

## **Cabinet Resolution No. (42) of 2018 on Marking Tobacco and Tobacco Products**

### **The Cabinet:**

- Having reviewed the Constitution,
- Federal Law No. (1) of 1972 on the Competences of Ministries and the Powers of Ministers, as amended,
- Federal Decree-Law No. (13) of 2016 Establishing the Federal Tax Authority,
- Federal Law No. (7) of 2017 on Tax Procedures,
- Federal Decree-Law No. (7) of 2017 on Excise Tax,
- Based on the proposal submitted by the Minister of Finance and approved by the Cabinet,

### **Hereby resolves as follows:**

### **Article (1)**

#### **Definitions**

For the purposes of applying the provisions of this Resolution, the following words and expressions shall have the meanings assigned thereto respectively unless the context requires otherwise:

- State** : The United Arab Emirates.
- Authority** : The Federal Tax Authority.
- Chairman** : The Chairman of the Authority's board of directors.
- The Tax** : The Excise Tax.
- The Person** : Any natural or legal person.
- The Mark** : A digital or material stamp or seal, or a mark approved by the Authority.
- Specific Excisable Goods** : Tobacco and tobacco products required to be marked to indicate that the due tax thereon has been paid.
- Importation** : The arrival of the Specific Excisable Goods from abroad to the territory of the State.
- The Importer** : The Person whose name is indicated as the importer of the Specific Excisable Goods on the importation date for customs clearance purposes.
- The Approved Supplier** : The person appointed by the Authority to supply Marks.
- The System** : The electronic system approved by the Authority for the purposes of tracking

and identifying the origin of the Marks.

## **Article (2)**

### **Dates of Marks Availability**

The Chairman shall issue a resolution on the following:

1. The date on which Marks are available so that a purchase order is issued by the Importer or producer for each category of the Specific Excisable Goods.
2. The date as of which the importation of the Specific Excisable Goods without being marked shall be prohibited, in accordance with the provisions of this Resolution.
3. The date as of which the supply of the Specific Excisable Goods without being marked shall be prohibited in the State, in accordance with the provisions of this Resolution.

## **Article (3)**

### **Method of Marking the Specific Excisable Goods**

1. The Specific Excisable Goods shall be marked to indicate that the tax due thereon has been paid, in accordance with the following conditions:
  - a. The Producer shall mark the Specific Excisable Goods.
  - b. Marks shall be affixed on the Specific Excisable Goods by the method and at the place determined by the Authority.
2. The Authority may change the method and form of the Marks, including the determination of the cases in which no mark is required, as well as the method of affixing a mark and its place on the Specific Excisable Goods.
3. Marks shall be affixed on the Specific Excisable Goods at any of the following locations:
  - a. Inside the establishment producing the Specific Excisable Goods inside the State immediately after packaging if the same are produced in the State.
  - b. At a place outside the State before importation if the goods are produced outside the State.

## **Article (4)**

### **Procedures Related to the Supply of Marks**

1. The importer or producer in the State shall submit an application to the Authority stating therein the number of the Specific Excisable Goods which he wishes to affix marks thereon, as well as any other details defined by the Authority, in accordance with the mechanism applicable to the

Authority.

2. The Authority shall study the application and if approved, the importer or producer in the State shall purchase the Marks from the entity identified by the Authority according to the procedures identified thereby.
3. The Approved Supplier shall supply the Marks to the importer or producer in the State according to the procedures agreed upon by the Approved Supplier and the Authority.
4. Only the Approved Supplier may supply the Marks. Furthermore, no other Person shall be allowed to trade, exchange, sell or supply the Marks.
5. The Importer in the State may request the Approved Supplier to directly supply the Marks to the producer of the Specific Excisable Goods, which may include a producer outside the State.
6. The fee payable for purchasing the Marks shall be approved by the Authority, and shall be paid by the importer or producer before issuing the Marks to the same.

## **Article (5)**

### **Tracking and Identifying the Origin of the Specific Excisable Goods**

1. The importer and producer in the State and the Person identified in the supply chain shall maintain records of the transport of all the Specific Excisable Goods to and inside the State, during the period in which such goods are in their possession, including, but not limited to:
  - a. Entry of all the Specific Excisable Goods in the possession of the importer or producer in the State, or the Person identified in the supply chain.
  - b. Phased transportation of all the Specific Excisable Goods inside the State.
  - c. Importer or producer's non-possession of the Specific Excisable Goods in the State or Person identified in the supply chain.
2. For the purposes of this Article, the phrase of "Person identified in the supply chain" means any Person dealing with the Specific Excisable Goods who is particularly obliged by the Authority to record the movements of the Specific Excisable Goods.
3. All importers and producers in the State and Persons identified in the supply chain shall register and declare the Specific Excisable Goods which have been purchased, sold, stored, transported or processed in the System, as determined by the Authority.
4. The data registered according to Clause (3) of this Article may not be modified or deleted by any Person engaged in trading the Specific Excisable Goods in the State.
5. The customs departments shall verify the Marks upon the entry of the Specific Excisable Goods

into the State, as per the procedures defined by the Authority.

## **Article (6)**

### **Storage of the Marks**

1. Any Person who possesses Marks supplied by an Approved Supplier shall make sure that they have been safely stored before being affixed on the Specific Excisable Goods.
2. The Authority may determine the minimum safety requirements applicable to the storage of the Marks.
3. Marks in the possession of any Person shall be returned to the Authority in the following cases:
  - a. If the Person realizes that he has no longer intended to use the Marks for the purposes of affixing same on the Specific Excisable Goods.
  - b. If twelve (12) months are lapsed from the date of the Person's receipt of the Marks and such Marks have not been affixed on the Specific Excisable Goods during such period.
  - c. Any other cases determined by the Authority.

## **Article (7)**

### **Issuance of the Executive Resolutions**

The Chairman shall issue the resolutions necessary for enforcing the provisions of this Resolution.

## **Article (8)**

### **Publication and Entry into Force of the Resolution**

This Resolution shall enter into force as of the date of its issuance, and shall be published in the Official Gazette.

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

Issued by Us:

Dated: 11 / Dhul Qaeda / 1439 AH.

Corresponding to: 24 / July / 2018 AD.