



# Taxable Persons Guide

## Excise Tax | ETGTP1

January 2026



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## 1. Glossary

**Administrative Penalties Assessment:** A decision issued by the FTA in relation to the Administrative Penalties due.

**Business:** Any activity conducted regularly, on an ongoing basis and independently by any Person, in any location, which involves or may involve trading in Excise Goods.

**Business Day:** Any day of the week, except weekends and official holidays of the Federal Government.

**Commercial Evidence:** The document issued by sea, air or land transport companies and agents, which proves the transfer and departure of Excise Goods from the UAE to outside the UAE, and includes any of the following documents:

- air waybill or air manifest
- sea waybill or sea manifest
- land waybill or land manifest

**Deductible Tax:** The Tax that has been paid, or considered as have been paid, by a Taxable Person, which it may deduct in accordance with the provisions of the Excise Tax Decree-Law.

**Designated Zone:** Any fenced area established as a free zone that cannot be entered or exited except through a designated road, and any area designated by the FTA as being subject to the supervision of a Warehouse Keeper, in accordance with the provisions of the Excise Tax Executive Regulation.

**Due Tax:** Tax that is calculated and imposed pursuant to the provisions of the Excise Tax Decree-Law.

**Excise Goods:** Goods that will be determined as being subject to Tax by a Cabinet Decision upon the recommendation of the Minister.

**Export:** The departure of goods from the territory of the UAE.

**FTA:** Federal Tax Authority, being the Authority responsible for the administration, collection and enforcement of federal taxes in the UAE.

**Import:** The arrival of goods from abroad into territory of the UAE.

**Importer:** The Person whose name appears for customs clearance purposes as the Importer of the Excise Goods on the date of Import.



**Legal Representative:** The guardian or custodian of an incapacitated Person or minor, or the bankruptcy trustee appointed by the court for a company that is in bankruptcy, or any other Person legally appointed to represent another Person.

**Minister:** Minister of Finance.

**Official Evidence:** An export certificate issued by one of the customs departments in the UAE or a clearance certificate issued by any of these departments or competent authorities in the UAE regarding Excise Goods leaving the UAE after verifying their departure from it, or any document or clearance certificate certified by the competent authorities in the country of destination stating the entry of the Excise Goods.

**Person:** A natural or legal person.

**Refundable Tax:** Amounts that have been paid and that the FTA may return to the Person pursuant to the provisions of the Excise Tax Decree-Law.

**Registrant:** The Taxable Person who has been issued with a TRN.

**Stockpiler:** The Person who owns Excise Goods and cannot demonstrate that such goods had been previously subject to Tax pursuant to the conditions specified in the Excise Tax Executive Regulation.

**Tax:** Excise Tax.

**Tax Agent:** Any Person registered with the FTA who is appointed on behalf of another Person to represent him before the FTA and assist him in the fulfilment of his obligations and the exercise of his associated Tax rights.

**Tax Audit:** A procedure undertaken by the FTA to inspect the commercial records or any information, data or goods related to a Person to verify the fulfilment of its obligations in accordance with the provisions of the Excise Tax Decree-Law or the Tax Procedures Law.

**Tax Evasion:** The Person's use of illegal means, resulting in the reduction of the amount of the Due Tax, non-payment thereof, or a refund of a Tax that the Person did not have the right to have refunded.

**Tax Period:** A specific period of time for which the Payable Tax shall be calculated and paid.

**Tax Registration:** A procedure whereby the Taxable Person or his Legal Representative registers at the FTA for Tax purposes.

**Tax Registration Number (TRN):** A unique number issued by the FTA for each Person registered for Tax purposes.



**Tax Return:** Information and data specified for Tax purposes and submitted by the Taxable Person in accordance with the form prepared by the FTA.

**Taxable Person:** Any Person registered or obligated to register for Tax purposes under the provisions of the Excise Tax Decree-Law.

**UAE:** United Arab Emirates.

**Voluntary Disclosure:** A form prepared by the FTA pursuant to which the Taxpayer notifies the FTA of any error or omission in the Tax Return, Tax Assessment or Tax Refund application in accordance with the provisions of the Tax Procedures Law.

**Warehouse Keeper:** Any Person approved and registered at the FTA to supervise a Designated Zone in accordance with the provisions of the Excise Tax Executive Regulation.



## 2. Introduction

This is part one of two Taxable Person Guides for Excise Tax, covering the Excise Tax legislation in the UAE:

- ETGTP1 – covers the legislative provisions as they apply to Excise Goods generally, and
- ETGTP2 – covers the products subject to Excise Tax and the application of the general provisions on Excise Goods.

The two guides together replace EG001.

### 2.1. Purpose of this guide

This guide is the main reference guide to Excise Tax in the UAE. It provides you with:

- an overview of the main Excise Tax rules and procedures in the UAE and how to comply with them,
- assistance with the more likely questions Businesses may have, and
- references to more specialised publications and where they have been published.

Not everything within this guide will apply to every Business and it is not expected that every Business will need to read the entire document.

### 2.2. Changes to the previous version of the guide

A number of changes have been made to the previous version of the guide and are identified in chapter 16 of this guide.

### 2.3. Who should read this guide?

Anyone who is in Business and imports, stockpiles and/or produces Excise Goods or anyone who is a Warehouse Keeper of a Designated Zone and is, or thinks that they should be, registered for Excise Tax in the UAE should read this guide.

### 2.4. How to use this document

The guide is split into chapters by topic. This includes an initial chapter in respect of where to seek further assistance should you have questions on the content of this guide, or on areas that are not specifically dealt with here.

Subsequent chapters are organised by subject matter to cover the fundamentals involved in the Excise Tax compliance process, which should be generally applicable



to Excise Tax-registered Persons, from registering through to submitting returns and making payments.

You will also find what to expect in respect of the FTA compliance checks as well as dispute resolution procedures, which are available to you in the event that you disagree with a decision of the FTA.

This guide is intended to be read in conjunction with the relevant legislation and other relevant guidance published by the FTA.

## 2.5. Other important publications

The FTA publishes other documents intended to provide additional useful information. These publications will be in the form of:

Publication type	Series reference	Purpose
<b>Guide</b>	ETGXXX	A document that provides Taxpayers with guidance on specific Excise Tax matters. These may be industry or transaction-type specific. Guides are updated and replaced as necessary.
<b>Public Clarification</b>	EXTPXXX	A document summarising a specific Excise Tax technical or administrative position, which has been determined by the FTA.
<b>Public Clarification</b>	TAXPXXX	A document that provides Taxpayers with guidance on specific Tax procedural matters.

In all cases, these publications will be available on the FTA's website. Please refer to the latest, approved version of the relevant publication which is available on the website.

It is important to keep up to date with any changes, to ensure that Excise Tax is correctly reported and the required procedures are complied with.

## 2.6. Legislative references

In this guide, the following legislation will be referred to as follows:

- Federal Decree-Law No. 7 of 2017 on Excise Tax and its amendments is referred to as "Excise Tax Decree-Law";
- Federal Decree-Law No. 28 of 2022 on Tax Procedures and its amendments is referred to as "Tax Procedures Law".



- Cabinet Decision No. 37 of 2017 on the Executive Regulation of the Federal Decree-Law No. 7 of 2017, and its amendments, is referred to as “Excise Tax Executive Regulation”,
- Cabinet Decision No. 42 of 2018 on Marking Tobacco and Tobacco Products is referred to as “Cabinet Decision No. 42 of 2018”,
- Cabinet Decision No. 33 of 2019 on Administrative Penalties for Violations related to Marking Excise Goods, is referred to as “Cabinet Decision No. 33 of 2019”
- 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, is referred to as “Cabinet Decision No. 197 of 2025”,
- Cabinet Decision No. 55 of 2019 on Excise Price for Tobacco Products, is referred to as “Cabinet Decision No. 55 of 2019”,
- Cabinet Decision No. 74 of 2023 on the Executive Regulation of Federal Decree-Law No. 28 of 2022 on Tax Procedures is referred to as “Tax Procedures Executive Regulation”,
- Ministerial Decision No. 237 of 2019 on the Implementation of the Cabinet Decision No. 55 of 2019 On Excise Price for Tobacco Products, is referred to as “Ministerial Decision No. 237 of 2019”,
- Ministerial Decision No. 249 of 2025 on Exception of Smoking Cessation Products from the Definition of Tobacco and Tobacco Products for the Purposes of Cabinet Decision No. 52 of 2019 on Excise Goods, Excise Tax Rates and the Methods of Calculating the Excise Price and its amendments, is referred to as “Ministerial Decision No. 249 of”,
- Federal Tax Authority Decision No. 3 of 2018 on Implementing the Marking Tobacco and Tobacco Product Scheme, is referred to as “FTA Decision No. 3 of 2018”
- Federal Tax Authority Decision No. 2 of 2019 on Implementing the Marking Tobacco and Tobacco Product Scheme, and its amendments, is referred to as “FTA Decision No. 2 of 2019”
- Federal Tax Authority Decision No. 1 of 2021 on the Mechanism for Calculating the Average Retail Selling Price of Excise Goods in the Market, is referred to as “FTA Decision No. 1 of 2021”
- Federal Tax Authority Decision No. 3 of 2021 on Implementing the Marking Tobacco and Tobacco Product Scheme, and its amendments, is referred to as “FTA Decision No. 3 of 2021”,
- Federal Tax Authority Decision No. 8 of 2024 on Mechanism for Correction of Error or Omission in the Tax Return Submitted to the Federal Tax Authority for VAT is referred to as “FTA Decision No. 8 of 2024”,



- Federal Tax Authority Decision No. 1 of 2025 on Cases of Extension of the Deadlines for Accepting the Submission of a Tax Assessment Review Request or a Request for Reconsideration is referred to as “FTA Decision No. 1 of 2025”,
- Federal Tax Authority Decision No. 6 of 2025 on Standards, Controls and Procedures for Dealing with Shortage Within the Designated Zone due to the Natural Characteristics of Excise Goods is referred to as “FTA Decision No. 6 of 2025”,
- Federal Tax Authority Decision No. 10 of 2025 on 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 their Guidelines were Proven Inaccurate, is referred to as “FTA Decision No. 10 of 2025”, and
- Federal Tax Authority Decision No. 11 of 2025 on the Additional Cases Where Excise Tax Paid on Excise Goods May Be Deducted and Controls for such Deduction, is referred to as “FTA Decision No. 11 of 2025”.

## 2.7. Status of this guide

This Guide is not a legally binding document, but is intended to provide assistance in understanding and applying the Excise Tax legislation. This guide is not intended for legal reference but serves as a framework of the general operation of Excise Tax in the UAE.

The information provided in this Guide should not be interpreted as legal or Tax advice. It is not meant to be comprehensive and does not provide a definitive answer in every case. It is based on the legislation as it stood when the Guide was published. Each Person's own specific circumstances should be considered.

The Excise Tax legislation, implementing decisions, and FTA Decisions referred to in this document will set out the principles and rules that govern the application of Excise Tax in the UAE. Nothing in this publication modifies or is intended to modify the requirements of any legislation.

This document is subject to change without notice.



## 3. Getting Additional Help

### 3.1. Chapter summary

In the event that you need more information about Excise Tax or need assistance with your Tax affairs, you can choose to contact the FTA for guidance or to seek support from an external Tax Agent.

### 3.2. FTA support channels

The FTA is committed to supporting taxpayers in learning about Excise Tax in an easy, accessible and straightforward manner. In addition to the Guides and Public Clarifications, various support channels are available to assist taxpayers in addressing their enquiries and to clarify specific Tax technical matters.

#### 3.2.1. *Communication channels*

Taxpayers have access to a range of communication channels through which they may contact the FTA for assistance. These include:

- calling 800 829 23 for real-time support with general tax enquiries or to report technical issues with accessing the EmaraTax portal,
- chatting with the AI-powered virtual assistant (i.e. Tara) available on the FTA's website ([www.tax.gov.ae](http://www.tax.gov.ae)),
- submitting enquiries using the online form available on the FTA's website, or
- visiting the nearest FTA's service center for in-person assistance.

It should be noted that the communication channels will not be able to give advice on case specific transactions or specialised topics. These matters will be handled through alternative channels.

#### 3.2.2. *Private clarifications*

A Person may apply for a private clarification on specific Tax technical matters of uncertainty relating to the Person's Business. Before submitting an application for a private clarification, the Person should review the Private Clarifications Guide ("TPGPC1"), the relevant Tax legislation, guides, public clarifications as well as other information available on the FTA's website.



### 3.3. Receiving support from external agents

A Business may decide to obtain help or advice about its Excise Tax obligations from a registered Tax Agent or other Tax advisor. However, only a Legal Representative (generally appointed by court to manage the affairs of another Person, for example in the case of bankruptcy) or a registered Tax Agent may represent another Person in dealings with the FTA. Businesses may refer to the FTA's website for the list of registered Tax Agents.

