Federal Law No. (12) of 1994

Amending Certain Provisions of Federal Law No. (11) of 1981

Concerning the Imposition of a Federal Tax on Imports of Tobacco and its Derivatives

We, Zayed bin Sultan Al Nahyan,
President of the United Arab Emirates,

Having reviewed the Provisional Constitution,

And Federal Law No. (1) of 1972, concerning the competencies of Ministries and the powers of Ministers, and its amending laws,

And Federal Law No. (11) of 1981, concerning the imposition of a federal customs tax on imports of tobacco and its derivatives,

And based on the proposal of the Minister of Finance and Industry, the approval of the Council of Ministers and the Federal National Council, and the ratification of the Federal Supreme Council,

Have issued the following Law:

Article One

The texts of Articles (2) and (3) of the aforementioned Federal Law No. (11) of 1981 shall be replaced by the following two articles:

Article (2)

The tax rate shall be set at 50% (fifty percent) of the import price of the commodity, calculated on the basis of its delivery at the port of arrival in the United Arab Emirates if imported from abroad. A tax of 50% (fifty percent) of the production cost value of the commodity shall be imposed if it is manufactured or its manufacturing is completed within the state, taking into account any tax that may have been imposed on the materials used in the manufacturing. Goods exported outside the state shall be exempt from this tax.

Article (3)

Without prejudice to the provisions of the second paragraph of Article (2), the goods referred to in Article (1) shall be temporarily exempt from tax if they are imported for the purpose of re-exporting them outside the state in their original condition.

The condition for exemption is that the importer deposits with the authority responsible for collecting the tax a cash deposit or a bank guarantee equivalent to the value of the due tax, and that the re-export takes place within one year from the date of import. If this period expires without the re-export being completed, the tax shall become due and payable.

Article Two

A new article numbered (3 bis) shall be added to the aforementioned Federal Law No. (11) of 1981, with the following text:

(From the revenues of the said tax, 50% (fifty percent) shall be paid to the Ministry of Finance and Industry, and the remaining 50% shall be paid to the local government in one of whose ports the tax was collected or in which the goods were produced. The Ministry of Finance and Industry shall appoint financial controllers in the sea, air, and land ports of the state to monitor and implement the provisions of this law).

Article Three

This Law shall be published in the Official Gazette and shall come into force from the date of its publication.

Issued by us at the Presidential Palace in Abu Dhabi,

On: 28 / Jumada al-Awwal / 1415 H,

Corresponding to: 2 / November / 1994 AD.

Zayed bin Sultan Al Nahyan

President of the United Arab Emirates