International Road Transport Union.
6. The corporate entity must provide the following documents:
  - a) Copy of the memorandum of association after the concerned employee has checked and verified it against the original.
  - b) Copy of the commercial license after the concerned employee has checked and verified it against the original.
  - c) The required documents concerning the legal representative of the corporate entity.
  - d) The license application must be presented using the form prepared by the Authority for this purpose.
  - e) The type of activity to be licensed must be specified.
  - f) The set fees must be paid.

### **Article (34)**

The automobile club approved in the state shall be licensed to provide services the owners of private vehicles related to issuing trip-tickets according to the form approved by the Authority after submitting proof of:

1. Its membership of and accreditation by the Federation Internationale d'Automobile (FIA).
2. Its membership of and accreditation by the Alliance Internationale de Tourism (AIT).
3. The club must obtain the necessary approvals from the competent authorities in the state pursuant to the applicable laws therein.

4. The Authority's approval must be obtained concerning the services provided to the owners of vehicles and the set fees must be collected.
5. The approved club shall keep copies of the passport of the carnet de passages en douanes applicant.
6. The club shall keep the bank guarantee provided by the carnet de passages en douanes applicant.

The Authority may audit all documents issued by these clubs.

#### **Article (35)**

The automobile club approved in the state shall be authorized to issue international driving licenses according to the form approved by the Authority after submitting the following documents:

1. Its membership of and accreditation by the Federation Internationale d'Automobile (FIA).
2. Its membership of and accreditation by the Alliance Internationale de Tourism (AIT).
3. The club must obtain the necessary approvals from the competent authorities in the state pursuant to the applicable laws therein.
4. The Authority's approval must be obtained concerning the services provided to the owners of vehicles and the set fees must be collected.
5. The approved club shall keep copies of the passport of international driving license applicant.
6. The club shall keep a copy of the driving license of the international driving license applicant.

The Authority may audit all documents issued by those clubs.

#### **Article (36)**

1. Pursuant to the provisions of this Chapter, the license shall be annual and shall be renewal within 30 days from the date of its expiry. In all cases, the license conditions must be satisfied during the entire license validity period.
2. The license may be granted to the guarantor and to the automobile club for more than one year upon the applicant's request provided that the fees are paid in respect of the required period according to the financial list.

#### **Article (37)**

The guarantor and automobile club approved for issuing customs transit cards (TIRø) and carnets de passages en douanes shall constitute an international guarantee for settling the relevant fees and taxes should there be any customs claims resulting from the failure to re-declare the vehicle.

### **Article (38)**

The customs authority shall not allow private vehicles registered in the state to leave the state without obtaining a carnet de passages en douanes from the approved automobile club when travelling abroad with the exception of:

- A. Vehicles of UAE citizens leaving to any of the GCC countries only.
- B. Vehicles of citizens of the GCC countries residing in the state who are leaving to their countries and returning.
- C. Vehicles of ministries and official bodies leaving to any of the GCC countries.

### **Article (39)**

The customs authorities shall not allow trucks and passenger buses registered in the state to leave the state without obtaining a carnet de passages en douanes from the approved automobile club (guarantor) when traveling abroad.

### **Article (40)**

The Authority shall collect an issuing fee (according to the attached financial list) for every carnet de passages en douanes, every customs transit card and every international driving license and the approved automobile club/guarantor shall provide the Authority with the relevant issued document lists by the end of every month.

# **CHAPTER SEVEN**

## **PENALTIES**

## **CHAPTER SEVEN**

### **Penalties**

#### **Article (41)**

The penalties stipulated in Land Transport Law No. (9) of 2011 shall apply to the any committed violations.

**CHAPTER EIGHT**  
**FINAL PROVISIONS**

## **CHAPTER EIGHT**

### **Final Provisions**

#### **Article (42)**

The fees of licenses, registration, certificates and services provided pursuant to the provisions of these Regulations shall be determined as per a resolution issued by the Council of Ministers.

#### **Article (43)**

The employees of this Authority and the competent authority who are nominated by a resolution issued by the Minister of Justice with the agreement of the Chairman shall have the capacity of judicial officers in respect of evidencing any violations to the provisions of the law, of these Executive Regulations and of the resolutions issued for its implementation each within his scope of its competence.

#### **Article (44)**

The Chairman shall authorize the General Director to interpret these Regulations (whenever necessary).

#### **Article (45)**

The licensee authorized to practice the land transport activity shall be bound to pay compensation in respect of damages inflicted on the carried goods under its possession, including any harm suffered by the passengers, according to the manner specified in the insurance policy.

#### **Article (46)**

Parties working in the transport field should adjust their status in line with the provisions of the law and these Regulations within the period specified under Article (47) of these Regulations; otherwise, they shall be subject to the penalties pursuant to the provisions of the law and these Regulations.

#### **Article (47)**

These Regulations shall take effect three months from the date of their publication in the official gazette.

Sheikh/Hamdan Bin Mubarak Al Nahyan  
Chairman of the Board of Directors  
National Transport Authority  
(Signed)



**Customs Policy No (52/2021)**

**سياسة جمركية رقم (52/2021)**

**Implementation of the TIR Carnet (International Road  
Transport)**

**اسم السياسة: تطبيق دفتر النقل البري الدولي (التير)**

**POLICY DETAILS:**

Pursuant to the Federal Decree No. 95/2006 ratifying the UAE accession to international agreements concerning international road transport of goods and road traffic, and based on the Federal Law No. 9/2011 on Land Transport and the executive regulations thereof by the decision of the Chairman of the Board of Directors of the Federal Transport Authority-Land and Maritime, and with the aim of regulating, simplifying and facilitating implementation procedures.

**تفاصيل السياسة :**

استناداً للمرسوم الاتحادي رقم (95) لسنة 2006 بشأن انضمام الدولة للاتفاقيات الدولية في مجال النقل البري الدولي للبضائع والسيير والمرور على الطرق، وبناءً على القانون الاتحادي رقم (9) لسنة 2011 في شأن النقل البري وقرار رئيس مجلس إدارة الهيئة الاتحادية للمواصلات البرية والبحرية في شأن لائحته التنفيذية، وبهدف ضبط وتبسيط وتسهيل إجراءات التطبيق.

**The following has been decided:**

**فقد تقرر ما يلي:**

**Article (1)**

**المادة (1)**

**Definitions**

**التعريف**

In this Policy, the following words and terms shall have the meanings hereby assigned to them except where the context otherwise requires.

لغايات تطبيق أحكام هذه السياسة يقصد بالكلمات والعبارات الآتية المعاني المبينة قرين كلا منها ما لم يقتض سياق النص خلاف ذلك.

**A. DEPARTMENT:** Dubai Customs

**أ. الدائرة:** جمارك دبي

**B. CONVENTION:** The Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention 1975).

**ب. الاتفاقية:** الاتفاقية الجمركية بشأن النقل الدولي للبضائع بموجب بطاقات النقل البري الدولي (اتفاقية النقل البري الدولي 1975).



**C. INTERNATIONAL ROAD TRANSPORT:** The transport of goods from a Customs Center of departure or entry to a Customs Center of destination or exit under the TIR procedure laid down in the Convention.

**D. TIR CARNET:** Customs document for International Road Transport that guarantees customs duties and includes all the data required as per Annex (1) of the Convention. The TIR carnet can be electronic in accordance with Annex (11) of the Convention.

**E. TIR CARNET HOLDER:** A natural or legal person to whom a TIR carnet has been issued in accordance with the relevant provisions of the Convention, indicating a wish to place goods under the TIR procedure and he shall be responsible for due observance of the requirements and relevant provisions of the Convention.

**F. ISSUING AND GUARANTEEING ASSOCIATION:** The Automobile & Touring Club of the United Arab Emirates (ATCUAE) is the authorized association by the International Road Transport Union (IRU) to issue and guarantee TIR Carnets. ATCUAE is licensed by the Federal Transport Authority- Land & Maritime to practice such activity.