It is not a requirement for Excise Tax Registration that a Business appoints a Tax Agent. It is also important to note that the appointment of a Tax Agent does not relieve the Taxable Person from the compliance obligations imposed by the Tax legislation, e.g. the responsibility for the accuracy of your Excise Tax affairs remains with the Taxable Person.



## 4. Explaining Excise Tax

### 4.1. Chapter summary

The purpose of this chapter is to give a brief overview of the principles which govern Excise Tax in the UAE and to provide a foundation for the information given in further chapters.

### 4.2. What is Excise Tax?

Excise Tax is an indirect Tax levied on specific Excise Goods which are either:

- imported into the UAE,
- produced within the UAE,
- released from a Designated Zone, or
- stockpiled in the UAE (where Excise Tax has not previously been paid on the goods in the UAE and stockpiling is undertaken for Business purposes).<sup>1</sup>

Excise Tax is generally levied on goods which are considered harmful to the health of the general public. The aim of Excise Tax is, therefore, to discourage consumption of those specific goods by the general public.

Excise Tax is payable by any Person engaged in the activities listed above, specifically:

- Importers of Excise Goods,
- producers of Excise Goods,
- Persons releasing Excise Goods from a Designated Zone,
- Stockpilers of Excise Goods, in certain cases, and
- Warehouse Keepers, in certain cases.<sup>2</sup>

The Excise Tax will become a liability of another Person involved in any of the above activities, where the Person originally liable for the Tax fails to meet his Excise Tax payment obligation.

In all other cases, where a Business or consumer purchases Excise Goods within the UAE, the Excise Tax should already be included in the price for the goods and is generally not reflected separately. In certain cases, Excise Goods will be physically labelled to indicate that Excise Tax has been paid in respect of those goods. Further details on the labelling of Excise Goods can be found in chapter 12 that covers the Digital Tax Stamps Scheme.

<sup>1</sup> Article 2 of the Excise Tax Decree-Law.

<sup>2</sup> Article 4(1) of the Excise Tax Decree-Law.



#### 4.3. How does Excise Tax work?

At the point that Excise Goods are either imported, stockpiled, produced or released for consumption in the UAE, the Importer, Stockpiler, producer or Person releasing those goods at the time must register/be registered for Excise Tax and account for the Excise Tax due to the FTA. This is done via various declarations which are used to prepopulate the Registrant's Tax Return.

Excise Tax is not due at every stage of the transaction like some other indirect taxes such as VAT. As a result, a relatively low number of Businesses will be required to register for Excise Tax and account for the Tax to the FTA.

#### 4.4. Excise Goods and applicable rates

The goods which are subject to Excise Tax in the UAE, and the rates of Tax applicable to those goods, are as follows:

Excise Good	Tax rate <sup>3</sup>	Effective date of current tax rate	Notes
Tobacco and tobacco products	100%	1 October 2017	-
Energy drinks	100%	1 October 2017	-
Carbonated drinks	50%	1 October 2017	Abolished as a separate category of Excise Good from 1 January 2026, and subject to Tax under tiered-volumetric model if Sweetened Drinks
Liquids used in electronic smoking devices and tools	100%	1 December 2019	-
Electronic smoking devices and tools	100%	1 December 2019	-
Sweetened drinks	50%	1 December 2019	Replaced with tiered-volumetric model from 1 January 2026.

<sup>3</sup> Cabinet Decision No. 197 of 2025.



	Tiered-volumetric rates depending on categorisation of the sweetened drink based on amount of sugar and other sweeteners.	1 January 2026	
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For more details about the definitions of Excise Goods, including the applicable rates, valuation and calculation methods, please refer to the Guide ETGTP2.



## 5. Registration

### 5.1. Chapter summary

The purpose of this chapter is to provide guidance on the Businesses which are required to register for Excise Tax and the process to follow to become registered for the Tax.

### 5.2. Who must register?

Excise Tax is the responsibility of any Person engaged in any of the following taxable activities:

- the importation of Excise Goods into the UAE,
- the production of Excise Goods in the UAE,
- the release of Excise Goods from a Designated Zone in the UAE,
- the stockpiling of Excise Goods in the UAE in certain cases, where Excise Tax has not previously been paid on the goods in the UAE and stockpiling is undertaken for business purposes.<sup>4</sup>

Registration is also required by another Person involved in any of the above activities and becomes liable to pay Excise tax, where the Person originally liable for the Tax fails to meet his Excise Tax payment obligation.<sup>5</sup>

Such Person must register with the FTA and submit Tax Returns and pay Excise Tax, unless one of the exceptions listed in section 5.3.2 applies.

### 5.3. When to register?

There is no registration threshold for Excise Tax. Therefore, **any Person who has been involved or has the intention to be involved in any of the activities** listed in section 5.2 must register and account for Excise Tax, unless the Person is excepted from registration.

Any Person involved or forming the intention to be involved in any of the activities listed in section 5.2 must notify the FTA, within 30 days of the end of the month in which they were involved or formed the intention to be involved, that they have a liability to be registered for Excise Tax.<sup>6</sup> The Person will then be registered with effect

<sup>4</sup> Articles 4(1) of the Excise Tax Decree-Law.

<sup>5</sup> Article 5 of the Excise Tax Decree-Law.

<sup>6</sup> Article 5(2) of the Excise Tax Decree-Law.



from the first day of the month in which they started conducting any of the activities listed in section 5.2.<sup>7</sup>

The Person who becomes liable to pay Excise Tax due to the failure of the Person engaged in the taxable activities to settle the Tax, must apply for registration within 30 days from the date on which they become aware or should have become aware of the failure of the Person originally liable for the Tax to meet his payment obligation.<sup>8</sup>

#### 5.3.1 *Registration on the introduction of Tax on a new product*

Where a Person believes they will have a requirement to be registered for Excise Tax at the date the Tax is introduced on a new product they will be required to notify the FTA of their requirement to be registered during the period announced by the FTA.

#### 5.3.2 *Exceptions to registration*

The FTA may except a Person from registration in the case where they do not regularly Import Excise Goods into the UAE. Persons importing Excise Goods for purposes other than conducting Business, may also be excepted from registration.<sup>9</sup>

The term “regular” is interpreted to mean more than once in a 6-month period or more than three times over a 24-month period.

In cases of exception from registration, the Person (i.e. the traveller or individual) importing the goods will not be exempt from paying the Excise Tax due on the goods, but only from registering and filing Excise Tax Returns. Instead, the Person will be required to pay the Excise Tax due on the importation of the Excise Goods (where it exceeds the duty-free limit imposed by the Customs Law), before or at the point of importation in order for the goods to clear Customs.

For further details on the procedure to be followed by a non-registered Importer when importing Excise Goods in to the UAE, please see chapter 7.

#### **Example:**

Mr. A imports Excise Goods worth 10,000 AED on 1 March 2022. This is the first time he has imported Excise Goods, and he has no current intention to do so again.

<sup>7</sup> Article 3(3) of the Excise Tax Executive Regulation.

<sup>8</sup> Article 5 of the Excise Tax Decree-Law.

<sup>9</sup> Article 6 of the Excise Tax Decree-Law.



As Mr. A has only been involved in one such Import in a 6-month period, he does not have to register for Excise Tax. However, Mr. A must pay the Excise Tax due on the full value of the goods in order to clear the goods through Customs.

#### 5.4. Registration as a Warehouse Keeper

Any Person who operates or intends to operate a “Designated Zone”, otherwise known as an excise warehouse or bonded warehouse, must register as a Warehouse Keeper.<sup>10</sup> It is not possible to operate a Designated Zone without an appointed Warehouse Keeper.

The Warehouse Keeper must submit a registration application to the FTA providing certain details about themselves and their intended operations. In addition, the Warehouse Keeper must submit a Designated Zone registration application in respect of each Designated Zone for which they are requesting permission to supervise.

A Warehouse Keeper may complete and submit a Warehouse Keeper registration application to the FTA, yet the registration will not be completed and approved by the FTA until the Person has also submitted at least one Designated Zone application form. The FTA will then register that Person as a Warehouse Keeper with authorisation to supervise a specific Designated Zone or zones from the date the application is approved (or from a future date as may be agreed).

In the course of approving an application to register a Designated Zone, the Warehouse Keeper will be required to pay a registration fee in respect of each Designated Zone which is registered. The Warehouse Keeper may also be requested to submit a financial guarantee, which will be determined by the FTA based on certain factors as specified in the Excise Tax Public Clarification on Excise Tax Designated Zones – Calculation of Financial Guarantees (EXTP008).

The Warehouse Keeper will receive an electronic registration certificate which will confirm the details of the Designated Zone(s) over which that Person is appointed, including any conditions or requirements which the Warehouse Keeper is required to fulfil in order to maintain the security and status of the Designated Zone.

The Warehouse Keeper will receive a Warehouse Keeper registration number following registration, which should be used on all official correspondence with the FTA. The Warehouse Keeper will also receive a Designated Zone registration number, which will be a suffix attached to the Warehouse Keeper registration number and will be different for each Designated Zone which is registered. The Designated Zone

<sup>10</sup> Article 8 of the Excise Tax Decree-Law, read with Article 9 of the Excise Tax Executive Regulation.



registration number is particularly important for tracking the movement of Excise Goods between different Designated Zones.

A Warehouse Keeper will be liable for the Excise Tax due on any Excise Goods leaving that Warehouse Keeper's Designated Zone, where the Taxable Person responsible for releasing the goods has not paid the Excise Tax due.

The FTA may impose certain conditions on the registration of a Warehouse Keeper including the following, as detailed in the Excise Tax Public Clarification on Registration of Warehouse Keeper and Registration and Renewal of Registration of Designated Zones (EXTP010):

- specify the quantity of Excise Goods which can be kept in the Designated Zone,
- specify the type of Excise Goods which can be kept in the Designated Zone,
- require the Warehouse Keeper to provide a financial security,
- impose additional reporting requirements,
- specify the level of physical security required over the Designated Zone,
- specify the checks which the Warehouse Keeper is required to make over the goods entering the Designated Zone, and
- specify the conditions of entry which may be granted to the Designated Zone and any access restrictions which the Warehouse Keeper is required to impose.

It should be noted that Designated Zone registrations must be renewed annually. If the Designated Zone registration is not renewed, the registration will expire and the Designated Zone status will be lost. Any Excise Goods in the warehouse at the time the registration expires without a renewal will be deemed to be released from the Designated Zone and the relevant Excise Tax will be payable. It is, therefore, important to ensure that the Designated Zone registration is renewed on time and the application duly submitted before the annual deadline passes.

In order to renew the registration of a Designated Zone, the Warehouse Keeper will need to amend the Designated Zone registration application that was previously submitted and update the relevant information and pay a renewal fee in respect of the Designated Zone.

The effect of registering a specific Designated Zone is covered in further detail in Chapter 9 below.

## 5.5. How to register

A registration application may be initiated on the FTA's website ([www.tax.gov.ae](http://www.tax.gov.ae)). The form is available under the "Services" drop-down menu as "Registration".



Businesses are required to complete the questions on the online portal and are required to upload supporting documents in order to confirm their Business status and activities.

Once the application has been processed, Businesses will then receive notification from the FTA on the outcome of their registration application.

Further detailed guidance on completion of the appropriate registration forms can be found on the FTA website.

### **5.6. Failure to notify the FTA of the requirement to be registered**

If a Person fails to notify the FTA of a requirement to register for Excise Tax within the specified timeframe, the FTA may issue a Tax assessment to collect any potentially underpaid Excise Tax, and also impose an administrative penalty.

Businesses involved in taxable activities relating to Excise Goods will not be authorised to conduct such activities without being registered for Excise Tax.<sup>11</sup>

### **5.7. Deregistration**

A Taxable Person shall apply to deregister from Excise Tax when the Person is no longer engaged in taxable activities, i.e. the import, production or stockpiling of Excise Goods in the UAE.<sup>12</sup>

The Person must notify the FTA that he is no longer engaged in taxable activities within 30 days from the date his taxable activity ceases. The FTA will deregister the Taxable Person with effect from the date his taxable activity ceased.<sup>13</sup>

In order to deregister, a Taxable Person must be up to date with all Tax Return submissions and payments of Tax and penalties.

The FTA may deregister a Registrant without him submitting a request if that Registrant is either no longer responsible for Excise Tax or if maintaining the Tax Registration would prejudice the integrity of the Tax system.<sup>14</sup>

The FTA may reject a Person's deregistration application in the following instances:

- if it appears that the Person still has the intention to conduct a taxable activity (see section 5.2) within the subsequent 12 months,

<sup>11</sup> Article 5(1) of the Excise Tax Decree-Law.

<sup>12</sup> Article 7 of the Excise Tax Decree-Law.

<sup>13</sup> Article 6(1) and (3) of the Excise Tax Executive Regulation.

