

## **Cabinet Decision No. (33) of 2019**

### **On Administrative Penalties for Violations of Procedures related to the Implementation of Marking Excise Goods**

#### **Pursuant to Cabinet Decision No. (42) of 2018 on Marking Tobacco and Tobacco Products**

#### **The Cabinet:**

- Having reviewed the Constitution;
- Federal Law No. 1 of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Law No. 1 of 2011 on the State's Public Revenues;
- Federal Law No. 14 of 2016 on Violations and Administrative Penalties in the Federal Government,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority;
- Federal Law No. 7 of 2017 on Tax Procedures;
- Federal Decree-Law No. 7 of 2017 on Excise Tax;
- Federal Decree-Law No. 8 of 2017 on Value Added Tax,
- Cabinet Decision No. 42 of 2018 on Marking Tobacco and Tobacco Products;
- And pursuant to what was presented by the Minister of Finance and approved by the Cabinet,

#### **Has decided:**

### **Article (1)**

#### **Definitions**

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

**State:** United Arab Emirates.

**Minister:** Minister of Finance.

**Authority:** Federal Tax Authority.

**Chairman:** Chairman of the Authority's board of directors.

**Tax Law:** Federal Decree-Law No. (7) of 2017 on Excise Tax.

**Administrative Penalties:** Monetary amounts imposed on a Person by the Authority for breaching the provisions of the Tax Law and Cabinet Decision No. 42 of 2018 referred thereto.

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

**Tax:** Excise Tax imposed according to the Tax Law

**Designated Excise Goods:** Tobacco and tobacco products which shall be required to be marked to indicate that Tax has been paid on them.

**Mark:** Digital or physical stamp or seal or mark, which the Authority may approve.

**Payable Tax:** Tax that has become due for payment to the Authority.

## **Article (2)**

### **Scope**

Administrative Penalties shall be imposed on the violations listed in the table appended to this Decision.

## **Article (3)**

### **General Provisions**

The imposition of any Administrative Penalty pursuant to the provisions of this Decision shall not exempt any Person of his liability to pay the Payable Tax in accordance with the provisions of the Tax Law.

## **Article (4)**

### **Amending Administrative Penalties**

The Cabinet shall have jurisdiction to make any amendments to the violations and Administrative Penalties listed in the table appended to this Decision, whether by means of an addition, deletion or alteration.

## **Article (5)**

### **Objection**

The Person has the right to object to the Administrative Penalties imposed on him in accordance with the provisions of this Decision, pursuant to the procedures provided for in the Federal Law No. 7 of 2017 on Tax Procedures.

## **Article (6)**

### **Issuance of Executive Decisions**

The Minister shall issue the necessary decisions to implement the provisions of this Decision.

## **Article (7)**

### **Publication and Effective Date**

This Decision shall come into effect as of the date of its issuance and shall be published in the official Gazette

**Mohammad Bin Rashid Al Maktoum**

**Prime Minister**

**Issued by us:**

**On:** 25 Sha'ban 1440

**Corresponding to:** 1 May 2019

**Table of Violations and Administrative Penalties**  
**Appended to Cabinet Decision No. 33 of 2019**

<b>No</b>	<b>Description of Violation</b>	<b>Administrative Penalty (AED)</b>
1	A person possesses or handles Designated Excise Goods that do not carry a Mark.	<ul style="list-style-type: none"> <li>• 50,000, and</li> <li>• 50% of the excise tax due on the Designated Excise Goods.</li> </ul>
2	A Person, knowingly, allows his premises to be used for the sale of Designated Excise Goods in the State that do not carry a Mark.	<ul style="list-style-type: none"> <li>• 25,000 for the first violation.</li> <li>• 50,000 in case of repetition.</li> </ul>
3	A Person alters Marks affixed to Designated Excise Goods, or being engaged in overprinting any Mark affixed to Designated Excise Goods.	<ul style="list-style-type: none"> <li>• 50,000, and</li> <li>• 50% of the excise tax due on the Designated Excise Goods.</li> </ul>
4	A Person fails to report the movement of Designated Excise Goods via the electronic system defined in the Cabinet Decision No. 42 of 2018.	<ul style="list-style-type: none"> <li>• 20,000 per incident.</li> </ul>
5	A Person fails to comply with the requirements to securely store Marks as determined by the Authority.	<ul style="list-style-type: none"> <li>• 50,000 per incident.</li> </ul>
6	A Person fails to comply with time limits to return unused Marks to the Authority.	<ul style="list-style-type: none"> <li>• 50,000 per incident.</li> </ul>
7	A Person fails to affix Marks to Designated Excise Goods in the manner and location specified by the Authority.	<ul style="list-style-type: none"> <li>• 25,000 for the first violation.</li> <li>• 50,000 in case of repetition.</li> </ul>
8	A Person conducts unauthorized trading, swapping, selling or otherwise supplying of Marks.	<ul style="list-style-type: none"> <li>• 25,000 for the first violation;</li> <li>• 50,000 in case of repetition;</li> <li>• And a tax related penalty of 50% of the amount collected as a tax.</li> </ul>
9	A Person re-uses Marks which have previously been used on a Designated Excise Good.	<ul style="list-style-type: none"> <li>• 50,000, and</li> <li>• 50% of the excise tax due on the Designated Excise Goods.</li> </ul>