**G. INTERNATIONAL ROAD TRANSPORT UNION (IRU):** The international organization authorized to print and distribute TIR Carnets to the national Issuing and Guaranteeing associations who are authorized to issue TIR Carnets.

ج. النقل البري الدولي: نقل البضائع من مركز جمارك في نقطة المغادرة أو الدخول إلى مركز جمارك المقصد في نقطة الوصول أو الخروج بموجب إجراءات النقل البري الدولي في الاتفاقية.

د. دفتر النقل "التير": مستند جمركي للنقل البري الدولي يضمن الرسوم الجمركية ويحتوي على جميع البيانات المطلوبة بالملحق (1) من الاتفاقية ويمكن أن يكون إلكترونياً وفقاً للملحق (11) من الاتفاقية.

هـ. حامل دفتر التير: كل شخص طبيعي أو اعتباري صدر له دفتر التير وفقاً لأحكام الاتفاقية تبين رغبته في وضع بضائع تحت إجراء النقل البري الدولي ويكون مسؤولاً عن تطبيق الشروط والأحكام الواردة في الاتفاقية.

و. الجهة الضامنة والمصدرة: نادي السيارات والسياحة للإمارات العربية المتحدة (ATCUAE) بالنسبة لدولة الامارات والمفوض من قبل الاتحاد الدولي للنقل الطرقي (IRU) بإصدار بطاقات المرور الجمركية (التير) والمرخص من قبل الهيئة الاتحادية للمواصلات البرية والبحرية لممارسة تلك الأنشطة.

ز. الاتحاد الدولي للنقل الطرقي (IRU): الاتحاد الدولي المفوض بطباعة وتوزيع دفاتر النقل البري الدولي على الجمعيات الوطنية الضامنة والمصرح لها بإصدار دفاتر النقل البري الدولي.



**H. ELECTRONIC PRE-DECLARATION (EPD):** An electronic form to be filled in the IRU system by the TIR Carnet Holder. The EPD includes information of the goods transported under TIR operations.

**I. ELECTRONIC CUSTOMS FORM:** An electronic form used for the purposes of release of goods under cover of TIR carnet.

**J. ENTRY CUSTOMS CENTER (departure):** The Customs Center where the process of TIR operation of goods begins under cover of TIR carnet.

**K. EXIT CUSTOMS CENTER (departure):** The Customs Center from which goods depart or exit in the course of a TIR operation under cover of TIR carnet.

**L. ENTRY CUSTOMS CENTER (en route):** The Customs Center en route through which goods enter in the course of a TIR operation under cover of TIR carnet.

**M. EXIT CUSTOMS CENTER (en route):** The Customs Center en route through which goods exit or leave in the course of a TIR operation under cover of TIR carnet.

**N. ENTRY CUSTOMS CENTER (DESTINATION):** The Customs Center through which goods pass in the course of a TIR operation prior to entering the final destination customs center.

**O. FINAL DESTINATION CUSTOMS CENTER:** The Customs Center where the process of a TIR operation of goods under cover of TIR carnet is terminated.

ح. التصريح الإلكتروني المسبق (EPD) : نموذج إلكتروني يتم تعبئته في نظام الاتحاد الدولي للنقل الطرقي (IRU) من قبل حامل دفتر التير يتضمن معلومات عن البضائع المنقولة بموجب عمليات النقل البري الدولي (التير).

ط. النموذج الجمركي الإلكتروني: النموذج الإلكتروني المخصص لغايات الإفراج عن البضائع بموجب دفتر التير.

ي. مركز جمارك الدخول (المغادرة): المركز الجمركي الذي تبدأ فيه عملية النقل البري الدولي للبضائع بموجب دفتر التير.

ك. مركز جمارك الخروج (المغادرة): المركز الجمركي الذي تغادر أو تخرج منه البضائع في عملية النقل البري الدولي بموجب دفتر التير.

ل. مركز جمارك الدخول (في الطريق): المركز الجمركي الذي تدخل بواسطته البضائع في عملية النقل الدولي البري بموجب دفتر التير.

م. مركز جمارك الخروج (في الطريق): المركز الجمركي الذي تخرج بواسطته البضائع في عملية النقل الدولي البري بموجب دفتر التير.

ن. مركز جمارك الدخول (المقصد): المركز الجمركي الذي تمر فيه البضائع في عملية النقل البري الدولي تمهيداً لدخولها في مركز جمارك المقصد النهائي.

س. مركز جمارك المقصد النهائي: المركز الجمركي الذي تنتهي فيه عملية النقل البري الدولي للبضائع بموجب دفتر التير.



**P. COMPETENT AUTHORITY:** The Federal Customs Authority is the competent authority in the United Arab Emirates to approve and certify vehicles and containers registered in the country that are eligible for transport of goods under cover of TIR Carnet. For foreign vehicles and containers, the competent authority shall be the agency authorized in the respective foreign country.

**Q. RELEVANT AUTHORITY:** The authority responsible for incidents or accidents.

**R. APPROVAL CERTIFICATE:** A certificate issued and authenticated by the competent authority certifying a road vehicle or a combination of vehicles or containers (Load Compartment).

ع. **الجهة المختصة:** الهيئة الاتحادية للجمارك المخولة باعتماد وتصديق شهادات المركبات والحاويات المسجلة بالدولة المؤهلة بنقل البضائع بموجب دفتر التير، والجهة المخولة الاجنبية بالنسبة للمركبات والحاويات الأجنبية الأخرى.

ف. **الجهة المعنية:** الجهة المسؤولة عن الحالات العارضة أو الحوادث.

ص. **شهادة التصديق:** شهادة صادرة ومصدقة من الجهة المختصة باعتماد المركبات البرية أو مجموعة مركبات او حاويات (مقصورة الشحن).

## Article (2) General Provisions

- 1- The Transport of goods is allowed to be in transit under cover of TIR Carnet without the payment of customs duties and until goods departure from the country is proven. The provision excludes tobacco, its derivatives and alcoholic beverages.
- 2- In order to allow the Transport of goods under cover of TIR Carnet, the following is required:
  - A- Part of TIR Transport is made by road.
  - B- Part of the journey is performed in foreign territory.
  - C- Transport is carried out by a road vehicle, a combination of road vehicles or containers (Load compartments) that have been approved by virtue of an approval certificate issued by

## المادة (2) أحكام عامة

- 1- يسمح بمرور البضائع بوضع العبور بموجب دفتر التير دون تأدية الرسوم الجمركية ولحين إثبات خروجها من الدولة باستثناء التبغ ومشتقاته والمشروبات الكحولية .
- 2- يشترط للسماح بمرور البضائع بموجب دفتر التير ما يلي:
  - أ- أن تتم بالطرق البرية جزء من عملية النقل البري.
  - ب- أن يتم إنجاز جزء من الرحلة على أرض أجنبية.
  - ج- أن تتم بواسطة مركبات برية او مجموعة مركبات برية او حاويات (مقصورة الشحن) تمت المصادقة عليها



the competent authority as provided for in Annex (4) of the Convention.

D- TIR Plates are clearly affixed to the means of transport according to the conditions and specifications set forth in Article (16) of the Convention.

3- A- Goods transported in vehicles and containers that fulfill the conditions set forth in the provisions of the Convention shall not be subject to customs inspections at the entry/exit customs Center (en route).

B- Customs has the right to perform inspections in case of suspicion of an offence, irregularity or any other reason to do so.

4- Goods transported under cover of TIR carnet are liable to prohibition and restriction controls in accordance with the national regulations in force in the country.

### Article (3)

#### Approved Customs Centers for the application of TIR

Customs procedures for the goods under cover of TIR carnet shall be processed at the following Customs Centers in the Emirate of Dubai:

#### 1. AIR CARGO CENTERS MANAGEMENT:

- Cargo Village Customs Center.
- Al Maktoum Airport Customs Centre.
- Airport Free Zone & Silicon Oasis Customs Center.
- Airport Free Zone Inspection Center.
- DMCC Inspection Center

بموجب شهادة التصديق صادرة عن الجهة المختصة وفق المرفق رقم (4) من الاتفاقية.