<sup>14</sup> Article 6(5) of the Excise Tax Executive Regulation.



- if the Person does not sufficiently prove to the FTA that they are no longer responsible for Due Tax,
- if less than 6 months have passed since the Person became registered for Excise Tax.<sup>15</sup>

It should be noted that Tax deregistration does not preclude a Person from complying with the provisions of the Excise Tax Decree-Law and Excise Tax Executive Regulation, including filing another Tax Registration when the relevant conditions are met.<sup>16</sup>

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<sup>15</sup> Article 7(1) of the Excise Tax Executive Regulation.

<sup>16</sup> Article 6(8) of the Excise Tax Executive Regulation.



## 6. Tax points

### 6.1. Chapter summary

The purpose of this chapter is to summarise the point at which Excise Tax is due to be accounted for. This will be different depending on whether the Excise Goods are imported into the UAE, or whether they are produced within the UAE. The Tax point can also be affected by the use of Designated Zones.

In all cases, the date on which Excise Tax is due to be accounted for determines the Excise Tax Return in which the related Excise Tax should be reported.

### 6.2. Imported Excise Goods

Where Excise Goods are imported into the UAE, Excise Tax is due to be accounted for by the Importer at the date of import.<sup>17</sup> The Excise Tax due should be included on the Importer's Excise Tax Return for the Tax Period covering the date of import.

Where Excise Goods are imported into the UAE but immediately placed in a Designated Zone, the goods are not treated as being imported into the territory of the UAE until the goods leave the Designated Zone and are released into free circulation in the UAE. More details about the effect of entering Excise Goods into a Designated Zone (including movements between Designated Zones) is covered in Chapter 9.

### 6.3. Excise Goods stockpiled in the UAE

Excise Goods are stockpiled in the UAE if they are:

- held in free circulation in the UAE, intended to be sold in the course of Business and Excise Tax on those goods has not been paid, remitted, relieved or deferred, and
- 'excess' Excise Goods.

Where Excise Goods are stockpiled, they become subject to Excise Tax on the date they are acquired by the Stockpiler.<sup>18</sup> In instances where a new product becomes subject to Excise Tax, these stockpiled Excise Goods become subject to Excise Tax on the date those goods become Excise Goods.

The term "excess" Excise Goods refers to Excise Goods:

<sup>17</sup> Article 10(1) of the Excise Tax Decree-Law.

<sup>18</sup> Article 10(2) of the Excise Tax Decree-Law.



- which are owned by a Person on the date the Excise Tax Decree-Law comes in to effect – this will include instances where the scope of Excise Goods is extended to include a new type of Excise Good,
- which exceed the average monthly stock level of the Business, based on the Person's average monthly stock levels of that Excise Good. This is measured by reference to the previous 12-month period prior to the date of extending the Excise Tax scope to be applicable to a new type of Excise Good, and
- that are intended to be sold by the Person in the course of Business.<sup>19</sup>

In addition to the above, if the Person holds more than 2 months' supply of Excise Goods (i.e. more than 2-months average sales volume), whether or not it is normal for the Business to hold such a level of stock, any stock in excess of 2 months' supply shall be considered excess Excise Goods.<sup>20</sup> This is measured by reference to the Person's average monthly sales of Excise Goods, during the 12-month period prior to the date the law's scope is extended.

As a result of the above, where a Taxable Person has a normal stock of Excise Goods on the date the law came into effect which do not qualify as excess Excise Goods, the Taxable Person will not be required to account for Excise Tax on the Excise Goods purchased. However, it should be noted that, where a Taxable Person has a normal stock of Excise Goods on the date the law came into effect charges and charges Excise Tax on the sale of such stock, then the Excise Tax charged needs to be declared and paid to the FTA via the appropriate Excise Tax Return.

If excess Excise Goods are owned on the effective date of the extension of the scope of Excise Goods, that Person is considered to be a Stockpiler and will be required to be registered for Excise Tax. As part of the first Excise Tax Return filing following the stockpiling event, the Stockpiler is required to complete and submit a stockpile declaration, where all relevant details regarding the stockpiled Excise Goods must be provided.

Similarly, the stockpiling rules within the Excise Tax legislation also apply to circumstances where an increase in the Tax obligation arises. For example, where a Person was holding a stock of tobacco products on 1 December 2019 (the date on which the minimum price provisions for tobacco products came in to effect) which have been subject to Excise Tax at a price below the minimum excise price which came into effect on 1 December 2019, the Person had to consider whether they may qualify as a Stockpiler in respect of the goods at the time.

<sup>19</sup> Article 11(2) of the Excise Tax Executive Regulation.

<sup>20</sup> Article 11(3) of the Excise Tax Executive Regulation.



In such cases, Taxpayers are required to maintain and upon a request, provide audited reports of stockpiled Excise Goods. Failure to maintain audited reports for stockpiled Excise Goods may lead to the FTA considering the entire inventory as "excess," triggering full Excise Tax liability.

#### **6.4. Excise Goods released for consumption in the UAE**

In all cases other than above, Excise Tax will be due on Excise Goods on the date they are released for consumption in the UAE.<sup>21</sup>

For these purposes "released for consumption" means:

- they are produced in free circulation (i.e. outside a Designated Zone), or
- they leave a Designated Zone and are released into free circulation.<sup>22</sup>

Excise Goods are regarded as leaving the Designated Zone if:

- The goods are removed from the Designated Zone (except where the goods are moved to another Designated Zone and all the requirements are met to transfer the goods under Customs suspension).
- The goods are consumed or acquired for consumption within a Designated Zone.
- There is an irregularity in the course of a transfer of the goods between Designated Zones.
- The goods are found to be deficient or if there is a shortage in quantity from a Designated Zone or during a transfer between Designated Zones.<sup>23</sup>

As an exception to the above, the release of Excise Goods for consumption is not considered to have occurred if:

1. There is a deficiency or shortage in the Excise Goods in the Designated Zone, and the Warehouse Keeper notifies the FTA within 30 days, with the shortage being due to a justified cause accepted by the FTA, or
2. There is a natural shortage in the quantity of Excise Goods in the Designated Zone, provided all of the following conditions are met:
  - the shortage is as a result of the natural characteristics of the good and meets the standards and controls specified by the FTA,
  - the owner of the excise goods and the warehouse keeper notify the FTA of the shortage resulting from natural characteristics, in accordance with the procedures and mechanisms approved by the FTA in this regard, and

<sup>21</sup> Article 10(3) of the Excise Tax Decree-Law.

<sup>22</sup> Article 12(1) of the Excise Tax Executive Regulation.

<sup>23</sup> Article 12(3) of the Excise Tax Executive Regulation. Refer to section 9.7 for more information



- the owner of the excise goods and the warehouse keeper keep documents proving the shortage resulting from the natural characteristics of the goods and submit them to the FTA upon request.<sup>24</sup>

For more information on the standards, controls and procedures for dealing with a shortage within a Designated Zone due to the natural characteristics of Excise Goods, please refer to FTA Decision No. 6 of 2025 and the Excise Tax Public Clarification on Natural Shortage of Excise Goods (EXTP011).

#### 6.4.1. *Production*

Excise Goods shall be treated as produced at the date these goods are:

- ready to be held out for retail sale,
- fit for consumption or retail sale if the goods are not intended for retail sale, or
- ready to be sold to a retailer, if the goods are of the type which are not fit for consumption until they are combined with another product at the point of retail sale, for example, a concentrate used to produce a sweetened drink.<sup>25</sup>

In order to identify the Tax liability at the point of production of Excise Goods produced outside a Designated Zone, the producer will be required to file a production declaration at the end of every Tax Period.

The producer will be required to log in to the EmaraTax portal and complete the production declaration covering the goods which were produced during the Tax Period. The declaration will request certain information about the goods, e.g. the brand, quantity, volume, product code etc.

In respect of Excise Goods for which Excise Tax is calculated as a percentage of the Excise Price, using the standard price list published by the FTA, the declaration will automatically calculate the Tax liability due on goods which have been produced during that period. In the event that the designated retail sales price is higher than the standard price list of Excise Goods published by the FTA, the Taxable Person should self-declare the higher designated retail sales price and account for the respective Tax due on the produced goods based on the designated retail sales price of the goods.

From 1 January 2026, the declaration will require the Taxable Person to specify the quantity of sweetened drinks produced during the relevant Tax Period. The Tax liability will be calculated using the quantity and the Tax rate applicable depending on the existing categorisation of the sweetened drink based on the amount of sugar and other sweeteners.

<sup>24</sup> Article 12(5) of the Excise Tax Executive Regulation.

<sup>25</sup> Article 12(2) of the Excise Tax Executive Regulation.



If an Excise Good is not included on the standard price list, the Taxable Person should request the FTA to add this product to the list first before it can be reported on the declaration. Where it is known that a product is not available on the list, a request should be made for it to be added to the list as soon as possible in order to avoid any delays in filing the declaration.

To request for a new product to be added to the standard price list, a form via the Product Registration Portal (also known as BrandSync) is required to be submitted, which can be accessed via a link from the FTA's portal. This will open a form that can be completed with all of the product details and will then be considered by the FTA. In order to support the request, the FTA will ask for evidence to be submitted to support the selling price of the product within the market, for example copies of receipts showing the product's retail selling price.

The documents and information that need to be provided may include but are not limited to:

- details of the product,
- details of the product ingredients,
- details of marketing materials,
- lab reports, and
- details about the product price.

Please note that the specific documents and information that will need to be provided will depend on the category of Excise Good.

It should be noted that the supporting evidence may need to be periodically updated in order to ensure the information in the products list remains up to date and accurately reflects the current market selling price.

The information contained on the production declaration will be retained within the FTA system, linked to the Taxable Person's TRN and will be automatically populated in the relevant Excise Tax Return.

Only one production declaration is required to be filed in respect of each Tax Period in which goods are produced in free circulation, i.e. outside a Designated Zone.

For more information on declarations and the completion of the Excise Tax Return, please refer to the Excise Tax User Guide – Returns which is available on the FTA's website.

#### *6.4.2. Excise Goods leaving a Designated Zone*

Excise Goods are regarded as leaving the Designated Zone when:



- The goods are removed from the Designated Zone (except where the goods are moved to another Designated Zones and all the requirements are met to transfer the goods under Customs suspension).
- The goods are consumed or acquired for consumption within a Designated Zone.
- There is an irregularity in the course of a transfer of the goods between Designated Zones.
- The goods are found to be deficient or if there is a shortage in quantity from a Designated Zone or during a transfer between Designated Zones.<sup>26</sup>

It is important to note that Excise Goods are no longer considered as released for consumption in cases of shortage due to natural characteristics, subject to meeting specified requirements.<sup>27</sup> For more information on circumstances in which natural shortage may occur, please refer to the Excise Tax Public Clarification on Natural Shortage of Excise Goods (EXTP011).

For more information on the Excise Tax treatment of goods removed from a Designated Zone, please refer to section 9.7.

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<sup>26</sup> Article 12(3) of the Excise Tax Executive Regulation.

<sup>27</sup> Article 12(5)(b) of the Amended Executive Regulation, read with FTA Decision No. 6 of 2025.



## 7. Procedures on Import

### 7.1. Chapter Summary

The purpose of this chapter is to explain the practical procedures that an Importer of Excise Goods is required to follow when importing Excise Goods.

### 7.2. Non-registered Importers

A Person who is not registered for Excise Tax (including Persons excepted from registration - see section 5.3.2), is regarded as a non-registered Importer of Excise Goods.

Such Persons importing Excise Goods will be required to log on to the EmaraTax portal and complete an Import declaration covering the goods which are to be imported. The declaration requires details about the goods, e.g. the brand, quantity, volume, product code etc.

In respect of Excise Goods for which Excise Tax is calculated as a percentage of the Excise Price, using the standard price list published by the FTA, the declaration will automatically calculate the Tax liability due on the Import. In the event that the designated retail sales price is higher than the standard price list of Excise Goods published by the FTA, the Taxable Person should self-declare the higher designated retail sales price and account for the respective Tax due on the imported goods based on the designated retail sales price of the goods.

From 1 January 2026, the declaration will require the non-registered Importer to specify the quantity of sweetened drinks imported during the relevant Tax Period. The Tax liability will be calculated using the quantity and the Tax rate applicable depending on the existing categorisation of the sweetened drink based on the amount of sugar and other sweeteners.

In the event that an Excise Good is not available on this list, the Taxable Person should request the FTA to add this product to the list before it can be reported in the declaration.

The Importer will then be required to pay the Excise Tax due on the Import before approaching the Customs Department. At the point of import, the Customs Department will ask for the transaction ID provided at the point of payment and will verify the Import declaration and the payment made. Once the Customs Department has verified that all of the details are correct and the payment has been made, the goods will be cleared and allowed to enter the UAE.



For more information on the process to follow, kindly refer to EX201 – Import Declaration for Non-Registered Importers – User Manual which is available on the FTA's website.

