

Cabinet Resolution No. (33) of 2019

Regarding Administrative Fines for Violations of the Procedures for the Application of Marking Excise Goods in accordance with Cabinet Resolution No. (42) of 2018 regarding Marking Tobacco and Tobacco Products

The Cabinet:

- Upon reviewing the Constitution,
- Federal Law No (1) of 1972 concerning the Competences of Ministries and Powers of Ministers, and any amendments thereof;
- Federal Law No. (1) of 2011 concerning the Public Revenues of the State;
- Federal Law No. (14) of 2016 concerning Violations and Administrative Penalties in the Federal Government;
- Federal Decree under Law No. (13) of 2016 Establishing the Federal Tax Authority;
- Federal Law No. (7) of 2017 concerning Tax Procedures;
- Federal Law by Decree No. (7) of 2017 concerning Excise Tax;
- Federal Law by Decree No. (8) of 2017 concerning Value Added Tax;
- Cabinet Resolution No. (42) of 2018 concerning Marking Tobacco and Tobacco Products;
- And upon the proposal of the Minister of Finance and the approval of the Cabinet;

Resolves:

Article (1)

Definitions

In application of the provisions of this Resolution, the following words and phrases shall have the meanings assigned to each of them, unless the context indicates otherwise:

- State** : The United Arab Emirates.
- Minister** : The Minister of Finance.
- Authority** : Federal Tax Authority
- Chairman** : The Chairman of the Board of Directors of the Authority.
- Tax Law** : Federal Law by Decree No. (7) of 2017 concerning Excise Tax.

- Administrative Fines** : Amounts of money imposed on the person by the Authority for violating the provisions of the Tax Law and the aforementioned Cabinet Resolution No. (42) of 2018.
- Person** : Natural or legal person.
- Tax** : Excise tax imposed by Tax Law.
- Specified Excise Goods** : Tobacco and tobacco products, which must be marked to indicate that the tax has been paid.
- Mark** : A digital or physical stamp or seal or a mark adopted by the Authority.
- Tax Payable** : The tax due to be paid to the Authority.

Article (2)

Scope of Application

Administrative fines shall be imposed for the violations contained in the tables attached to this Resolution.

Article (3)

General Provisions

The imposition of any administrative fine under the provisions of this Resolution shall not result in the exemption of any person from the responsibility for payment of the tax payable in accordance with the provisions of the Tax Law.

Article (4)

Amending Administrative Fines

The Cabinet may make any amendments to the administrative violations and fines contained in the Table attached to this Resolution, by adding, deletion or amendment.

Article (5)

Objection

A person may object to the administrative fines imposed thereon under the provisions of this Resolution in accordance with the procedures stipulated in Federal Law No. (7) of 2017 concerning the Tax Procedures.

Article (6)

Issuance of Executive Resolutions

The Minister shall issue the resolutions necessary for the enforcement of the provisions of this Resolution.

Article (7)

Publication and Enforcement

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

Mohammed Bin Rashid Al Maktoum

Prime Minister

On: 24 Shaaban, 1440 H

Corresponding to: 21 May 2019 A.D

Schedule of Administrative Violations and Penalties
Attached to Cabinet Resolution No. (33) of 2019

No.	Violation Description	Penalty Value in AED
1	A Person's possession or trading of Designated Excise Goods in the State that do not bear the Mark.	<ul style="list-style-type: none"> ● 50,000, and ● 50% of the amount of Excise Tax due on the Designated Excise Goods.
2	A Person's deliberate permission to use their premises for the sale of Designated Excise Goods in the State that do not bear the Mark.	<ul style="list-style-type: none"> ● 25,000 for the first violation ● 50,000 in case of repetition.
3	A Person altering the Marks affixed to Designated Excise Goods or printing over the Marks affixed to a Designated Excise Good.	<ul style="list-style-type: none"> ● 50,000, and ● 50% of the amount of Excise Tax due on the Designated Excise Goods.
4	A Person's failure to declare the transfer of Designated Excise Goods through the electronic system defined in Cabinet Resolution No. (42) of 2018.	<ul style="list-style-type: none"> ● 20,000 per instance.
5	A Person's failure to comply with the secure storage requirements for the Marks as determined by the Authority.	<ul style="list-style-type: none"> ● 50,000 per instance.
6	A Person's failure to comply with the time limits for returning unused Marks to the Authority.	<ul style="list-style-type: none"> ● 50,000 per instance.

No.	Violation Description	Penalty Value in AED
7	A Person's failure to affix the Marks to the Designated Excise Goods in the manner and location determined by the Authority.	<ul style="list-style-type: none"> ● 25,000 for the first violation ● 50,000 in case of repetition.
8	A Person's unauthorized trading, exchange, sale, or supply of Marks.	<ul style="list-style-type: none"> ● 25,000 for the first violation. ● 50,000 in case of repetition, and ● A tax-related penalty valued at 50% of the amount collected on the basis that it was Tax.
9	A Person's reuse of Marks that have previously been used on a Designated Excise Good.	<ul style="list-style-type: none"> ● 50,000, and ● 50% of the amount of Excise Tax due on the Designated Excise Goods.