



This is not an official Translation:

## **The Mechanism for Calculating the Percentage of Sugar and Other Sweeteners in Concentrates, Powders, Gels, and Extracts for which no Guidelines are Available or where the Guidelines were Proven Inaccurate**

Federal Tax Authority Decision No. 10 of 2025 – Issued 12 Dec 2025 (Effective from 1 Jan 2026)

### **The Chairman of the Board of Directors of the Federal Tax Authority has decided:**

- Having reviewed the Constitution,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Decree-Law No. 7 of 2017 on Excise Tax, and its amendments,
- Cabinet Decision No. 37 of 2017 on the Executive Regulation of the Federal Decree-Law No. 7 of 2017 on Excise Tax, and its amendments,
- Cabinet Decision No. 197 of 2025 on Excise Goods, Tax Rates or Amounts Imposed on Excise Goods, and the Methods of Calculating the Excise Price,
- Decision of the Chairman of the Board of Directors No. 9 of 2021 on the Delegation to the Vice Chairman of the Board of Directors of the Federal Tax Authority, and
- Pursuant to the approval of the Board of Directors on the Authority's Memorandum on the mechanism for calculating sugar and other sweeteners in concentrates, powders, gels, and extracts for which no guidelines are available or where the guidelines were proven inaccurate, in its 41<sup>st</sup> meeting held on 30/10/2025.

### **Article 1 – Definitions**

In the application of the provisions of this Decision, the following words and expressions shall have the meaning assigned against each, unless the context otherwise requires:



Authority	: Federal Tax Authority.
Sweetened Drink	: Any product to which a source of sugar, artificial sweeteners, or any other sweeteners has been added, that is produced for consumption as a Drink, whether ready-to-drink, concentrate, powder, gel, extract or any form that can be converted into a sweetened drink.
Concentrated Products	: Concentrates, powders, gels, and extracts that can be converted into Sweetened Drinks.
Unit of Concentrated Product	: The packaging unit of a Concentrated Product, whether in the form of a bottle, can, packet, or any other packaging unit.
Dilution Ratio	: The Volume in millilitre, of the final ready-to-drink product resulting from each 1 millilitre or 1 gram of the Concentrated Product after being diluted by water or any other components.
Low-Sugar Category	: Sweetened Drinks that contain less than 5 grams of total sugar and other sweeteners per 100 millilitre of the drink.
Artificially Sweetened Category	: Sweetened Drinks to which only artificial sweeteners are added.
Laboratory Report	: A document relating to the content of sugar, other sweeteners, and artificial sweeteners in Sweetened Drinks, issued by an accredited laboratory in accordance with the list of accredited laboratories published by the Ministry of Industry and Advanced Technology.

## Article 2 – Mechanism for Calculating the Percentage of Sugar and Other Sweeteners for Concentrated Products

1. Where the guidelines regarding the amount of sugar or other sweeteners in Concentrated Products are not available, or where such guidelines are proven to be inaccurate, the percentage of sugar and other sweeteners in such products shall be calculated in accordance with the following mechanism:
  - a. The Taxable Person shall obtain a Laboratory Report on the Unit of



Concentrated Product showing the total amount of sugar and other sweeteners contained therein and submit such report to the Authority.

- b. The volume of the final Sweetened Drink of the Concentrated Product shall be calculated as per the following formula:

*Volume of the final drink = (total amount of sugar and other sweeteners content in gram as determined in Paragraph (a) of Clause 1 of this Article) X 20*

- c. The Authority shall determine the Dilution Ratio for the Concentrated Product as per the following formula:

*Dilution Ratio = (volume of the final drink calculated as per Paragraph (b) of Clause 1 of this Article) ÷ (volume (in millilitres) or weight (in grams) of the Unit of Concentrated Product referred to in Paragraph (a) of Clause 1 of this Article).*

2. The following cases shall be excluded from the application of the mechanism referred to in Clause 1 of this Article:
- a. If the Concentrated Product is in a liquid form and the Laboratory Report shows that the total amount of sugar and other sweeteners is less than 5 grams per 100 millilitres, the Concentrated Product shall be classified under the Low-Sugar Category.
- b. If the Laboratory Report shows that the Concentrated Product contains only artificial sweeteners, the Concentrated Product shall be classified under the Artificially Sweetened Category.

## Article 3 – Implementation of the Decision

This Decision shall be published in the Official Gazette and shall come into effect on 1 January 2026.