### 7.3. Registered Importers

A Taxable Person importing Excise Goods into the UAE will follow a similar procedure as non-registered Importers, except that the Tax liability will not be payable at the point of Import but will be payable as part of the normal Excise Tax Return process, i.e. by the 15<sup>th</sup> day of the month following the end of the Tax Period in which the goods were imported (or on the first working day following this date, if the date falls on a weekend or public holiday).<sup>28</sup>

A Taxable Person will be required to log on to the EmaraTax portal and complete an Import declaration covering the goods which are to be imported. The declaration will request information about the goods, e.g. the brand, quantity, volume, product code etc. For more information on the declarations, kindly refer to the Excise Tax User Guide – Returns which is available on the FTA's website.

In respect of Excise Goods for which Excise Tax is calculated as a percentage of the Excise Price, using the standard price list published by the FTA, the declaration will automatically calculate the Tax liability due on Import of the goods. In the event that the designated retail sales price is higher than the standard price list of Excise Goods published by the FTA, the Taxable Person should self-declare the higher designated retail sales price and account for the respective Tax due on the imported goods based on the designated retail sales price of the goods.

From 1 January 2026, the declaration will require the Taxable Person to specify the quantity of sweetened drinks imported during the relevant Tax Period. The Tax liability will be calculated using the quantity and the Tax rate applicable depending on the existing categorisation of the sweetened drink based on the amount of sugar and other sweeteners.

Where an Excise Good is not available on the standard price list, the Taxable Person should request the FTA to add this product to the list first before it can be reported into the declaration.

Taxable Persons will then be able to submit the Import declaration without having to pay the related Excise Tax at the time of importation. A transaction ID will be provided to the Taxable Person when the Import declaration is submitted. At the point of import,

<sup>28</sup> Article 10(1) of the Excise Tax Decree-Law, read with Article 19(2) of the Excise Tax Executive Regulation.



the Customs Department will ask for the transaction ID and will verify the details of the Import declaration. Once the Customs Department has verified that all of the details are correct, the goods will be cleared and allowed to enter the UAE.

The information contained on the Import declaration will be retained within the FTA system, linked to the Taxable Person's TRN, and automatically populated in the relevant Tax Return.

There is no limit to the number of Import declarations which an Importer is able to submit in any given Tax Period. The Tax liability stated on all Import declarations during a Tax Period will automatically be consolidated and reflected on the Tax Return. The Tax liability due in respect of the imports is included with the Tax liability for the Tax Return as a whole, and the Taxable Person can settle the payment no later than the 15<sup>th</sup> day following the end of the monthly Tax Period (or on the first working day following this date, if the date falls on a weekend or public holiday), representing their entire Tax liability for the Tax Period.

For more information on the process to follow, kindly refer to EX201 – Import Declaration for Registered Importers – User Manual which is available on the FTA's website.



## 8. Local purchases by Taxable Persons

### 8.1. Chapter summary

The purpose of this chapter is to set out the reporting requirements for excise Taxable Persons (i.e. Persons that are registered for Excise Tax purposes and hold a valid TRN) in the case of local purchases of Excise Goods in the UAE in instances where Excise Tax has already been paid.

### 8.2. Local purchase reporting requirements

Where a registered Taxable Person for Excise Tax purposes acquires Excise Goods in the UAE on which Excise Tax has already been paid and the Person intends to claim the Deductible Tax on export, or for use in production of other Excise Goods, an Excise Tax local purchase form needs to be completed and submitted to the FTA.

A Taxable Person will be required to log on to the EmaraTax portal and complete a local purchase form covering the goods which have been purchased (i.e. it is the responsibility of the buyer of such goods to report them to the FTA). The form requires specific information about the goods, e.g. the brand, quantity, volume, product code etc. and the TRN of the seller of the goods, if applicable, as well as supporting documentation (e.g. an invoice or receipt for the purchase).

In respect of Excise Goods for which Excise Tax is calculated as a percentage of the Excise Price, using the standard price list published by the FTA, the form will automatically populate the excise price of the goods purchased. If the excise price paid for the goods is lower than the standard price list of Excise Goods published by the FTA, the Taxable Person should self-declare the lower excise price.

From 1 January 2026, the declaration will require the Taxable Person to specify the quantity of sweetened drinks purchased during the relevant Tax Period. The Excise Tax on the purchased goods will be calculated using the quantity and the tax rate applicable depending on the existing categorisation of the sweetened drink based on the amount of sugar and other sweeteners.

The completion and submission of this form will not lead to any additional Tax liability for the purchaser or the seller of the Excise Goods. It is only for reporting purposes and is used to provide evidence of payment of Excise Tax in the case of future requests to deduct Excise Tax paid on the goods.



It is the responsibility of the purchaser of the goods to submit one local purchase form for every acquisition made where they intend to claim the Deductible Tax on Export or for use in production of other Excise Goods at a later date. There is no limit to the number of local purchase forms which a Taxable Person is able to submit in any given Tax Period.

For every local purchase form that is completed and submitted, the purchaser can also separately submit a deductible declaration via which any Deductible Tax can be claimed in the respective Tax Period. For further details regarding the Deductible Tax and the applicable declaration, please refer to Chapter 10.



## 9. Designated Zones

### 9.1. Chapter summary

The purpose of this chapter is to set out the rules which apply to the use of Designated Zones, also known as excise warehouses, and their implications on accounting for Excise Tax within the UAE.

### 9.2. Definition of a Designated Zone

A Designated Zone is defined as either:

- Designated Zone Type A - being the territory of a free zone, fenced to restrict access to and from the site, under the control of the Customs Department and supervised by an appointed Warehouse Keeper, or
- Designated Zone Type B - any other area approved by the FTA as a Designated Zone. This can be part of the territory of a free zone where the whole free zone is not registered as a Designated Zone, which has security measures in place to restrict entry and exit. In practice, areas will be approved by the FTA in the course of registering the appointed Warehouse Keeper or following the completion of the registration of the appointed Warehouse Keeper.<sup>29</sup>

### 9.3. Implications of using a Designated Zone

Goods entering the UAE which are immediately moved to a Designated Zone are not treated as imported into the UAE at that time. Furthermore, Excise Goods stored, preserved or processed in a Designated Zone as well as goods transferred between Designated Zones are not regarded as being released for consumption, provided certain requirements are met.<sup>30</sup> In these instances, the Tax point is only triggered when the Excise Goods are released from a Designated Zone for consumption in the UAE. Effectively, the excise Tax liability is suspended until the goods are removed from the Designated Zone.

Excise Goods within a Designated Zone shall be treated as if they are outside such zone and within the UAE, if the Designated Zone changes its operating mechanism or violates any of the conditions upon which it was specified as a Designated Zone.<sup>31</sup>

<sup>29</sup> Article 15(2) of the Excise Tax Executive Regulation.

<sup>30</sup> Article 15(1) of the Excise Tax Executive Regulation.

<sup>31</sup> Article 15(5) of the Excise Tax Executive Regulation.



## 9.4. Warehouse Keepers

Every Designated Zone in the UAE shall have an appointed Warehouse Keeper who is responsible for overseeing the operation of the Designated Zone and ensuring the conditions and security imposed over the Designated Zone are maintained.

A Warehouse Keeper must apply to the FTA to be authorised to oversee a Designated Zone. Further details regarding the registration process for Warehouse Keepers are covered in section 5.4.

A producer or Importer may also apply to be a Warehouse Keeper if they wish.

### 9.4.1. Responsibilities of the Warehouse Keeper

The Warehouse Keeper responsible for the Designated Zone is required to control and supervise the Designated Zone, as well as goods which are transferred from the Designated Zone under Tax suspension.<sup>32</sup> In order to fulfil this requirement, the Warehouse Keeper will be required to keep certain records in order to demonstrate to the FTA the stock levels of the Designated Zone in terms of the Excise Goods stored within it which have not had Excise Tax paid on them. These records will include:

- the stock levels of Excise Goods within the Designated Zone at any given point in time,
- the value and quantity of Excise Goods entered in to the Designated Zone,
- the value and quantity of Excise Goods leaving the Designated Zone and released for consumption,
- the value and quantity of Excise Goods transferred to another Designated Zone, including the details of the Designated Zone to which they are transferred,
- the value and quantity of Excise Goods transferred from the Designated Zone for export,
- the value and quantity of Excise Goods produced within the Designated Zone,
- the value and quantity of Excise Goods subject to deficiency or shortage and that which was or will be destroyed.<sup>33</sup>

The Warehouse Keeper will also be required to issue a movement document which will accompany Excise Goods which are transferred from the Designated Zone to another Designated Zone, or for export. The document must contain the following information:

- the type of Excise Goods transferred,
- the quantity and excise price of the goods transferred,

<sup>32</sup> Article 15(6) of the Excise Tax Executive Regulation.

<sup>33</sup> Article 15(9) of the Excise Tax Executive Regulation.



- the value of Excise Tax due in the event the Excise Goods are released for consumption during the transfer, and
- the Designated Zone registration number to which the Excise Goods will be transferred and the name of the Warehouse Keeper responsible for that other Designated Zone.

There are also certain situations where a Warehouse Keeper will need to confirm movements of Excise Goods that have either been entered or removed from the Designated Zones that they are responsible for. It is the responsibility of the owner of the Excise Goods (i.e. the Excise Tax registered Taxable Person) to report such movements of Excise Goods using the relevant declarations. However, the Warehouse Keeper will have to confirm all such movements. For example, where Excise Goods are being transferred from Designated Zone X to Designated Zone Y, the following actions need to be performed:

- The Taxable Person who is the owner of the Excise Goods stored in Designated Zone X will need to report the movement of the Excise Goods from Designated Zone X to Designated Zone Y and issue a declaration which contains the following particulars:
  - the type of Excise Goods to be transferred,
  - the quantity and value of Excise Goods to be transferred,
  - the value of Excise Tax in the event the Excise Goods were released for consumption in the course of the transfer to another Designated Zone, and
  - the details of the Designated Zone to which the Excise Goods will be transferred and the Warehouse Keeper responsible for it.<sup>34</sup>
- The Warehouse Keeper who is responsible for Designated Zone X will need to accept this movement (i.e. confirm that the goods reported by the Taxable Person have left Designated Zone X), and
- The Warehouse Keeper who is responsible for Designated Zone Y will need to accept this movement (i.e. confirm that the goods reported by the Taxable Person have entered Designated Zone Y).

It should be noted that, unless the confirmations from both Warehouse Keeper(s) are made successfully, the declarations may not be received by the FTA and will, therefore, not be pre-populated on the relevant Excise Tax Returns. The onus is on the relevant parties to report such transfers to ensure that all the relevant supporting documents are obtained and retained, and that all the required declarations are submitted to the FTA within the prescribed timelines.

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<sup>34</sup> Article 15(11) of the Excise Tax Executive Regulation.



For more information on the relevant declarations which should be submitted by the different parties, please refer to the Excise Tax User Guide – Returns which is available on the FTA's website.

### **9.5. Goods entering a Designated Zone**

Prior to operating a Designated Zone, the Warehouse Keeper will be required to submit a financial guarantee against Excise Tax that may accrue in respect of the Excise Goods in the Designated Zone. The financial guarantee may be liquidated by the FTA in the event that Excise Goods are released for consumption without payment of the Tax due, by the Person responsible for releasing the goods. For more information on the calculation of financial guarantees, please refer to the Excise Tax Public Clarification on Excise Tax Designated Zones – Calculation of Financial Guarantees (EXTP008).

As noted in section 9.4, where Excise Goods enter a Designated Zone, the responsible Warehouse Keeper is required to document the entry of the goods in to the Designated Zone and also confirm that the respective declarations are filed by the Taxable Person.

Further details regarding Designated Zones and the respective declarations that need to be used can be found in section 9.8 and the Excise Tax User Guide – Returns, available on the FTA's website.

### **9.6. Transfer of goods from a Designated Zone**

It is possible to transfer Excise Goods between Designated Zones, or from a Designated Zone for export, without the goods being considered released into free circulation in the UAE, provided certain conditions are met. This is normally referred to as "Tax suspension".

Where goods are transferred under Tax suspension, they must not be released for consumption during the transfer, or be in any way used or altered during the transfer.

Every Person appointed as a Warehouse Keeper must control and supervise the Designated Zone and the transfer of Excise Goods to another Designated Zone without release for consumption, in accordance with the following conditions:

- keep records of Excise Goods held in the Designated Zone at any time,
- keep evidence of Excise Goods being intended for transfer to another Designated Zone without release for consumption, and
- any such other records as the FTA may specify to be kept in respect of each Designated Zone supervised by the Warehouse Keeper.<sup>35</sup>

<sup>35</sup> Article 15(6) of the Excise Tax Executive Regulation.