د- تثبيت لوحات النقل البري الدولي بشكل واضح على وسيلة النقل حسب الشروط الواردة بالمادة (16) من الاتفاقية.

3- أ- لا تخضع البضائع المنقولة في المركبات والحاويات المستوفية للشروط المبينة في احكام الاتفاقية لعمليات التفتيش الجمركي عند مركز جمارك الدخول/الخروج (في الطريق).

ب- يحق للجمارك القيام بعمليات التفتيش عند الاشتباه بوجود مخالفة أو أي سبب يستدعي ذلك .

4- تخضع البضائع المنقولة بموجب دفتر التير لإجراءات المنع والقيود وفقاً للتشريعات الوطنية النافذة في الدولة.

### المادة (3)

#### المراكز الجمركية المعتمدة لتطبيق التير

يتم إنهاء الإجراءات الجمركية للبضائع المضمونة بدفتر التير من خلال المراكز الجمركية التابعة لإمارة دبي التالية :

#### 1. إدارة مراكز الشحن الجوي وبتبعها المراكز التالية:

- أ. مركز جمارك قرية الشحن.
- ب. مركز تفتيش الشحن بمطار ال مكتوم.
- ج. مركز خدمة عملاء المنطقة الحرة بالمطار والسيليكون.
- د. مركز تفتيش المنطقة الحرة بالمطار.
- هـ. مركز تفتيش دبي للسلع والمعادن.



## 2. LAND CUSTOMS CENTERS MANAGEMENT:

- Dubai Logistics City Inspection Center.
- DUCAMZ Inspection Center.
- Dry Port & Textiles Customs Center.
- Hatta Border Customs Center.

## 3. MARITIME CUSTOMS CENTERS MANAGEMENT:

- Jebel Ali & TECOM Customer Service Center
- Jebel Ali Port and TECOM Inspection Center.
- Port Rashid Customs Center.
- Hamriyah Port Customs Center.
- Creek and Deira Port Customs Center.
- Creek maritime operations.

### المادة (4)

### TIR Carnet

1- TIR Carnet consists of (6) vouchers (volets) that are used when transporting goods to a maximum of three countries, and (14) vouchers that are used when transporting goods to a maximum of seven countries. More than one TIR Carnet can be used, and are duly filled out according to the best practices and based on the attachment No. (1) of this Policy, as follows:

- TIR Carnet cover page.
- The yellow page: To be filled by the TIR Carnet holder and may not be detached from the TIR Carnet (not intended for customs use).
- White vouchers: To be filled out and archived at the following customs Center according to the Transport itinerary:

## 2. إدارة المراكز الجمركية البرية ويتبعها المراكز التالية:

- أ. مركز تفتيش مدينة دبي اللوجستية.
- ب. مركز تفتيش دوكامز.
- ج. مركز جمارك الميناء الجاف والاقمشة.
- هـ. مركز جمارك حتا.

## 3. إدارة المراكز الجمركية البحرية ويتبعها المراكز التالية:

- أ. مركز خدمة عملاء ميناء جبل علي وتيكوم.
- ب. مركز تفتيش ميناء جبل علي وتيكوم.
- ج. مركز جمارك ميناء راشد.
- د. مركز جمارك ميناء الحميرية.
- هـ. مركز جمارك الخور ومرافئ ديرة.
- و. عمليات الخور البحرية

### المادة (4)

### دفتر التير

1- يتكون دفتر التير من (6) صفحات تستخدم عند العبور في ثلاث دول بحد أقصى او (14) صفحة تستخدم عند العبور في سبع دول كحد أقصى، ويمكن استخدام أكثر من دفتر، ويعبأ وفقاً لدليل تعبئة الدفتر حسب المرفق رقم (1) من هذه السياسة كما يلي :

- أ- صفحة غلاف دفتر التير.
- ب- الصفحة الصفراء: تعبأ من قبل حامل دفتر التير ولا يجوز فصلها عن الدفتر (غير معدة لاستخدام الجمارك)
- ج- القسائم البيضاء: تعبأ وتحفظ في المراكز الجمركية التالية وفقاً لمسار الشحنة :



- Entry customs Center (departure). - مركز جمارك الدخول (المغادرة).
  - Entry customs Center (en route). - مركز جمارك الدخول (في الطريق).
  - Entry customs Center (destination). - مركز جمارك الدخول (المقصد).
- D- Green vouchers: To be filled out and archived at the following customs Center according to the Transport itinerary:
- Exit customs Center (departure). - مركز جمارك الخروج (المغادرة).
  - Exit customs Center (en route). - مركز جمارك الخروج (في الطريق).
  - Final destination customs Center. - مركز جمارك المقصد النهائي.
- E- The last page of the TIR Carnet: To be filled out by the department based on a report issued and certified by the relevant authority for incidental cases or accidents.
- هـ- الصفحة الأخيرة من دفتر التير: تعبأ من قبل الدائرة بناءً على تقرير صادر ومصدق من الجهة المعنية للحالات العارضة أو الحوادث .
- F- Removable back cover: In case the TIR Carnet is seized by customs, the numbered corner (slip) on the back cover of the TIR Carnet shall be returned to the holder of the TIR Carnet after it is stamped and signed.
- و- غلاف خلفي قابل للنزع: في حالة حجز دفتر التير من قبل الجمارك تعاد إلى حامل الدفتر الزاوية المرقمة (الكعب) التي يمكن فصلها والموجودة على الغلاف الخلفي للدفتر بعد ختمها وتوقيعها.
- 2- Vouchers of the digital TIR carnet are in standard A4 pages according to the attached form (2).
- 2- تكون قسائم وصفحات دفتر التير الرقمي بصفحات عادية قياس (A4) وفق النموذج المرفق رقم(2).

## Article (5)

### Terms and conditions of the TIR Carnet

1. Customs may request electronic message exchange using Electronic Pre-Declaration (EPD) of the TIR Carnet from the guaranteeing association (guarantor). Initial approval of the EPD notice from Customs is not considered final release of the goods.
2. The guarantor shall fix the period of validity of the TIR Carnet by specifying a final date of validity after which the Carnet may not be presented for acceptance at the Entry / Departure Customs Center.

## المادة (5)

### شروط واحكام دفتر التير

1. يجوز للجمارك طلب التبادل الإلكتروني للتصريح المسبق (EPD) لمعلومات الدفتر مع الجهة الضامنة؛ ولا تعتبر الموافقة المبدئية على اشعار التصريح الإلكتروني المسبق (EPD) من الجمارك بمثابة فسخ نهائي عن البضائع.
2. تحدد الجهة الضامنة للدفتر مدة صلاحيته، ولا يجوز تقديمه لدى مركز جمارك الدخول/المغادرة بعد انقضاء هذه المدة.



3. Provided that it has been accepted in accordance with Paragraph (2) of this Article, the TIR Carnet shall remain valid until the end or termination of the TIR operation at the final destination customs Center.
4. The TIR Carnet shall not be accepted if it is not signed and stamped by the issuer of the Carnet.
5. The start and end of the TIR procedure shall be performed only at the Customs Centers specified in the TIR Carnet.
6. The procedure of transporting goods under cover of TIR carnet shall be terminated and presented to another customs Center within a maximum period of (30) days from the date of release of goods.

#### Article (6)

#### Procedures for transporting goods under cover of TIR Carnet

The procedures for transporting goods under cover of TIR Carnet shall be as follows:

#### A. Procedures of the TIR Carnet holder or his representative:

- 1.The electronic customs form shall be submitted containing information of goods transported under TIR Carnet and as per the electronic pre-declaration (EPD).
- 2.Claim settlement upon completion of procedures at exit "departure", exit "en route", and final destination.

3. يبقى دفتر التير صالحاً حتى نهاية عملية النقل البري لدى مركز جمارك المقصد النهائي، شريطة أن يتم قبوله وفقاً للفقرة (2) من هذه المادة .

