



SUSPENDED CUSTOMS DUTY

Suspended

Customs Duty

This Section (seventh) of Common Law of GCC States, deals with cases where the goods could be released and moved from one place to another in 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”. 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 .

for the benefit of ensuring unification of Customs procedures and with compliance to laws, agreements and the regulations relevant to Cases Where Customs Taxes “Duties” are suspended, Dubai Customs Administrative law No (24/2009) was issued to establish a Section for Cases Where Customs Duties are Suspended under the administration of Customs Tariff and Origin Dept – Customs Policies and Legislation Division.

General Provisions

Goods that are imported for the local consumption are dutiable for collecting customs revenues and protection of the national security, exceptionally, in the event of importing the goods or transporting goods from somewhere to the country under any of the cases (Cases where customs taxes “duties” are suspended) and not importing for the local consumption, the taxes “duties” imposed on these goods shall be suspended against submission of a bail or bank guarantee that shall be equivalent to the amount of the customs taxes “duties” due

The materials and articles released under temporary admission and under any of the cases “cases where customs taxes “duties” suspended” shall not be used, allocated or disposed of for purposes and objectives other than those for which they were imported and declared without permission or consent from the Customs Dept

Cases Where Customs Taxes “Duties” are Suspended Involves:

1. Transit of goods
2. Customs warehouses
3. Free Zones and Free Shops
4. Temporary Admission “ATA.”
5. Import for Re-Export

Transit (transit of goods)

Transit is a customs procedure that allows goods to move between a Customs Center to another whilst the customs duties are suspended by depositing cash or bank guarantee.

Transit is a duty deferring customs status permitting the transport, through a Customs house in UAE and under Customs control, of foreign goods from one Customs house,



warehouse or free zone to another Customs house, warehouse or free zone in UAE or abroad.

National transit of goods is required if goods are to be moved within the territory of the State originating from the checkpoint till their destination where necessary procedures are to complete .

International transit of goods is required if goods are to be once moved across State to another State or different borders .

Transit Basic Principles

1. Identification measures, (Sealing): must lock and seal goods or containers in their checkpoint of transit
2. (Guarantee system): must submit suspended fiscal guarantee to the customs transiting authority against ensuring payment of duties in case the goods are not re-transported from the transit country .
3. (Effective regular procedure / simplified systems): this will facilitate declaration to ensure that goods have been transported from the country for refunding the deposited guarantee.

Customs Warehouses

Means the customs procedure under which imported goods are stored under customs control in a designated place (a customs warehouse) without payment of import duties and taxes till the goods either be sold or re-exported, conditionally, financial bail which guarantees any possible customs duty must be granted.

Benefits of Establishment Customs Warehouses

The process storage in customs warehouse facilitates movement of goods importation, when goods are intended for the local use, this procedure shall allow importers to delay payment of customs duties until these imported goods are to be used for the local consumption, and in case, if not intending to place goods for the local consumption but intended to re-exportation, the importer shall not be subject to any customs tax or duty and the goods shall be re-exported and moved from the country.

Other related benefits of warehousing to importers or owners of goods is that they can take, samples, examine goods, packaging, re-packaging etc .

Types of Customs Warehouses:

A customs warehouse can be either:

- Public warehouse
- Private warehouse



A Public Customs Warehouse:

It is premises or place where goods are stored under the supervision of the Customs Administration.

Investing Authority:

Dept, or firm or any person natural or artificial who is authorized by the Customs Administration to store the goods and guarantee safety of the goods that own by exporters against the payment of the customs services dues.

A Private Warehouse:

It is premises or place used to store goods deposited by an individuals, natural or artificial under the supervision of the Customs Administration meanwhile, customs duties or taxes are temporarily suspended in accordance to the provisions of the law.

Private Customs Warehouse Owner:

Means the Department or the firm or any person, natural or artificial authorized to establish the private customs warehouse

Free Zone

A designated area for industrial or commercial operations where goods are not subject to regular control of customs and its introduction and extraction is not burdened with the payment of taxes.

Duty Free Shop:

Is a designated building or a place where goods are deposited as cases where customs duties or taxes suspended for the purpose of shows and sales.

Temporary Admission Terms and Conditions

- Unified Common Customs of GCC States

Temporary admission (of goods) for inward processing

Means the customs procedure under which certain goods can be brought into a customs territory conditionally relieved from payment of import duties and taxes; such goods must be intended for re-exportation within a specific period.

Purpose

There are many reasons for which temporary admission of goods can be allowed while suspending customs taxes “duties”, some of these reasons can be for shows, use for exhibition, or Personal effects or firms for the certain purposes including importation of containers used in international transportation of goods and vehicles used in international trips.



Goods are permitted to temporary admission in order to facilitate trades flows and simplify customs procedures. Imposing taxes on importation of (ATA goods) and then refunding taxes at time of their exportation may complicate customs procedures and obstruct movement of international trades' activities.

Import for Re-export

Goods are permitted to Import for re-export into the state against depositing cash or bank guarantee equivalent to customs duties and the re-exportation shall be within a time period not to exceed six (6) months from the date of