Goods will be considered released for consumption during a transfer between Designated Zones or for Export where they are:

- consumed during the transfer,
- they are found to be deficient or missing during the transfer, or
- there is an irregularity in the course of the transfer, i.e. the rules governing the transfer of Excise Goods are not adhered to.

As an exception to the above, Excise Goods will not be considered released for consumption (and will, therefore, not be subject to Excise Tax) where they are found to be deficient or missing during the transfer if:

- The responsible Warehouse Keeper notifies the FTA within 30 days of discovering that the Excise Goods are deficient or missing. This notification, in practice, should be made by the excise Taxable Person who is the owner of the Excise Goods and who needs to submit to the FTA details of the deficiency or shortage in the goods by submitting the lost and damaged goods declaration.
- The owner of the Excise Goods and the Warehouse Keeper notify the FTA of the shortage resulting from natural characteristics, subject to meeting specified requirements.<sup>36</sup>

For more information on the standards, controls and procedures for dealing with a shortage within a Designated Zone due to the natural characteristics of Excise Goods, please refer to FTA Decision No. 6 of 2025 and the Excise Tax Public Clarification on Natural Shortage of Excise Goods (EXTP011).

The FTA has the discretion to decide what it considers to be an acceptable legitimate cause. For more information, please refer to the Excise Tax Public Clarification on Excise Goods which are Deficient or Missing and the Process for the Destruction of Excise Goods within a Designated Zone (EXTP007).

The Warehouse Keeper can then destroy the goods after a period of 30 days following the notification of the deficient goods to the FTA. If during that 30-day period, the FTA gives notice to the Warehouse Keeper (in practice this notification will be communicated to the owner of the goods who would need to notify the Warehouse Keeper) that the FTA intends to inspect the goods then the Warehouse Keeper must keep the goods until the FTA has completed its inspection and given permission for the goods to be destroyed. The Warehouse Keeper can destroy the goods prior to the end of the 30-day period following notification to the FTA, if the FTA confirms that the goods may be destroyed.<sup>37</sup>

<sup>36</sup> Article 12(5) of the Excise Tax Executive Regulation.

<sup>37</sup> Article 12(6), (7) and (8) of the Excise Tax Executive Regulation.



#### 9.6.1. *Procedures to be followed during a transfer from a Designated Zone*

The Warehouse Keeper of the original Designated Zone remains responsible for ensuring the goods are not released for consumption during the Designated Zone transfer, until they are received by the Warehouse Keeper of the receiving Designated Zone.

In practice, this means that the financial guarantee lodged by the Warehouse Keeper in respect of the Designated Zone shall cover the Excise Goods during the transfer to the receiving Designated Zone.

Where goods are transferred between Designated Zones, the following procedures must be followed:

- The Warehouse Keeper of the originating Designated Zone must issue a movement document in respect of the Excise Goods.
- The movement document must accompany the goods during the transfer, and
- The Warehouse Keeper of the receiving Designated Zone must confirm receipt and acceptance of the Excise Goods.<sup>38</sup>

The movement document must include the particulars mentioned in section 9.4.1.

A copy of the movement document must be kept by both the Warehouse Keeper and the Taxable Person. The movement document does not need to be submitted to the FTA at the point of the transfer, however a copy should be provided to the FTA if it requests one.

In addition, the Taxable Person who is the owner of the goods needs to file a Designated Zone reporting declaration for the movement of the goods from one Designated Zone to another, regarding the goods that will be transferred. The Warehouse Keeper of both the original Designated Zone and the receiving Designated Zone need to confirm this declaration, in order to finalise the release of the goods from the original Designated Zone and their subsequent receipt into the receiving Designated Zone. For more details in relation to the declaration required to be filed, please refer to section 9.8 and the Excise Tax User Guide – Returns which is available on the FTA's website.

#### 9.7. **Removal from a Designated Zone**

As mentioned above, a Tax point will be triggered when Excise Goods are removed from a Designated Zone and entered into free circulation in the UAE. The point at

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<sup>38</sup> Article 15(11) of the Excise Tax Executive Regulation.



which Excise Goods are taken to be removed from a Designated Zone will be the earlier of the date on which these goods:

- physically leave a Designated Zone,
- are consumed, or
- are found to be deficient or missing from a Designated Zone.

Where Excise Goods are found to be deficient or missing from a Designated Zone, they will not become subject to Excise Tax where the responsible Warehouse Keeper notifies the FTA within 30 days (via the excise Taxable Person who is the owner of the goods, i.e. by submitting a lost and damaged declaration), and the FTA is satisfied that the loss or deficiency is due to a legitimate cause.

The Warehouse Keeper should destroy the damaged goods after 30 days from notifying the FTA of the deficient goods. If during that 30-day period, the FTA gives notice to the Warehouse Keeper that the FTA wants to inspect the goods, then the Warehouse Keeper must keep the goods until the FTA has completed its inspection and given permission for the goods to be destroyed. The Warehouse Keeper can destroy the goods prior to the end of the 30-day period following notification to the FTA, if the FTA confirms that the goods may be destroyed.<sup>39</sup> The FTA can request the applicant to also submit a destruction certificate issued by the municipality or other relevant authority overseeing the destruction.

A Tax point will not be triggered for Excise Tax purposes where goods physically leave a Designated Zone and are immediately exported to a place outside the UAE, i.e. they are never released into free circulation in the UAE. The Taxable Person will need to file a Designated Zone reporting declaration which would detail the Export of the goods outside the UAE. The following conditions have to be met:

- The Warehouse Keeper of the Designated Zone from which the Excise Goods originate shall remain responsible for the goods until they are exported.
- The Person who is responsible for transferring the Excise Goods must be either a Taxable Person or a Warehouse Keeper of the sending Designated Zone.
- If the Taxable Person is transporting the Excise Goods, that Person must obtain prior consent from the Warehouse Keeper to transport these goods. The Warehouse Keeper may refuse to grant such consent.
- The Warehouse Keeper must retain copies of all approvals granted to Taxable Persons to transport Excise Goods.<sup>40</sup>

Where Excise Goods enter a Designated Zone, the responsible Warehouse Keeper and the Taxable Person owning the goods should follow the procedures determined

<sup>39</sup> Article 12(6), (7) and (8) of the Excise Tax Executive Regulation.

<sup>40</sup> Article 15(12) of the Excise Tax Executive Regulation.



by the FTA which are to apply within that warehouse. Further details of the declarations that need to be filed when transferring goods between Designated Zones can be found in section 9.8 and the Excise Tax User Guide – Returns which is available on the FTA website.

Where Excise Goods are removed from a Designated Zone and released for free circulation or consumption in the UAE, the Tax due in respect of the Excise Goods should be accounted for by the Taxable Person in the Tax Return covering the period in which the goods were removed.

### 9.8. Designated Zone reporting

Any Taxable Person who owns goods within a Designated Zone must prepare and submit the required declarations for each Tax Period. Such declarations will require the Taxable Person to declare, amongst other, the Excise Goods which have been:

- entered into a Designated Zone,
- released for free circulation in the UAE from a Designated Zone,
- transferred to another Designated Zone,
- exported from a Designated Zone to outside of the UAE,
- consumed within a Designated Zone,
- produced within a Designated Zone,
- sold or ownership has been transferred within a Designated Zone, or
- lost and damaged.

For more information on the relevant declarations which should be submitted by the different parties, please refer to the Excise Tax User Guide – Returns which is available on the FTA's website.

#### 9.8.1. Scenarios for Designated Zone reporting requirements

If you are...	...and you...	...then...	Declaration
a registered Taxable Person for Excise Tax purposes,	enter goods in a Designated Zone, where Excise Tax has already been paid,	claim a deduction for the Excise Tax that has already been paid.	Designated Zone Reporting Declaration EX202A (Enter goods into a Designated Zone) and select the respective import/producer/local purchase/stockpile



If you are...	...and you...	...then...	Declaration
			or other declaration form
a registered Taxable Person for Excise Tax purposes,	enter goods in a Designated Zone, where Excise Tax has not been previously paid on the goods, i.e. you Import directly /produce in a Designated Zone without a Customs check,	<p>submit either</p> <ul style="list-style-type: none"> <li>• a Designated Zone Reporting Declaration (select “Import to Designated Zones (where there is no customs check)”) OR</li> <li>• a Designated Zone Reporting Declaration (select “Production within a Designated Zone”).</li> </ul>	<p>Designated Zone Reporting Declaration EX202A (Import to Designated Zones where there is no customs check)</p> <p>OR</p> <p>Designated Zone Reporting Declaration EX202A (Production within a Designated Zone). Note that the declaration relating to production within a Designated Zone can be filed multiple times during a Tax Period and is not limited to one per Tax Period. As a result, it is recommended to file this declaration daily in circumstances where production is ongoing in a Designated Zone, in order to avoid error messages on other declarations regarding the volume of stock</p>



If you are...	...and you...	...then...	Declaration
			available within the Designated Zone.
a registered Taxable Person for Excise Tax purposes,	release goods into free circulation from a Designated Zone where there is a check by the Customs Department,	<ul style="list-style-type: none"> <li>submit a declaration form at the point the goods are released from the Designated Zone, and</li> <li>Pay the Excise Tax due via the Excise Tax Return.</li> </ul>	Import Declaration EX201 (Excise Goods that require Customs Clearance)
a registered Taxable Person for Excise Tax purposes,	release goods into free circulation from a Designated Zone where there is not a check by the Customs Department,	<ul style="list-style-type: none"> <li>submit a declaration form at the point the goods are released from the Designated Zone, and</li> <li>pay the Excise Tax due via Excise Tax Return.</li> </ul>	Designated Zone Reporting Declaration EX202A (Release goods from Designated Zone into free circulation)
a registered Taxable Person for Excise Tax purposes,	transfer goods from one Designated Zone to another Designated Zone where both Designated Zones do not require a check from the	submit a declaration form to report the goods transferred.	Designated Zone Reporting Declaration EX202A (Transfer goods to another Designated Zone)



If you are...	...and you...	...then...	Declaration
a registered Taxable Person for Excise Tax purposes,	Customs department, transfer goods from one Designated Zone to another Designated Zone where both Designated Zones require a check from the Customs department,	<ul style="list-style-type: none"> <li>submit an Import declaration at the point the goods are released from the Designated Zone,</li> <li>declare the Excise Tax due at the point of filing the Excise Tax Return,</li> <li>submit a Designated Zone Reporting Declaration (select "Enter goods into a Designated Zone"), and</li> <li>select the respective Import declaration.</li> </ul> <p>The Tax originally paid or declared is deducted from the Excise Tax liability in the Excise Tax Return for the period during which the goods were entered in to the Designated Zone.</p> <p>If both the Import and subsequent entry to</p>	Import Declaration EX201 "Excise Goods that require Customs Clearance" Designated Zone Reporting Declaration EX202A (Enter goods into a Designated Zone)



If you are...	...and you...	...then...	Declaration
		the Designated Zone occur in the same Tax Period, the net effect on the Excise Tax Return may be neutral (assuming the same goods and quantities have been imported and subsequently entered into the Designated Zone).	
a registered Taxable Person for Excise Tax purposes,	transfer goods from one Designated Zone where a check from the Customs department is required to another Designated Zone where a check from the Customs department is not required,	<ul style="list-style-type: none"> <li>submit an Import declaration at the point the goods are released from the Designated Zone,</li> <li>declare the Excise Tax due via Excise Tax Return,</li> <li>submit a Designated Zone reporting declaration (select “Enter goods into a Designated Zone”), and</li> <li>select the respective Import declaration.</li> </ul> <p>The Tax originally paid or declared is deducted from the Excise Tax liability in</p>	Import Declaration EX201 found under “Excise Goods that require Customs Clearance” Designated Zone Reporting Declaration EX202A (Enter goods into a Designated Zone)



If you are...	...and you...	...then...	Declaration
		<p>the Excise Tax Return for the period during which the goods were entered in to the Designated Zone.</p> <p>If both the Import and subsequent entry to the Designated Zone occur in the same Tax Period, the net effect on the Excise Tax Return maybe neutral (assuming the same goods and quantities have been imported and subsequently entered to the Designated Zone).</p>	
a registered Taxable Person for Excise Tax purposes,	exported goods from the Designated Zone to outside of the UAE,	submit the declaration to report the goods exported from the Designated Zone.	Designated Zone Reporting Declaration EX202A (Transfer goods for export)
a registered Taxable Person for Excise Tax purposes,	consumed Excise Goods within the Designated Zone,	<ul style="list-style-type: none"> <li>submit a declaration when the goods are consumed, and</li> <li>pay the Excise Tax due via the Excise Tax return.</li> </ul>	Designated Zone Reporting Declaration EX202A (Consumption of goods within Designated Zone)
a registered Taxable Person for Excise Tax purposes,	sold / transferred ownership within the	submit a declaration to report the transfer of ownership by	Inventory - EX203C - transfer of ownership within Designated Zones



If you are...	...and you...	...then...	Declaration
	Designated Zone	submitting the relevant declaration.	
a registered Taxable Person for Excise Tax purposes,	have lost or damaged goods,	submit a declaration to report any lost or damaged goods within 30 days of discovery the lost or deficiency of Excise Goods.	Inventory – EX203B – Lost and damaged  <u>Note:</u> As part of this process, the FTA can request you to submit a Destruction Certificate.