4. لا يتم قبول دفتر التير إذا لم يكن موقعاً ومختوماً من قبل الجهة التي أصدرت الدفتر.

5. تم بداية ونهاية إجراءات النقل البري الدولي بموجب دفتر التير فقط في المراكز الجمركية المعتمدة المبينة في الدفتر.

6. يجب إنهاء إجراءات نقل البضائع بدفتر التير وإيصالها إلى مركز جمركي آخر في مدة اقصاها (30) يوم من تاريخ إذن الافراج عن البضائع بموجب دفتر التير.

#### المادة (6)

#### إجراءات نقل البضائع بموجب دفتر التير

تكون إجراءات نقل البضائع بموجب دفتر التير وفقاً لما يلي:

#### أ- إجراءات حامل الدفتر أو من ينوب عنه:

1. تقديم النموذج الجمركي الإلكتروني للجمارك متضمناً معلومات عن البضائع المنقولة بموجب دفتر التير وحسب التصريح الإلكتروني المسبق (EPD).
2. تسديد القيود عند اتمام إجراءات الخروج "المغادرة"، الخروج "في الطريق"، والمقصد النهائي.





## B. Customs Center Procedure at Entry (departure):

## ب- إجراءات مركز جمارك الدخول (المغادرة):

1. Check the validity of the TIR Carnet. 1. التأكد من صلاحية دفتر التير.
2. Check the boxes (1) to (4) of the TIR Carnet are filled in accordance with the TIR Carnet fill-in guidelines issued by the IRU, and that the signatures and stamps of both the IRU and the issuing authority are shown on the cover page of the TIR Carnet. 2. التأكد من تعبئة الحقول من (1) إلى (4) من الدفتر وحسب دليل تعبئة الدفتر الصادر من الاتحاد الدولي، وتواقيع واختام كل من الاتحاد الدولي للنقل الطرقي والجهة المصدرة والمبينة في غلاف الدفتر.
3. Ensure that other TIR Carnet boxes are filled out by the carnet holder. 3. التأكد من تعبئة باقي حقول الدفتر من قبل حامله.
4. Ensure that the approval certificate is valid and issued by the competent authority. 4. التأكد من أن شهادة التصديق سارية المفعول وصادرة عن الجهة المختصة.
5. Ensure that the TIR plates are clearly fixed on the means of transport. 5. التأكد من أن لوحات النقل البري الدولي مثبتة بشكل واضح على وسيلة النقل.
6. Examination and Inspection shall be carried out on the declared goods that are under cover of TIR Carnet, in accordance with risk assessment criteria, and customs regulations in force by the department. 6. معاينة وتفتيش البضاعة المضمونة بموجب دفتر التير معاينة فعلية وفق أسس الانتقائية ومعايير الخطورة وأنظمة العمل المعمول بها في الدائرة.
7. Affix the customs seal on the load compartment as indicated in the approval certificate. 7. تثبيت الرصاص الجمركي على مقصورة الشحن حسب ما هو مبين في شهادة التصديق.
8. Fill in the customs seal numbers, and place customs stamps and signatures on all the TIR Carnet vouchers, and archive the white voucher. 8. كتابة ارقام الرصاص الجمركي ووضع الاختتام والتواقيع على كافة قسائم دفتر التير والاحتفاظ بالقسيمة البيضاء.
9. Release process of goods under cover of TIR carnet in accordance with the customs regulations in force. 9. السماح بالأفراج عن البضائع المضمونة بدفتر التير وفقاً للأنظمة الجمركية المعمول بها.
10. The concerned customs center shall send the white voucher to the Claims and Makkasa Department to complete its procedures upon expiry of the period of transit. 10. يتولى المركز الجمركي المعني بتحويل القسيمة البيضاء إلى إدارة التأمينات الجمركية والمقاصة لاستكمال ما عليها من إجراءات بعد انتهاء المدة المقررة للعبور.



**C. Customs Center procedures at (exit "departure", entry "en route", exit "en route", and entry "destination"):**

1. Check the validity of the TIR Carnet.
2. Check that the approval certificate is valid and issued by the competent authority.
3. Check TIR plates are clearly affixed on the means of transport.
4. Check the customs seal numbers, stamps and signatures on the vouchers and counterfoils of the TIR Carnet as indicated in the approval certificate.
5. Examination and Inspection shall be carried out on the declared goods that are under cover of TIR Carnet, in accordance with risk assessment criteria, and customs regulations in force by the department.
6. Affix stamps and signatures on the TIR Carnet vouchers and archive them (the white or green voucher).
7. Release process of goods under cover of TIR carnet in accordance with the customs regulations in force.
8. The concerned customs center shall send the white voucher to the Claims and Makkasa Department to complete its procedures upon expiry of the period of transit.

**D. Final destination customs center:**

1. Check the validity of the TIR Carnet.
2. Check that the approval certificate is valid and issued by the competent authority.

**ج- إجراءات مراكز جمارك (الخروج "المغادرة"، الدخول "في الطريق"، الخروج "في الطريق"، والدخول "المقصد"):**

1. التأكد من صلاحية دفتر التير.
2. التأكد من أن شهادة التصديق سارية المفعول وصادرة عن الجهة المختصة.
3. التأكد من أن لوحات النقل البري الدولي مثبتة بشكل واضح على وسيلة النقل.
4. التأكد من ارقام الرصاص الجمركي والاختام والتواقيع على قسائم وأرومات دفتر التير وحسب ما هو مبين في شهادة التصديق.
5. معاينة وتفتيش البضاعة المضمونة بموجب دفتر التير معاينة فعلية وفق أسس الانتقائية ومعايير الخطورة وأنظمة العمل المعمول بها في الدائرة .
6. وضع الاختام والتواقيع على قسائم دفتر التير والاحتفاظ بها (القسيمة البيضاء او الخضراء) حسب واقع الحال.
7. السماح بالأفراج عن البضائع المضمونة بدفتر التير وفقاً للأنظمة الجمركية المعمول بها.
8. يتولى المركز الجمركي المعني بتحويل القسائم إلى إدارة التأمينات الجمركية والمقاصة لاستكمال ما عليها من إجراءات بعد انتهاء المدة المقررة للعبور .

**د- مركز جمارك المقصد النهائي:**

1. التأكد من صلاحية دفتر التير.
2. التأكد من أن شهادة التصديق سارية المفعول وصادرة عن الجهة المختصة.



3. Check that the TIR plates are clearly fixed on the means of transport.
4. Check the customs seal numbers, stamps and signatures on the vouchers and counterfoils of the TIR Carnet as indicated in the approval certificate.
5. Examination and Inspection shall be carried out on the declared goods that are under cover of TIR Carnet, in accordance with risk assessment criteria, and customs regulations in force by the department.
6. Affix stamps and signatures on the TIR Carnet green voucher and archive it.
7. Terminate the TIR operation and release the goods in accordance with the customs regulations in force.

#### Article (7)

#### Termination of TIR operation

The termination of TIR operation takes place when the goods transported under cover of TIR Carnet are re-exported to outside the UAE or admitted at free zones, customs storehouses or warehouses, or directed for local market consumption upon levy of the customs duties based on the applicable customs tariff schedule, and according to the customs regulation in force.

#### Article (8)

#### Violations

The penalties prescribed by the GCC Common Customs Law and the Rules of implementation thereof; and the decisions

3. التأكد من أن لوحات النقل البري الدولي مثبتة بشكل واضح على وسيلة النقل .
4. التأكد من ارقام الرصاص الجمركي والاختام والتواقيع على قسائم وأرومات دفتر التير وحسب ما هو مبين في شهادة التصديق.
5. معاينة وتفتيش البضاعة المضمونة بموجب دفتر التير معاينة فعلية وفق أسس الانتقائية ومعايير الخطورة وأنظمة العمل المعمول بها في الدائرة .
6. وضع الاختام والتواقيع على القسيمة الخضراء من دفتر التير والاحتفاظ بها.
7. إنهاء عملية التير والأفراج عن البضائع وفقاً للأنظمة الجمركية المعمول بها.