The Taxable Person will be required to log on to the EmaraTax portal and complete the respective declarations required covering the scenarios indicated above. The declarations will request certain information about the goods, e.g. the brand, quantity, volume, product code etc.

The information contained on the declarations will be retained within the FTA system, will be linked to the Taxable Person's TRN, and be automatically populated in the return, where applicable.

For more detailed guidance regarding the Designated Zone related scenarios and the declarations that need to be filed by taxpayers, please refer to the FTA website and the respective guidance.



## 10. Deductible Excise Tax

### 10.1. Chapter Summary

The purpose of this chapter is to explain the circumstances which allow Taxable Persons to deduct Excise Tax which has previously been paid.

### 10.2. What is Deductible Tax?

Deductible Tax is Excise Tax which has previously been paid on Excise Goods, which may be deducted from the due Excise Tax for a Tax Period, hence, reducing the payable Excise Tax for that Tax Period.

A Taxable Person is considered to have paid the Tax in the following two cases:

- when purchasing goods that were subject to Tax and on which the Tax has been paid, or
- where the right to deduct Tax arises in the same Tax Period for which the Tax is due.<sup>41</sup>

Deductible Tax consists of the following:

- Excise Tax paid on Excise Goods, which are subsequently exported to a place outside the UAE.
- Excise Tax paid on Excise Goods, which subsequently become a component or part of another Excise Good that is itself subject to Excise Tax.
- Excise Tax paid on Excise Goods that have not been sold, in cases where the rate or amount of Excise Tax imposed applicable on such Good has been reduced, and to the extent of such reduction.
- Excise Tax paid on Excise Goods in any other cases determined by the FTA and in accordance with the controls it establishes.<sup>42</sup>

The value of the Deductible Tax shall be equal to the value of the Excise Tax previously paid on the relevant goods, or the difference in Tax that was paid, and the Taxable Person is required to retain evidence to prove the amount of Tax previously paid. If the Excise Tax was paid by another party in the supply chain, the Taxable Person is required to obtain and retain all of the following in order to be eligible for claiming the deduction:

- a copy of the purchase invoice for the Excise Goods,
- a declaration from the supplier stating that he paid the Tax and confirming the value thereof, and

<sup>41</sup> Article 16(8) of the Excise Tax Executive Regulation.

<sup>42</sup> Article 16(1) of the Excise Tax Decree-Law.



- information which demonstrates to the satisfaction of the FTA that the Excise Goods which are the subject of the claim are the same Excise Goods on which Tax was paid. This may include, for example, serial numbers of the goods or any other manner of identifying the specific good and providing a clear audit trail to prove that Excise Tax was paid in respect of that specific good.<sup>43</sup>

**Example:**

ABC Co. imports raw tobacco and pays Excise Tax on the tobacco of AED 1,000.

ABC Co. then uses the tobacco to produce cigarettes for sale to the public for AED 13,000.

The cigarettes are a new Excise Good and are subject to Excise Tax at the point they are produced, i.e. when they are ready to be held out for retail sale. Excise Tax will be due based on their designated retail selling price. Consequently, ABC Co. must pay Excise Tax of AED 13,000 on the cigarettes.

As ABC Co. has used the tobacco to produce a new Excise Good which is subject to Excise Tax, it may deduct the AED 1,000 Excise Tax previously paid on the tobacco in its Excise Tax return.

When completing its Excise Tax return, ABC Co. will declare AED 13,000 of Excise Tax and will be entitled to deduct AED 1,000 of Excise Tax previously paid on the tobacco. ABC Co's net Excise Tax liability due to the FTA is, therefore, AED 12,000 for that Tax Period.

In the case of drinks, it should be noted that, where any Excise Goods have previously been subject to Excise Tax in the UAE, the beverage produced by combining that Excise Good with the other products at the selling place by a non-Taxable Person shall not be considered an Excise Good and no further Excise Tax shall be due on it. In such cases, the Excise Tax paid on such Excise Goods cannot be considered as deductible or Refundable Tax.

### **10.3. Tax Period in which Tax may be deducted**

Deductible Tax can be included on the Excise Tax return for the period in which the event which gave rise to deduction occurred, or the Excise Tax return for the subsequent Tax Period.<sup>44</sup>

<sup>43</sup> Article 16(4) of the Excise Tax Executive Regulation.

<sup>44</sup> Article 16(1) of the Excise Tax Executive Regulation.



The Taxable Person shall provide evidence to support the event which gave rise to the deduction, e.g. Official and Commercial Evidence for the Export of the Excise Goods.<sup>45</sup>

In the event that the value of Deductible Tax exceeds the Excise Tax payable per the Taxable Person's Excise Tax return, the Taxable Person will be required to follow the procedure set out in section 10.4 to obtain a refund of Excise Tax paid.

#### **10.4. How to claim Deductible Tax?**

Where a Taxable Person is entitled to Deductible Tax, he will be required to complete a Deductible Tax declaration at the end of the Tax Period in which the right to deduct the Tax arose, or the subsequent Tax Period. This declaration should be submitted before the submission of the relevant Excise Tax return.

The Deductible Tax declaration requires details of the Excise Goods in respect of which the Person is entitled to claim credit, and the reason why that credit has arisen. In certain cases, the Taxable Person will also be required to upload evidence of entitlement to the credit, e.g. Official and Commercial Evidence that goods have left the UAE in the case of Export.

The Taxable Person will be required to log on to the EmaraTax portal and complete the deductible declaration. The declaration will request certain information about the goods, e.g. the brand, quantity, volume, product code etc.

In respect of Excise Goods for which Excise Tax is calculated as a percentage of the Excise Price, using the standard price list published by the FTA, or the price originally declared at the time of Import or production or local purchase (depending on the original declaration / form), the declaration will automatically calculate the Deductible Tax due to the Taxable Person, which will be based on the Excise Tax originally paid.

From 1 January 2026, the declaration will require the Taxable Person to state the original declaration number in which the quantity of sweetened drinks produced, imported or locally purchased was reported. The declaration will automatically calculate the Deductible Tax due to the Taxable Person, which will be based on the Excise Tax originally paid.

The information contained on the deductible declaration will be retained within the FTA system and will be linked to the Taxable Person's TRN, and will be automatically populated in the return.

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<sup>45</sup> Article 16(3) of the Excise Tax Executive Regulation.



Only one deductible declaration (EX203 – Deductible Excise Tax Form) should be filed in respect of each Tax Period, and may only be filed when the Taxable Person is entitled to a deduction of Excise Tax.

For more information on the declaration, please refer to the Excise Tax User Guide – Returns which is available on the FTA's website.



## 11. Excise Tax returns and payments

### 11.1. Chapter summary

The purpose of this chapter is to provide an overview of the Excise Tax return filing requirements and payment deadlines, as well as to summarise the refund process where a Taxable Person has excess Refundable Tax.

### 11.2. Excise Tax returns

Every Taxable Person is required to file an Excise Tax return summarising the Excise Tax due to the FTA for the Tax Period.

The standard Tax Period is one calendar month. A longer Tax Period may be agreed directly with the FTA in certain circumstances or may be imposed by the FTA.<sup>46</sup>

The due date for filing the Excise Tax return is no later than the 15<sup>th</sup> day of the calendar month following the end of the Tax Period (or on the first working day following this date, if the date falls on a weekend or public holiday). The Excise Tax return is required to be submitted online to the FTA.<sup>47</sup>

The declarations which the Taxable Person was required to file during the course of the Tax Period (in respect of imports, produced goods, Designated Zone movements including goods entered into, released from, transferred within, consumed and exported from Designated Zones, Deductible Tax due, local purchases of Excise Goods, transfer of ownership of goods within Designated Zones and lost and damaged goods) will automatically populate the expected Tax liability on the Excise Tax Return. The Taxable Person is responsible to verify that the values in each box are correct.

Where the Taxable Person believes a pre-populated value in the Excise Tax return is incorrect, they should first confirm whether they have already filed all of the required declarations which are aggregated to determine the Tax liability. If they have correctly completed all declarations and still believe there to be an error in the way the Tax liability has been calculated, the Taxable Person should contact the FTA.

### 11.3. Excise Tax payments

The Taxable Person is responsible for accounting for and paying the Excise Tax due to the FTA.

<sup>46</sup> Article 17 of the Excise Tax Executive Regulation.

<sup>47</sup> Article 18 of the Excise Tax Executive Regulation.



The payment due to the FTA shall be due on the 15<sup>th</sup> day of the month following the end of the Tax Period (or on the first working day following this date, if the date falls on a weekend or public holiday).<sup>48</sup>

Persons that are excepted from registering for Excise Tax are required to pay the relevant Excise Tax when importing Excise Goods. Customs will not release such goods until proof of payment of the related Excise Tax is provided.

Note that, any Person that received an amount as Excise Tax or issues an invoice reflecting the imposition of Excise Tax shall be required to pay such amount to the FTA as Due Tax.<sup>49</sup>

Payment can be submitted via credit card or bank transfer (GIBAN). For further information on the payment methods, please refer to the guidance available on the FTA website.

#### 11.4. Excess Refundable Tax

Where the value of a Taxable Person's Deductible Tax exceeds the value of Excise Tax payable to the FTA, the Person is regarded as having paid excess Tax which may be refundable.

The Taxable Person is required to carry forward the excess Refundable Tax and offset it against his Excise Tax liability payable to the FTA in future Tax Periods until the excess Refundable Tax has been fully utilised.<sup>50</sup>

If, after the Tax has been carried forward for two Tax Periods, and the Taxable Person still has excess Refundable Tax remaining, the Person may apply to the FTA for a refund of the excess Refundable Tax.<sup>51</sup>

Where the Taxable Person submits a refund request of excess Refundable Tax, the FTA will repay the money to the Taxable Person by the later of:

- two calendar months following submission of the refund request, or
- where the FTA undertakes a Tax Audit to verify the validity of the refund request, within 21 calendar days of completion of the audit.<sup>52</sup>

The FTA has the discretion to refund the excess Refundable Tax after a period less than two Tax Periods in the following cases:

- the Taxable Person's Excise Tax registration is cancelled, or

<sup>48</sup> Article 19 of the Excise Tax Executive Regulation.

<sup>49</sup> Article 19(3) of the Excise Tax Decree-Law.

<sup>50</sup> Article 20(1) of the Excise Tax Decree-Law.

<sup>51</sup> Article 21 of the Excise Tax Executive Regulation.

<sup>52</sup> Article 21(3) of the Excise Tax Executive Regulation.



- the FTA is satisfied that the Taxable Person will undertake taxable activities in the future, but is likely to have excess Refundable Tax for a period of at least 1 year.<sup>53</sup>

The FTA may withhold refunds where a Taxable Person failed to submit an Excise Tax Return for any Tax Period until the Person submitted all outstanding Excise Tax Returns.<sup>54</sup>

### 11.5. Errors in an Excise Tax Return

Where a Taxable Person becomes aware of an error or omission in an Excise Tax return, Tax assessment or refund application, depending on the scenario, he should or may notify the FTA of the error. This notification is made by submitting a Voluntary Disclosure to the FTA.

In general, the relevant cases would be:

#### Undercalculation of Payable Tax

The following rules apply where a Tax Return submitted by a Taxable Person to the FTA, or a Tax assessment issued by the FTA, resulted in an undercalculation of the Payable Tax.

- If the undercalculation of Payable Tax exceeds AED 10,000, a Voluntary Disclosure must be submitted within 20 Business Days of becoming aware of the error.
- If the undercalculation is AED 10,000 or less, the following rules apply:
  - If the Taxable Person is required to submit a Tax Return, the error must be corrected in the earlier of:
    - the Tax Return that has not become due for submission for a previous Tax Period, or
    - the Tax Return for the Tax Period in which the error was discovered.
  - If there is no Tax Return through which the error can be corrected, a Voluntary Disclosure must be submitted within 20 Business Days of becoming aware of the error.

#### Overcalculation of Tax refund

The following rules apply where a Taxable Person submits a Tax refund application resulting in an overcalculation of the refund he is entitled to:

- If the error was due to an error in the Tax refund application, a Voluntary Disclosure must be submitted within 20 Business Days of becoming aware of the error.

<sup>53</sup> Article 21(5) of the Excise Tax Executive Regulation.

<sup>54</sup> Article 21(6) of the Excise Tax Executive Regulation.



- If the error was due to an incorrect Tax Return or Tax assessment, the rules applicable to an undercalculation of Payable Tax shall apply.