#### المادة (7)

#### انتهاء وضع التير

ينتهي وضع التير بإعادة تصدير البضاعة المضمونة بموجب دفتر التير إلى خارج الدولة أو إيداعها في المناطق الحرة أو المخازن الجمركية أو المستودعات، أو تخصيصها للاستهلاك المحلي واستيفاء الرسوم الجمركية المستحقة عليها وفقاً لجدول التعرفة الجمركية النافذة، وحسب الإجراءات الجمركية المتبعة.

#### المادة (8)

#### المخالفات

تطبق العقوبات الواردة بقانون الجمارك الموحد ولائحته التنفيذية والقرارات الصادرة بمقتضاه بشأن المخالفات



issued thereunder in relation to violations of the provisions of this Policy shall be applied, taking into consideration the guarantee agreement signed between Dubai Customs and the guarantor.

المتعلقة بأحكام هذه السياسة، مع الاخذ بالاعتبار ما ورد في اتفاقية الضمان بين جمارك دبي والجهة الضامنة.

### Article (9)

- The Customs Claims and Makkasa Department shall be responsible for claims settlement, reconciliation and discharge the TIR Carnets.
- The Financial Affairs Department shall be responsible for claims payment and subsequent follow-up with the guarantor in case of any irregularities on the TIR carnet resulting from non-settlement of payments.
- The Customs Tariff and Origin Department shall be the reference point for addressing all disputes and Customs procedures related to the application of this Policy.

### المادة (9)

- تكون إدارة التأمينات الجمركية والمقاصة هي الجهة المسؤولة عن تسديد وإبراء قيود دفاتر التير.
- تكون إدارة الشؤون المالية هي الجهة المسؤولة عن المطالبات المالية المستحقة ومتابعتها مع الجهة الضامنة في حال عدم تسديد قيود دفاتر التير.
- تكون إدارة التعرف الجمركية والمنشأ هي الجهة المرجعية لحل كافة الخلافات والإجراءات الجمركية المتعلقة بتطبيق هذه السياسة.

### Article (10)

This Policy shall be effective as of the date of 01/06/2021 and all concerned departments must take the necessary measures to implement it in their respective scope of competence.

### المادة (10)

يعمل بهذه السياسة اعتباراً من تاريخ 2021/06/01، وعلى كافة الإدارات المعنية اتخاذ الإجراءات اللازمة لتنفيذها كل فيما يخصه.

Ahmed Mahboob Musabih  
Director General

أحمد محبوب مصبح  
المدير العام



صدر بتاريخ: 2021/05/05

الهيئة الاتحادية للجمارك  
Federal Customs Authority



الهيئة الاتحادية للمواصلات البرية والبحرية  
Federal Transport Authority - Land & Maritime



نادي الإمارات للسيارات والسياحة  
Automobile & Touring Club of the United Arab Emirates



National Association of Freight and Logistics  
اللجنة الوطنية للشحن والامداد  
UAE

**RU**

**TIR**

**ETO** EMIRATES  
TRANSPORT  
ORGANIZATION

## UNITED ARAB EMIRATES

CUSTOMS CONVENTION ON THE INTERNATIONAL TRANSPORT OF GOODS  
UNDER THE COVER OF TIR CARNETS ( TIR CONVENTION, 1975)

الإمارات العربية المتحدة

الاتفاقية الجمركية للنقل الدولي للبضائع

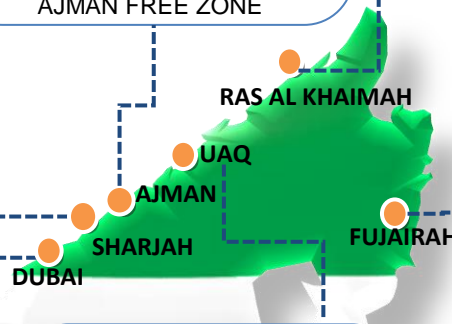
تحت غطاء بطاقات النقل البري بالعبور (اتفاقية التير، 1975)

# TIR SYSTEM - ACTIVATED CUSTOMS CENTER IN UNITED ARAB EMIRATES

SHARJAH INLAND CONTAINER TERMINAL  
 SHARJAH AIRPORT TERMINAL  
 SAIF ZONE (Free Zone)  
 PORT KHALID'S (Sea Port)  
 HAMRIYAH CUSTOMS CENTER (Free Zone)  
 KHOR FAKKAN PORT (Sea Port)  
 KHATMAT MELAHA

JEBEL ALI SEAPORT & FREE ZONE  
 DUBAI AIRPORT FREE ZONE  
 DUCAMZ  
 DWC AL MAKTOUM CARGO TERMINAL  
 DWC AL MAKTOUM PAX TERMINAL  
 DUBAI LOGISTICS CITY  
 DUBAI AIRPORT CARGO VILLAGE  
 TECOM CUSTOMS CENTER\*\*  
 \*\*13 More Free zones

AJMAN PORT  
 AJMAN POST OFFICE CUSTOMS  
 AJMAN FREE ZONE



AHMED BIN RASHID U.A.Q PORT

ABU DHABI

NORTH & SOUTH FREE ZONE  
 AL DARAH PORT CUSTOMS (Land)  
 RAK INTERNATIONAL AIRPORT CUSTOMS  
 SAQR PORT CUSTOMS (Sea Port)  
 AL JAZEERA AL HAMRA PORT CUSTOMS  
 RAK PORT CUSTOMS (Sea Port)  
 AL GHAIL FREE ZONE CUSTOMS

FUJAIRAH FREEZONE CUSTOMS  
 FUJAIRAH INTL AIRPORT CARGO CUSTOMS  
 FUJAIRAHSEAPORT CUSTOMS

ABU DHABI AIRPORT CUSTOMS CENTER  
 ABU DHABI AIRPORT CARGO TERMINAL  
 ABU DHABI AIRPORT (Free Zone)  
 KHALIFA PORT CUSTOMS  
 AL-GHUWAIFAT (SILAA)  
 KHATM AL-SHAKLAH  
 MEZYAD CUSTOMS CENTER  
 ABU DHABI LOGISTICS PARK  
 ABU DHABI AIRPORT – SKYCITY  
 MASDAR  
 AL AIN AIRPORT CARGO  
 ZAYED PORT AND FREE PORT CUSTOMS  
 AL BATEEN EXECUTIVE AIRPORT



### INTERNATIONAL - TIR TRANSPORT BUSINESS CASES

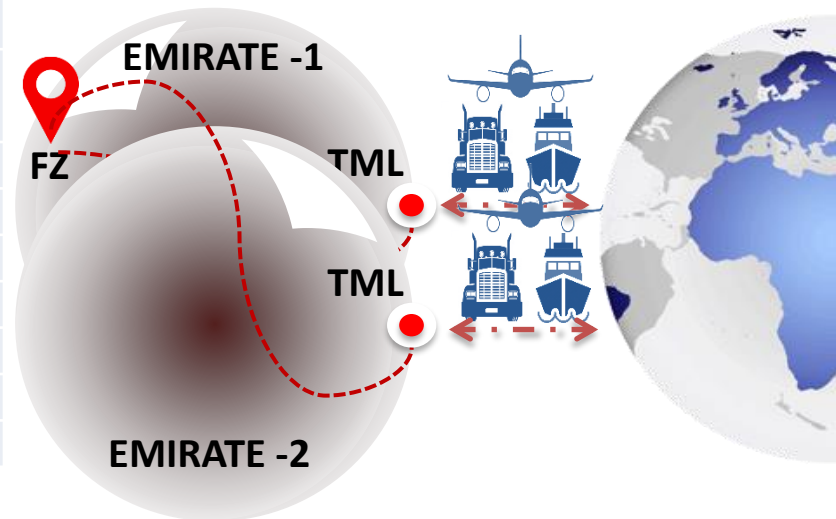
REGIME	SCENARIO	TIR PROCEDURE
EXPORT	EXPORT FROM UAE BASED FREE ZONE VIA LAND/SEA TERMINALS TO ROW	TIR START: UAE TIR END: ROW
IMPORT	IMPORT FROM ROW TO UAE FREE ZONE VIA LAND/SEA TERMINALS	TIR START: ROW TIR END: UAE