Error or omission in Tax Return without difference in Due Tax

Where a Taxable Person becomes aware of an error or omission in a submitted Tax Return, without a resulting difference in the Due Tax, the error must be corrected or a Voluntary Disclosure must be submitted to the FTA. For more information on the list of cases of error or omission in the Tax Return which require the Taxable Person to submit a Voluntary Disclosure to correct the error or omission, please refer to FTA Decision No. 8 of 2024.

Voluntary Disclosure forms can be accessed and submitted to the FTA via the EmaraTax portal. For further details regarding the completion and submission of Voluntary Disclosures, please refer to the guidance available on the FTA website.



## 12. Digital Tax Stamps

### 12.1. Chapter Summary

The purpose of this chapter is to provide an overview of the Digital Tax Stamps (“DTS”) scheme that has been introduced in the UAE and indicate the key provisions that need to be followed. The scheme requires the marking of certain Excise Goods with a physical and digital marker – also referred to as “marks”. The purpose of the mark is to validate the authenticity of Excise Goods, as well as to track and trace the goods throughout the supply chain in order to verify whether Tax has been paid on those goods. Certain requirements apply for specific types of Excise Goods and for specific industries which need to be implemented and followed by Taxable Persons in order to be able to import, produce or sell such Excise Goods in the UAE.

### 12.2. What is the Digital Tax Stamps Scheme?

The DTS scheme is a control scheme that requires manufacturers and stakeholders to comply with enhanced standards for the importation and trading of certain designated Excise Goods in the UAE. Currently, designated Excise Goods are tobacco and tobacco products and the digital Tax stamps scheme has been introduced on those products on a phased basis.

The first phase dealt solely with cigarettes, and the second phase applied to waterpipe tobacco and electronically heated cigarettes. Marks with a new design were introduced and approval for old marks were withdrawn.<sup>55</sup>

The scheme delivers unique pack marking and encoding that allows product traceability from the point of manufacturing through to the final point of distribution. The use of the scheme also supports enforcement activities which target illicit tobacco trading.

### 12.3. What does the Digital Tax Stamps Scheme require?

The DTS scheme applies to tobacco and tobacco products and requires Importers and manufacturers in the UAE to apply specific high security control markers (stamps) and codes to all packs. The principle aim of the DTS scheme is:

- to enhance the FTA's ability to control and collect taxes on tobacco products sold in the UAE, following importation or local manufacture,
- to give the relevant authorities the ability to analyse and audit the supply chain in order to better identify and combat the trade in illicit tobacco products, and

<sup>55</sup> Article 2 of FTA Decision No. 3 of 2021.



- to meet the compliance standards laid down by the World Health Organisations' Framework Convention on Tobacco Control (FCTC) through the enabling of tracking and traceability of compliant tobacco products.

From 1 January 2019, Importers and UAE based manufacturers/producers of the designated Excise Goods were able to order stamps to be applied to the pack of cigarette products.

From 1 May 2019, no cigarette products were allowed to be imported in the UAE without having a Digital Tax Stamp.

From 1st August 2019, no cigarettes were allowed to be held out for sale, imported or produced in the UAE, unless they have a Digital Tax Stamp. All cigarettes produced or imported into the UAE after this date must have a Digital Tax Stamp with end-to-end traceability.

New design marks were subsequently introduced and approval to use marks with the old design was withdrawn. As per the following dates:

- 1 October 2021 – Local markets and duty-free markets (arrival terminals) – Requests for marks with the new design may be submitted.
- 1 January 2022 – Duty free markets (departure terminals – Requests may be submitted for marks with the new design.
- 31 December 2023 – Supply, transfer, storage or possession of cigarettes, electrically-heated cigarettes and water pipe tobacco with old designs prohibited.<sup>56</sup>

The following Persons are covered under the DTS scheme:

- Manufacturers – Any UAE-based or overseas/international cigarette manufacturer that sells its products via importation into the UAE for either domestic sales or sales via UAE duty free outlets (e.g. airports and ports).
- Importers – Any officially licensed Importer of record who purchases cigarettes in bulk from domestic or international manufacturers/producers and undertakes to sell or distribute them in the UAE mainland or UAE duty free markets.
- Distributors/Supply chain agents/Warehouse Keepers or other specified Persons within the supply chain – Any official distributor that is the recipient of formally imported goods for sale in the domestic market or sales via UAE duty free outlets (e.g. airports and ports).

#### **12.4. Scenarios requiring the return of Digital Tax Stamps**

Cabinet Decision No. 42 lists a number of scenarios where marks or stamps must be returned to the FTA, including the following:

<sup>56</sup> Article 2 of FTA Decision No. 3 of 2021.



- where the Person possessing the stamps no longer intends to use the marks for the purposes of affixing them to designated Excise Goods. Some examples of such scenarios could include the ceasing of Business, ceasing of trade in a particular product line, wastage during the production process, damage of marks outside the production process or other.
- where a period of 12 months has passed since the Person received the marks and those marks have not been affixed to designated Excise Goods.
- any other circumstances as specified by the FTA. This includes instances where the marks are damaged or when new design marks are introduced and the old designs are no longer approved.

## 12.5. Process of returning Digital Tax Stamps

Where a Person has an obligation to return the marks in line with the scenarios in section 12.4 above, the marks should be physically returned to the authorised supplier and appointed administrator of the DTS scheme in the UAE. If the marks are located outside the UAE, such marks may be returned virtually. For any additional details regarding destruction of digital stamps, please refer to the Excise Tax Public Clarification on Scenarios Requiring the Return of Digital Tax Stamps (EXTP001).

For the avoidance of doubt, fees originally paid for the purchase of marks will not be refunded where there is a requirement for marks to be returned. Businesses are, therefore, encouraged to ensure that they are accurate in determining the expected volume of marks required when placing orders.

Any Person who is obligated to return marks where applicable, should also report the return of the marks online via the official DTS system.

For further details and guidance on the DTS scheme and the requirements for the various parties involved, please refer to the guidance available on the FTA website.



## 13. Account management

### 13.1. Chapter summary

The purpose of this chapter is to provide information in relation to change of circumstances which may affect the Excise Tax registration.

### 13.2. Changing account details

Registrants must notify the FTA within 20 Business Day of any changes in account details which may require an amendment to its Excise Tax Registration.

Examples of changes which should be notified to the FTA include:

- the name or trading name of the Business,
- the composition of a partnership,
- the address of the principal place of Business, or
- the primary Business activity.

A Registrant must notify the FTA of such changes by submitting a registration amendment form that can be accessed via EmaraTax portal.

### 13.3. Change in circumstances

Excise Tax registrations are based entirely on the information provided by the Taxable Person to the FTA. It is the Registrant's responsibility to ensure that the information submitted to the FTA is accurate and up to date.

In the event that Business circumstances materially change in a manner which could affect the Excise Tax registration, the Registrant must notify the FTA in writing of these circumstances within the legally prescribed timelines.

Certain changes which occur may result in an amendment or a cancellation of the Excise Tax registration, or a requirement to register for Excise Tax where such registration requirement did not previously exist.

In the event that a change in circumstances is not notified to the FTA within the legally prescribed timeline, the Registrant could be subject to a penalty.<sup>57</sup>

Examples of material changes which should be notified to the FTA include:

- the Business ceases to be eligible for an exception from registration,
- the Business ceases trading,

<sup>57</sup> Article 24(1)(e) of the Tax Procedures Law.



- the Business is sold, or
- taxable activities cease for any reason.

For further information regarding the manner in which these changes should be notified to the FTA, please refer to the guidance available on the FTA website.



## 14. Tax Audits

### 14.1. Chapter summary

The FTA has the right to establish or verify a Person's Excise Tax liability by way of a Tax Audit.<sup>58</sup> A Tax Audit is a procedure undertaken by the FTA to inspect the commercial records or any information, data or goods related to a Person to verify the fulfilment of its Tax obligations.<sup>59</sup>

Under the Tax Audit process, the FTA will be entitled to examine the records required to be preserved by a Taxable Person under the law and to generally inspect the circumstances of their Business. A Tax Audit may be carried out at the Taxable Person's Business premises (i.e. a "field Tax Audit") or in the offices of the FTA. Generally, prior notification of a Tax Audit will be given.

In the process of carrying out a Tax Audit, the FTA may make copies of, take extracts from, or sample any information or goods as it may deem necessary.<sup>60</sup>

### 14.2. Why is a Tax Audit necessary?

Excise Tax is a self-assessment tax, meaning that Taxable Persons themselves declare the amount of Excise Tax payable or refundable. The Tax Audit provides the FTA with a mechanism for checking whether such declarations are correct.

If an underpayment of Excise Tax is discovered, the FTA will issue an assessment to require payment of the relevant Excise Tax, together with any assessed penalties.<sup>61</sup>

#### 14.2.1. How often will Businesses be audited?

The FTA will determine which Persons should be audited and with what regularity - based on the risk to the public revenue.

#### 14.2.2. Where and when will the audit take place?

The FTA will normally perform the Tax Audit at its own offices or the place of Business of the Person subject to the Tax Audit. This can include any place where the Person stores Excise Goods or keeps records.

<sup>58</sup> Article 16(1) of the Tax Procedures Law.

<sup>59</sup> Article 1 of the Excise Tax Decree-Law.

<sup>60</sup> Article 17 of the Excise Tax Decree-Law.

<sup>61</sup> Articles 24 and 25 of the Tax Procedures Law.



Where the audit takes place at the Person's place of Business, it will usually be during the FTA's normal Business hours.

#### *14.2.3. Will the Person be informed of the audit before it takes place?*

The FTA will usually inform the Taxable Persons of the audit at least ten Business Days in advance, however, no notice will be given in cases of suspected Tax Evasion, or if to do otherwise would hinder the conduct of the audit.

#### **14.3. What can a Person expect to happen during a tax audit?**

The relevant FTA officer(s) will inspect the Taxable Person's documents, assets and/or premises with a view to confirming the Taxable Person's Excise Tax position.

The tax auditor may interview Persons from various parts of a Business, for example members of the finance team to confirm how the Excise Tax Return is calculated, or a Person in logistics to confirm the process for importing goods into a warehouse etc. The tax auditor may also remove documents, items, or samples for further review.

The amount of time required for the audit will depend on the size of the Business and the complexity of its Tax affairs. The FTA will notify the Business of the audit results within ten Business Days of the end of the audit.<sup>62</sup>

#### **14.4. What level of conduct is required from the Taxable Person?**

Any Person subject to a Tax Audit (including his Tax Agent, or Legal Representative), must offer full access to records and assistance to the tax auditor in order for him to carry out the audit.

For example, upon receiving notice of a scheduled audit, the Taxable Person should ensure:

- the relevant premises are accessible,
- Excise Tax records are accessible, and
- relevant staff are present (for example the Person responsible for compiling the Excise Tax Return).

If the Taxable Person fails to provide adequate facilities and assistance, he may be subject to penalties.

Furthermore, taxpayer is required to maintain and upon a request, provide an audited report of stockpiled Excise Goods. Failure to maintain audited reports for stockpiled

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<sup>62</sup> Article 19(1) of the Tax Procedures Executive Regulation.



Excise Goods may lead to the FTA considering the entire inventory as "excess," triggering full Excise Tax liability.

#### **14.5. What powers does the FTA have during a Tax Audit?**

In order to confirm the Taxable Person's Excise Tax position, the tax auditor may, subject to certain rules and restrictions:

- request original records or copies of documents (or request records or information from third parties in respect of checking the Person's Tax position), and
- take samples.<sup>63</sup>

For example, the Tax auditor could require copies of invoices, or detailed calculations underlying to the Excise Tax return.

The FTA may submit a written request for information and documents. Where such a notice is received, the Taxable Person is required to provide the requested information or records within a reasonable period (subject to any specified date).

#### **14.6. What rights does a Taxable Person have during a Tax Audit?**

Taxpayers have the right to request the Tax auditors to show their job identification cards and to attend the Tax Audit if it takes place at a place outside the FTA.

Where records, items, or samples are removed in the course of an audit they will be returned as soon as reasonably possible, in the same condition (subject to the item being perishable etc.). In addition, a receipt can be provided for any item removed.

Taxable Persons will also be allowed supervised access to records removed by the FTA.<sup>64</sup>

#### **14.7. Result of a Tax Audit**

The FTA will communicate the results of the audit to the Taxable Person within ten Business Days from the end of the Tax Audit.<sup>65</sup> Should the audit result in a Tax or Administrative Penalties Assessment, the normal appeals procedures will apply.

#### **14.8. Tax Evasion**

A Person shall be deemed to commit Tax Evasion if the Person performs or facilitates any of the following:

<sup>63</sup> Article 17 of the Tax Procedures Law.

<sup>64</sup> Article 22 of the Tax Procedures Law.

<sup>65</sup> Article 19(1) of the Tax Procedures Executive Regulation.



- bringing or attempting to bring excise goods into or out of the UAE without payment of the relevant Excise Tax in part or in full,
- producing, transferring, acquiring, storing, transporting or receiving excise goods if the Excise Tax was unpaid with the intention of avoiding the payment of the Excise Tax,
- placing false distinguishing marks on excise goods with the intent of evading the settlement of Excise Tax or receiving unlawful refunds,
- submitting any false, counterfeit or unreal documents, returns or records, with the intent of evading the payment of Excise Tax or receiving unlawful refunds.<sup>66</sup>

A prison sentence and/or monetary penalty not exceeding three times the amount of the evaded Tax may be imposed in respect of Tax Evasion. Article 25 of the Tax Procedures Law lists additional instances of Tax Evasion.

#### **14.9. Statute of limitation**

Generally, the FTA may not conduct a Tax Audit or issue a Tax assessment to a Taxable Person after five years from the end of the relevant Tax Period.<sup>67</sup>

As exceptions to the above general rule, the FTA may conduct a Tax Audit or issue a Tax assessment to the Taxable Person after five years from the end of the relevant Tax Period, if

- The Taxable Person has been notified of the commencement of such Tax Audit before the expiration of the five-year period, provided that the Tax Audit is completed or the Tax assessment is issued, within 4 years from the date of notification of the Tax Audit.
- The Tax Audit or Tax assessment issuance relates to a Voluntary Disclosure submitted in the fifth year from the end of the Tax Period, provided that the Tax Audit is completed or the Tax assessment is issued, as the case may be, within one year from the date of submission of the Voluntary Disclosure.
- The Tax Audit or Tax assessment issuance relates to a refund application submitted in the fifth year from the end of the relevant Tax Period, provided that the Tax Audit is completed or the Tax assessment is issued, as the case may be, within two years from the date of submission of the refund application.

<sup>66</sup> Article 23 of the Excise Tax Decree-Law.

<sup>67</sup> Article 46(1) of the Tax Procedures Law.



The Cabinet may, according to a suggestion by the Minister, issue a Decision to amend the period specified for the completion of the Tax Audit or the issuance of the Tax assessment in the above instances.<sup>68</sup>

No Voluntary Disclosures may be submitted after five years from the end of the relevant Tax Period, with the exception of submitting a Voluntary Disclosure relating to a refund application for which the FTA has not yet issued a decision, where such Voluntary Disclosure relates to an error in accordance with Clause 2 of Article 10 of the Tax Procedures Law.<sup>69</sup>

The statute of limitation will be 15 years from -

- The end of the Tax Period in which Tax Evasion occurred.<sup>70</sup>
- The date on which the Taxable Person should have registered for Excise Tax, if the Person failed to register.<sup>71</sup>

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<sup>68</sup> Article 46(2) – (5) of the Tax Procedures Law.

<sup>69</sup> Article 46(6) of the Tax Procedures Law.

<sup>70</sup> Article 46(7) of Tax Procedures Law.

<sup>71</sup> Article 46(8) of Tax Procedures Law.



## 15. FTA decisions

### 15.1. Chapter summary

In the course of undertaking its duties in administering Excise Tax in the UAE, the FTA may issue a formal decision in respect of your Tax affairs which you disagree with. A reconsideration and appeals process are, therefore, available to Taxable Persons in-line with international best practice.

### 15.2. Overview of the appeals process

The appeals process is structured in tiers, allowing decisions at each level to be appealed to a higher authority until the dispute reaches the Courts. The main tiers, listed from lowest to highest authority, are as follows:

- request a Tax assessment review (optional step),
- request to the FTA for a reconsideration (necessary step in order to proceed to the next tier or higher authority),
- objection to a Tax disputes resolution committee (“TDRC”), (necessary step in order to proceed to the next tier or higher authority), and
- appeal to a court of law.

Each appeal body will make its decision based on application of the relevant law to the factual basis. Outcomes from the Tax assessment review request, reconsideration and appeals process can be that the decision is upheld, revised, or withdrawn.

Taxpayers submitting Tax assessment review requests, reconsideration and objection applications to the FTA and the TDRC may request for an extension of the timeline, provided that they meet certain conditions, in line with the Tax Procedures Law.<sup>72</sup> For more information on the eligible cases for extension, please refer to the FTA Decision No. 1 of 2025.

Taxable Persons will be responsible for covering any costs they may incur (for example, court fees, consultancy fees, or legal advice) in respect of the process.

### 15.3. What matters can be challenged?

Only decisions by the FTA in respect of the Person’s own Excise Tax affairs can be challenged through either a request for a Tax assessment review, reconsideration, objection or an appeal.

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<sup>72</sup> Article 35 of the Tax Procedures Law.



It is important to note that the Tax assessment review stage is specifically for disputes related to Tax assessments and does not apply to other decisions issued by the FTA.

Not every comment by the FTA will be a decision. A decision is usually a statement of the FTA's final position on a matter, as based on a full consideration of the facts, and the relevant Excise Tax law, for example a Tax Audit assessment. It may be the case that a Taxable Person disagrees with only part of an FTA decision. In this case the Taxable Person may limit a reconsideration request to only that part of the decision.

#### 15.3.1. *Request a Tax assessment review*

The amended Tax Procedures Law, effective as of 1 March 2023, allows a Person to request a review of a Tax assessment or related administrative penalties by the FTA.<sup>73</sup>

It is important to note that this review stage is optional, allowing taxpayers to request the FTA to review a Tax assessment based on provided reasons that highlight inaccuracies or errors. Taxpayers can choose to either opt for this stage or proceed directly to the reconsideration stage at their discretion.

As stated above, the Tax assessment review stage is specifically for disputes related to Tax assessments and does not apply to other decisions issued by the FTA. This review can be requested whether the taxpayer disputes the entire Tax assessment or only part of it, and it also covers related administrative penalties arising from the Tax assessment conclusions.<sup>74</sup>

Tax assessment review request must be submitted within 40 Business Days from the date of notification of the relevant Tax Assessment, and must include the reasons for the request.<sup>75</sup> The FTA is required to review the request and issue a decision within 40 Business Days, notifying the applicant of the decision within 5 Business Days of issuance.<sup>76</sup>

Please note that the deadline for submitting a Tax assessment review request may be extended in certain cases. For more information on the eligible cases for extension, please refer to FTA Decision No. 1 of 2025.

It is important to note that a Tax assessment review request cannot be submitted or continued if a reconsideration request has already been filed.<sup>77</sup> The request must be

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<sup>73</sup> Article 28 of the Tax Procedures Law.

<sup>74</sup> Article 28(1) of the Tax Procedures Law.

<sup>75</sup> Article 28(2) of the Tax Procedures Law.

<sup>76</sup> Article 28(3) of the Tax Procedures Law.

<sup>77</sup> Article 28(5) of the Tax Procedures Law.



made in the form and manner specified by the FTA.<sup>78</sup> For more information on the process of submitting a Tax assessment review request, please refer to the Tax Procedures Public Clarification on Tax assessment reviews (“TAXP008”).

If the Person is dissatisfied with the decision, they may submit a reconsideration request, as discussed in the next section.

#### *15.3.2. Request a reconsideration*

The FTA reconsideration process is the gateway to the appeals process. The Taxable Person must apply in writing to the FTA within 40 Business Days from the date of notification of the FTA’s decision, for the FTA to review its own decision.<sup>79</sup> It is not possible to skip straight to applying to appeal to a higher body (e.g. the TDRC) without first requesting an FTA reconsideration.

Please note that the deadline for submitting a reconsideration request may be extended in certain cases. For more information on the eligible cases for extension, please refer to FTA Decision No. 1 of 2025.

It is important to note that once a taxpayer submits a reconsideration request to the FTA for a specific Tax assessment and related administrative penalties, they can no longer request a Tax assessment review. Any pending Tax assessment review requests will be disregarded by the FTA.

The application for a reconsideration will need to include the Taxable Person’s grounds for making the request, identifying why they disagree with the relevant decision, and providing a justification for a reconsideration being required. If a justification is not provided, or is inadequate then the FTA can reject the application.

The reconsideration application form can be found on the EmaraTax portal where it can also be completed and submitted to the FTA.

#### *15.3.3. FTA decision on Tax assessment review or reconsideration request*

The FTA will consider the relevant request, issue a decision within 40 Business Days and inform the applicant of this decision within five Business Days from the decision date.<sup>80</sup> Please note that the FTA may extend this period by 20 Business Days if the extension is necessary to decide on the request.<sup>81</sup>

<sup>78</sup> Article 28(6) of the Tax Procedures Law.

<sup>79</sup> Article 29(1) of the Tax Procedures Law.

<sup>80</sup> Article 29(2) of the Tax Procedures Law.

<sup>81</sup> Article 25(1) of the Excise Tax Executive Regulation.



It may be that the FTA seeks further communication with the Taxable Person before finalizing its reconsideration in order to confirm certain points. The reconsideration decision will bind the Taxable Person unless it is appealed further to the TDRC.

#### **15.4. Objections to TDRC**

Objections in respect of FTA reconsideration decisions, and applications for reconsideration which the FTA did not rule on, will be heard by the TDRC.

An objection to the TDRC must be submitted within 40 Business Days from the date of notification of the FTA's decision. An objection will not be accepted by the TDRC if:

- A reconsideration request has not previously been submitted to the FTA.
- The full amount of Tax in connection with the objection has not been settled.
- If the objection is not submitted within 40 Business Days from the date the Person was notified about the reconsideration decision.<sup>82</sup>

Unlike a reconsideration request which is considered by FTA officers, the objections to the TDRC are considered by members of the judicial authority and appointed Tax experts.

The TDRC shall review eligible objections and make a decision within 20 Business Days from the date of receiving the objection.<sup>83</sup> The TDRC may extend the period for deciding on the objection for a period of 60 Business Days if there are reasonable grounds for the extension. The TDRC shall inform the Taxable Person within five Business Days from the date the it made its decision.<sup>84</sup>

If the decision of the TDRC is not appealed, then it will bind the Taxable Person and the FTA. TDRC decisions in regards of disputes with a value of less than AED 100,000 cannot be appealed.<sup>85</sup>

In all cases, Tax disputes will not be accepted before the Competent Court if an objection has not been previously submitted to the TDRC.<sup>86</sup>

#### **15.5. Appealing a decision of the TDRC to a Competent Court**

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<sup>82</sup> Article 32 of the Tax Procedures Law.

<sup>83</sup> Article 33(1) of the Tax Procedures Law.

<sup>84</sup> Article 33(2) of the Tax Procedures Law.

<sup>85</sup> Article 33(3) of the Tax Procedures Law.

<sup>86</sup> Article 33(4) of the Tax Procedures Law.



Decisions of the TDRC may be appealed to the judicial courts by either the Taxable Person or the FTA within 40 Business Days from the notification of the TDRC's decision.

An appeal may be lodged if either party disagrees with the TDRC decision (in full or partly), or if the TDRC failed to issue a decision within the prescribed time period.<sup>87</sup>

The competent court shall rule the appeal as inadmissible in the following instances:

- If the reconsideration request has not previously been submitted to the FTA and an objection has not been submitted to the TDRC.
- If the full amount of Tax in connection with the objection has not been settled. The Taxable Person is required to provide proof that the full amount of Tax was paid to the FTA. Where the amount of Tax as decided by the TDRC or the competent court increases as per the decision of the following levels, the Person is required to pay the difference before being eligible to take the matter to the higher competent court.
- If at least 50% of the amount of the administrative penalties have not been paid, unless an approved bank guarantee in favour of the FTA has been provided for this amount. Where the amount of penalties as decided by the TDRC or the competent court is increased by the higher competent court, the Person is required to pay 50% of the increase before being eligible to proceed to the next level.

The Court will make its decision by applying the Tax legislation and any other relevant law to the relevant facts of the dispute. Once the dispute has entered the formal court system, the rules and regulations of those courts shall apply in respect of procedures.

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<sup>87</sup> Article 36(1) of the Tax Procedures Law.



## 16. Updates and amendments

Date of amendment	Amendments made
January 2026	<ul style="list-style-type: none"> <li>Updates to Excise Goods and applicable rates.</li> <li>Updates to registration requirements.</li> <li>Updates in relation to the classification of sweetened, carbonated and energy drinks.</li> <li>Introduction of tiered-volumetric model for calculating Excise Tax on sweetened drinks.</li> <li>Updates in relation to the type of declarations and reporting.</li> <li>Updates and reference to the renewal process for Designated Zones.</li> <li>Updates to Deductible Tax provisions.</li> <li>Updates in relation to the use of the Product Registration Portal.</li> <li>Updates in relation to the Digital Tax Stamps Scheme.</li> <li>Updates on statute of limitation.</li> <li>Updates on requirements for access to appeal procedures and the procedure itself.</li> <li>Added footnotes with legislative references.</li> </ul>