ROW: REST OF THE WORLD ( WITH TIR OPERATION)

### INTERNAL - TIR TRANSPORT BUSINESS CASES

FROM	UNITED ARAB EMIRATES		TO
	TIR - START	TIR - END	
FREE ZONE	FREE ZONE	SEA TERMINAL	ROW
FREE ZONE	FREE ZONE	AIR TERMINAL	ROW
ROW	SEA TERMINAL	FREE ZONE	FREE ZONE
ROW	AIR TERMINAL	FREE ZONE	FREE ZONE
ROW	LAND TERMINAL	FREE ZONE	FREE ZONE
-	<i>FREE ZONE</i>	<i>FREE ZONE</i>	-

ROW: Rest of the World (WITHOUT TIR OPERATION)



# TIR



## TRANSPORT ENHANCEMENT

- DUTIES & TAXES GUARANTEED
- SIMPLIFIED CUSTOMS PROCEDURES
- CUSTOMS BORDER MANAGEMENT
- COST AND TIME SAVING
- NETWORK OF OVER 35000 HOLDERS
- GCC CUSTOMS COMPLIANCE



## MUTUAL RECOGNITION

- HARMONIZED PROCEDURES
- ACCESS TO OVER 74 TIR COUNTRIES
- DIGITAL TIR\*



## CUSTOMER

- FREE ZONE & MAINLAND COMPANIES
- TRANSPORT AND MARITIME INDUSTRY



## GOALS

- TRADE FACILITATION - PPP
- ECONOMIC GROWTH
- GLOBAL COMPETITIVENESS-LPI
- OBOR INITIATIVE



## SAFETY & SECURITY

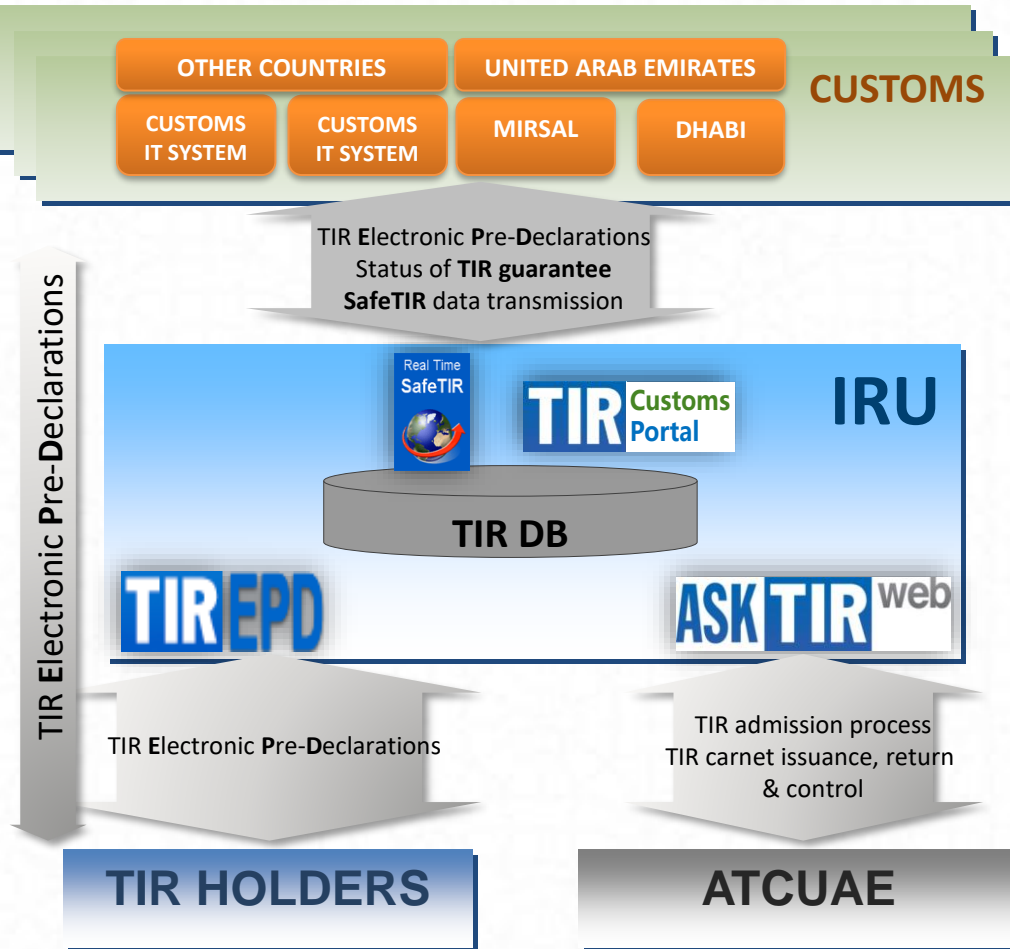
- TIR APPROVED ROAD VEHICLE
- RISK MANAGEMENT
- GLOBAL TIR DATABASE
- EFFECTIVE COMMUNICATION



**TIR** ٨٠% + ٣٨%







## TIREPD

- ✓ Integrated with UAE Customs Authorities
- ✓ Send advance cargo information to customs
- ✓ Priority on customs inspection
- ✓ Reduce time & transport cost
- ✓ Completely digital transaction

# Thank you

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**Head of TIR**

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**Automobile & Touring Club of the UAE**



## **Federal Law No. 9**

Issued on 11/06/2017

Corresponding to 16 Ramadan 1438 H

### **ON VETERINARY PRODUCTS**

We, Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates State,

After perusal of the Constitution,

Federal Law no. (1) of 1972 on the Competencies of Ministries and Powers of the Ministers, and its amendments;

Federal Law no. (6) of 1979 on the veterinary quarantine, and its amendments;

Federal Law no. (3) of 1987 promulgating the Penal Code, and its amendments;

Federal Law no. (35) of 1992 promulgating the Criminal Procedure Law, and its amendments;

Federal Law no. (10) of 2002 on the practice of the Veterinary Medicine Profession;

Federal Law no. (16) of 2007 on animal protection, and its amendments;

Federal Law no. (2) of 2015 on the Commercial Companies;

Federal Law no. (19) of 2016 on Combating Commercial Fraud;

And according to the suggestion of the Minister of Climate Change and Environment, the approval of the Cabinet and the Federal National Council and the ratification of the Federal Supreme Council,

Issued the following Law:

#### **Article 1 - Definitions**

In the implementation of the provisions of this Law, the following words and expressions shall have the meanings stated beside them unless the context requires otherwise:

State: The United Arab Emirates.

Ministry: Ministry of Climate Change and Environment.

Minister: Minister of Climate Change and Environment.

Competent Authority: Local authority concerned in every Emirate.

Veterinary Product: Substance, combination of substances or ingredient of a substance prepared for treatment, prevention or diagnosis of medical conditions, repair or alteration of the animals' physiological functions.

Products Company: Owner of the veterinary plant or holder of the right of manufacture or marketing of Veterinary Products.

Veterinary Products Plant: Entity in which the Veterinary Products are manufactured.

Veterinary Products Warehouse: Place specified and licensed for the import, storage or whole distribution of Veterinary Products.

Registration Applicant: Official representative or entity approved by the company for the registration of the latter or of Veterinary Products.

Registration Committee: Registration Committee of the Veterinary Products Companies.

## **Article 2- Licence**

The Veterinary Products companies, plants and warehouses at the State shall obtain a licence from the Ministry according to the conditions and rules determined by the Implementing Regulation of this Law.

## **Article 3- Registration of Companies and Plants**

Taking Article (7) into consideration, the Veterinary Products companies and warehouses operating outside the State shall register at the Ministry before commencing any activity inside the State.

## **Article 4- Registration Conditions and Rules**

Veterinary Products shall be registered at the Ministry according to the conditions and rules determined by the Implementing Regulation of this Law.

## **Article 5- Certificate of Registration**

The Ministry shall grant a certificate of registration to the Veterinary Products companies and warehouses and to the Veterinary Products, of a period of five years, renewable for similar periods according to the conditions and rules determined by the Implementing Regulation of this Law.

## **Article 6- Tasks of the Ministry**

The Ministry shall:

1- License the Veterinary Products' companies, plants and warehouses inside the State.

2- Register the Veterinary Products' companies and plants operating outside the State before commencing their activities inside the State.

3- Register the Veterinary Product.

4- Study the technical reports submitted by the international organisations or authorities on the Veterinary Products and their companies and take necessary action in their regard.

5- Monitor the Veterinary Products after their marketing, receive reports from veterinary hospitals or clinics on the quality and safety thereof, and take necessary action in their regard.

6- Prepare and publish lists of the Veterinary Products prohibited to be used on various animal species.

7- Carry out the pricing of the Veterinary Products according to the principles determined by the Implementing Regulation of this Law.

8- Any other relevant tasks for which a decision is issued by the Cabinet.

#### **Article 7- Tasks of the Competent Authority**

Without prejudice to Clause (1) of Article (6) of this Law, the Competent Authority shall proceed with all other procedures related to the licensing locally.

#### **Article 8- Commencement of Production**

The Veterinary Products Plant licensed at the State shall not commence production until after registration at the Ministry.

#### **Article 9- Adherence to the Purpose of the Licence**

The Veterinary Products Plant shall not be used for any purpose other than that for which it was licensed after obtaining the consent of the Ministry.

#### **Article 10- Good Manufacturing**

The Veterinary Products Plant shall comply with the principles of good manufacturing of Veterinary Products, as determined by the Implementing Regulation.

### **Article 11- Registration Condition**

The Registration Applicant shall hold a warehouse licence in order to carry out whole trading of Veterinary Products.

### **Article 12- Cancellation of Registration**

The registration of the Veterinary Products companies and plants shall be cancelled by a decision of the Ministry in the following cases:

- 1- Forgery or manipulation of the submitted documents.
- 2- Permanent closure of the company or prohibition of use of all its products.
- 3- Manipulation of the contents of the Veterinary Product in violation of its registration decision.
- 4- Violation of the registration conditions.
- 5- Any other cases determined by the Implementing Regulation.

### **Article 13- Provision of Veterinary Products**

The Ministry may compel the registered Veterinary Products companies and plants and the warehouses representing the same, to provide their registered Veterinary Products in case of absence of alternatives.

### **Article 14- Prohibited Acts**

The following shall be prohibited:

- 1- Import, marketing or trading of Veterinary Products before their registration at the Ministry.
- 2- Import, marketing or trading of any registered Veterinary Product in case of any change or amendment made thereto without the consent of the Ministry.
- 3- Import of samples of any Veterinary Product for the purpose of research or marketing without the consent of the Ministry.

### **Article 15- Import of Non-Prohibited Veterinary Products**

As an exception to Clause (1) of the previous Article, the Minister may permit the import of non-prohibited Veterinary Products prior to registration, as determined by the Implementing Regulation of this Law.

### **Article 16- Manufacturing of Non-Registered Veterinary Products**

Non-registered and non-prohibited Veterinary Products may be manufactured only for the purpose of export according to the conditions and rules determined by the Implementing Regulation of this Law.

### **Article 17- Obligations of the Companies, Plants and Warehouses**

The Veterinary Products companies, plants and warehouses shall notify the Ministry of the following:

- 1- Changes occurring to the Veterinary Product or the producing company.
- 2- Warnings issued by the company concerning the safety and effectiveness of the Veterinary Product.
- 3- If the manufacturing or trading of the Veterinary Product is discontinued or suspended in the country of origin.
- 4- Repeated complaints received by them concerning their Veterinary Products.

### **Article 18- Advertising of the Veterinary Product**

The Veterinary Product shall not be advertised in the media except with the consent of the Ministry, according to the conditions and rules determined by the Implementing Regulation of this Law.

### **Article 19- Registration Committee of Veterinary Products and their Companies**

1- A Committee shall be established at the Ministry under the name (Registration Committee of Veterinary Products and their Companies). A decision shall be issued by the Minister on the formation and work system thereof as well as the mechanism of grievance against the decisions issued by it.

2- The Committee referred to in Clause (1) of this Article shall:

- a- Register the Veterinary Products companies and plants.
- b- Register the Veterinary Products.
- c- Ensure that the Veterinary Products Plants apply the principles of good practice of pharmaceutical manufacturing upon registration.
- d- Any other relevant competencies assigned by the Minister.

## **Article 20- Obligations of the Ministry**

The Ministry shall prohibit the import, discontinue the distribution, prohibit the trading, withdraw or retrieve the Veterinary Product or suspend or cancel the registration thereof in the following cases:

- 1- Making changes or amendments thereto without the consent of the Ministry.
- 2- Reports are submitted by the Ministry on its toxicity or any serious side effects thereof.
- 3- Reports are submitted by the Ministry on the presence of a defect in the quality or effectiveness thereof.
- 4- Suspension of the use thereof upon the recommendation of relevant international regulatory organisations or authorities.
- 5- Deletion of its registration or suspension of its production at the country of origin.
- 6- Invalidity of the information related thereto submitted in the registration file.
- 7- Failure of the company or its agent to submit a registration renewal application of the Veterinary Product before a period of at least (180) days from the date of expiry of the certificate of registration.
- 8- Any other cases determined by the Implementing Regulation of this Law.

## **Article 21- Rules of the Veterinary Products**

The Implementing Regulation shall determine the rules related to the import, manufacturing, storage, trading, transport, sale and disbursement of Veterinary Products.

## **Article 22- Disposal of Veterinary Products**

The Veterinary Products companies, plants and warehouses shall, upon disposal of the destroyed or expired Veterinary Products, carry out such disposal in a way that respects public safety conditions and does not lead to the pollution of environment according to the legislation in force.

The Implementing Regulation shall determine the mechanisms, rules and cases of disposal of Veterinary Products.

## **Article 23- Penalties**



Shall be punished by imprisonment and a fine not less than (10,000) ten thousand AED and not exceeding (500,000) five hundred thousand AED or by any of these penalties, whoever:

1- Sells, offers, acquires, manufactures or composes a fraudulent, spoiled, expired, contraindicated or imitated Veterinary Product.

2- Enters to the State, transports or stores a non-registered, fraudulent, spoiled, expired or imitated Veterinary Product or attempts any of the same.

3- Enters to the State packages or covers of a certain Veterinary Product with the intent of fraud or imitation.

4- Makes, prints, acquires, sells or offers packages or covers of a certain Veterinary Product with the intent of fraud or imitation.

5- Manufactures, imports, markets or trades any Veterinary Product not registered at the Ministry.

6- Makes any change or amendment to a registered Veterinary Product without obtaining the consent of the Ministry.

In all cases, the Court shall rule the confiscation of the seized substances subject of the violation.

#### **Article 24**

Shall be punished by imprisonment and a fine not less than (50,000) fifty thousand AED and not exceeding (500,000) five hundred thousand AED or by any of these penalties, whoever imports, trades or markets any registered Veterinary Product to which a change or amendment is made without obtaining the consent of the Ministry.

#### **Article 25**

Shall be punished by imprisonment and a fine not less than (20,000) twenty thousand AED and not exceeding (100,000) one hundred thousand AED or by any of these penalties, whoever imports samples of any Veterinary Product for the purpose of research or marketing without obtaining the consent of the Ministry.

#### **Article 26**

Shall be punished by imprisonment and a fine not less than (50,000) fifty thousand AED and not exceeding (500,000) five hundred thousand AED or by any

of these penalties, whoever uses the Veterinary Products Plant for any purpose other than the manufacturing of Veterinary Products without obtaining the consent of the Ministry.

#### **Article 27**

Shall be punished by a fine not less than (10,000) ten thousand AED and not exceeding (200,000) two hundred thousand AED, whoever:

1- Provides incorrect information related to the Veterinary Product or refrains from providing information requested by the Ministry.

2- Uses incorrect information for the promotion of a Veterinary Product whether on the product or in the advertising thereof.

3- Advertises the Veterinary Products in the media without obtaining the consent of the Ministry.

#### **Article 28- No Prejudice to any more Severe Penalty**

The imposition of the penalties set forth in this Law shall not prejudice any other more severe penalty stipulated in another Law.

#### **Article 29- Reconciliation**

1- The criminal action shall not be set in motion for the crimes set forth in Article (27) without a written request from the Ministry or the Competent Authority.

2- Reconciliation may be made for the crimes set forth in Article (27) before referring the case to the competent Court against an amount not exceeding (150,000) one hundred and fifty thousand AED per each crime.

3- The Cabinet shall issue a decision stating the rules of reconciliation and the financial amount for the reconciliation of each of the crimes set forth in this Article.

#### **Article 30- Administrative Sanctions**

The Ministry or the Competent Authority may impose any of the following administrative sanctions in case of violation of any provision of this Law or its Implementing Regulation:

1– Warning.

2- Closure of the Veterinary Products Company, plant or warehouse for a period not exceeding six months.

3- Permanent closure of the Veterinary Products Company, plant or warehouse.

### **Article 31- Judicial Officers**

The employees specified by a decision from the Minister of Justice, under agreement with the Minister or head of the Competent Authority, shall have the capacity of judicial officers in the proof of acts occurred in violation to the provisions of this Law, its Regulation and decisions issued pursuant thereto.

### **Article 32- Adjustment of the Situation**

The Veterinary Products companies, plants and warehouses existing at the time of entry into effect of this Law shall adjust their situation according to the provisions of this Law within six months from the date of its entry into force. The period may be extended for a similar period by a decision from the Cabinet.

### **Article 33-Determination of Fees**

The Cabinet shall issue a decision to determine the fees as per the provisions hereof.

### **Article 34- Implementing Regulation**

The Cabinet shall issue the Implementing Regulation of this Law within six months from the date of its entry into effect.

### **Article 35- Abrogation**

Any provision violating or contradicting the provisions of this Law shall be abrogated.

### **Article 36- Publication and Entry into Effect of the Law**

This Law shall be published in the Official Gazette and shall enter into effect on the day following the date of publication thereof.

Issued by Us at the Presidential  
Place in Abu Dhabi:

On: 11 June 2017

Corresponding to: 16 Ramadan 1438 H

**Khalifa bin Zayed Al Nahyan**

**President of the United Arab Emirates State**

This Federal Law was published in the Official Gazette No. 616 (Annex) p. 45.



According to the Standardization Organization for GCC (GSO) a Technical regulation has been implemented for Motor Vehicle-Dimensions and weights. The scope of such regulation is to standardize the maximum allowable length, width, height, gross weight and axle load for buses, trucks, trailers and semi-trailers used on roads.

Regulation is as follows.

#### 1.0 DEFINITIONS

Trailer	A vehicle of which, on account of its design, no substantial part of the total weight is supported by the towing vehicle. A semi-trailer with dolly is considered as a trailer.
Tractor:	A truck (provided with fifth wheel) designed primarily for drawing a semi-trailer and not so constructed as to carry a load other than a part of the weight of the semi-trailer.
Semi-trailer:	A trailer which is designed to be coupled to a tractor by fifth wheel and to impose a part of its total weight on the tractor
Truck:	A motor vehicle intended for carrying persons and luggage which has more than nine seating places including the driver's seat
Bus:	A motor vehicle intended for carrying goods, or towing a trailer
Maximum (gross) weight vehicles (GVW):	Weight of the vehicle loaded with the maximum load specified by the manufacturer.
Maximum (gross) axle weight (GAW):	The maximum load carrying capacity, specified by the manufacturer, of a single axle measured at the tyre-ground interfaces.
Overhang:	The horizontal distance (a bus, truck, trailer or semi-trailer) between the center of the rear most axle and the rear most part of the body, or between the center of the front most axle and the front most part of the body.
Total height:	The vertical distance between the road surface and the uppermost point of the vehicle.
Total width:	The horizontal distance, measured perpendicularly to the longitudinal axis of the vehicle, between the outermost protrusion on both sides.
Total length:	The horizontal longitudinal distance between the foremost point and the rearmost point.
Turning	The radius of the circle traced by the center point of contact surface of

radius: the outer tire on front steerable axle, when the vehicle is turning with the steering in the extreme right/left position.

Axle end: Group of tires on one of the axle ends bearing half the load lying on the axle end.

## REQUIREMENTS

The following requirements shall be met:

### Dimensions

1. The total length shall not exceed 12.5 m for a single truck or bus, 18 m for a tractor or semi-trailer, 20 m for a truck or trailer, and 23 m for carriers of small motor vehicles. The total width of a vehicle shall not exceed 2.6 m and the total height 4.2 m, in the cases specified below:
2. When the ladder of an escalade motor vehicle, or the turret of an overhead-wire repair motor vehicle, is basically housed in a horizontal position.
3. When mirrors and flexible antennas are removed.
4. None of the outward-opening windows or ventilators and wing mirrors shall protrude by more than 300 mm outward from the outermost point on both sides, of the motor vehicle, and by more than 300 mm upward from the highest top point of the motor vehicle. In the case of rear-wing mirrors attached to a tractor towing a trailer with a width exceeding that of the tractor, a protrusion of these mirrors not exceeding 300 mm from the outer most point on both sides of the trailer may be allowed.
5. The rear and front overhang shall be determined in accordance with the vehicle design so as to maintain the stability of the vehicle.

### Maximum vehicle and axle weights

1. The maximum vehicle weight of a truck, bus, truck with trailer, tractor with semi – Trailer or any other permitted combination, shall not exceed 45 tons.

### Maximum axle weights

1. The maximum weight for a steerable single axle with a single tire shall not exceed 8.0 tons and with a double tire 10 tons and 13 tons for an unsteerable single axle.
2. The maximum weight on two adjacent axles (Tandem) shall not exceed the following:

Distance between the two adjacent axles	Max. weight permitted on the two adjacent axles
From 0.9 up to 1.00	14.7
From 1.00 up to 1.10	16.1
From 1.10 up to 1.20	17.5
From 1.20 up to 1.30	18.9
From 1.30 up to 1.35	20.3
From 1.35 up to 2.50	21.0
More than 2.50	Each axle is to be treated as a single axle.

The maximum permitted weight for three adjacent (Tandem) axles shall not exceed the following:

Distance between the first and third axles (Metres)	Max. weight permitted on the three adjacent axles (Tons)
3 m and less	26
More than 3 m	32

The maximum weight on any un steerable axle end shall not exceed 6.5 tons.

For vehicles with dimensions and/or weights exceeding the limits given in this standard and which are necessarily needed for use, an approval from the authorities responsible for transportation shall be attained prior to their clearance and use on roads.

#### Maximum Front Axle Load

Front Axle Load	Country
6.500 tons	Saudi Arabia
6.750 tons	U.A.E
8.000 tons	Bahrain

Maximum Rear Axle Load

Rear Axle Load	Country
11.000 tons	Bahrain
13.000 tons	Oman, Qatar, Saudi Arabia
13.500 tons	U.A.E

**DRIVING RESTRICTIONS:**

Truck freight Ban

SHARJAH CITY ROAD BAN TIMINGS FOR HEAVY VEHICLES:

5:30 am to 9:30 am; 1 pm to 3 pm; 5:30 pm to 9:30 pm

DUBAI/AUH CITY ROAD BAN TIMINGS FOR HEAVY VEHICLES:

6:30 am to 8 am; 1 to 3 pm; 6:30 pm to 8 pm

Ras Al Khaimah roads for trucks charge road tax.- AED 110.00

KSA maximum load weight limit for trucks is 25 metric tons.