

**The Cooperation Council For  
The Arab States of The Gulf  
Secretariat General**



**Amended Controls for  
Exemption of Industry Inputs  
from Customs Taxes “Duties”  
in GCC Member States**

**2009 AD**

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**(1430 AH - 2009 AD)**

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Revised version adopted at the 25<sup>th</sup> Meeting of the GCC Industrial Cooperation Committee



## **Introduction**

**With a view to** encouraging national industry in GCC States in consistence with the regional and international agreements, especially WTO Agreement; as industry is one of the strategic options for comprehensive development in GCC States, and following the creation of the customs union, GCC Member States agreed to exempt national industry inputs from customs taxes "duties". Such decision is expected to enhance competitiveness of national industry, contribute to the growth of national exports and support efforts of GCC Member States aiming to attract foreign investments and create more employment opportunities for national work force, and

Whereas the GCC Supreme Council agreed at its 22<sup>nd</sup> Session (Oman, December 2001) to grant GCC manufacturing plants exemption from the customs taxes "duties" imposed on their imports of machinery, equipment, parts, raw materials, semi-manufactured materials enwrapping & bottling industrial materials, and

**Based on** paragraph (7) of these controls whereby the Supreme Council has authorized the Financial & Economic Cooperation Committee (FECC) to interpret and amend these controls,

The FECC has amended these controls in accordance with the requirements of the GCC Customs Union and Common Market as well as the international and regional economic variables .

GCC Member States hope that these amended controls will stimulate the industry sector to cut production costs, increase competitiveness, encourage industrial investment and consequently increase its contribution to domestic product.





# **Amended Controls for Exemption of Industry Inputs from Customs Taxes "Duties" In GCC Member States**

## **I. Definitions**

1. **Council** : Cooperation Council for the Arab States of the Gulf "GCC"
2. **Committee** : GCC Industrial Cooperation Committee
3. **Competent Minister** : Minister of Industry or the minister authorized to grant customs exemption
4. **Competent Authority** : Authority in charge of issuing industrial licenses

## **II. Exempted items and exemption duration**

Exemption covers machinery, equipment, parts, raw materials, semi-manufactured materials and packing materials required for immediate industrial production. Exemption shall be valid as long as the plant is running business.

## **III. Conditions for exemption of industry inputs**

1. The manufacturing plant shall have an industrial license from the competent authority in charge of industry in the State.
2. The plant shall apply for customs exemption (Form "A") after obtaining the license.
3. When exempted goods are imported via an entry port other than that of the country granting exemption, the importer shall complete Form "B". All required documents shall be attached with the Application,

otherwise the Application will be deemed incomplete and consequently disregarded.

#### **IV. Procedures of Exemption**

1. The manufacturing plant applying for exemption shall complete Form "A" (**Application for Customs Exemption**) and submit it to the competent authority in the licensing State. The Application Form includes general details about the plant such as name of the owner, license Number, industrial registration Number, in addition to details, the machineries, equipments, parts, raw materials, semi-manufactured materials, packing materials and annually required quantities.
2. All information in Form "A" shall be completed in Arabic except for the lists of the imports to be exempted from customs duties, which shall be completed in the language of the shipping documents.
3. Exemption shall be approved by the competent minister or his authorized representative.
4. When exempted goods are imported via an entry port other than that of the country granting exemption, the plant applying for exemption shall complete Form "B" (**Application for Customs Exemption**) and submit it to the competent authority in the licensing State. The Application Form includes general details about the plant such as name of the plant, license, industrial registration No., B/L No., bank credit No., description and quantity of goods, country of origin, and invoice number and value. The following documents shall be attached with the Application:

- The invoice, duly certified by competent authorities
- Bill of Lading
- Bank credit
- Certificate of Origin

Application shall be submitted two weeks prior to the arrival of imports to obtain approval of exemption from competent authority.

5. Form "B" shall be submitted to the customs port thru which exempted goods will be imported in order to finalize exemption procedures. Customs ports in Member States thru which the goods were imported shall facilitate entry of the goods for which certificates have been issued by competent authorities in each member States.

## **V. Obligations**

Owner of the plant that had obtained exemption shall abide by the following:

1. To keep a record of the machinery, equipment and parts (Form "B"), and for the raw materials, semi-manufactured materials and packing materials (Form D). Such record shall contain all details shown in these two Forms.
2. Owner of the exempted plant shall submit to the competent authority, on an annual basis, the balance sheet and closing accounts (Loss & Profit Account) for the ending financial year, to be duly approved by a certified auditor registered in the country where the plant is organized.



## **VI. General Provisions**

1. The FECC shall have the right to interpret and amend these controls in coordination with the Industrial Cooperation Committee.
2. These controls shall be reviewed after three years of implementation, or as required.

## **VII. Forms and Records**

- o **Form (A):** Application for Exemption from Customs Duties (Attachment No.1)
- o **Form (B):** Certificate of Customs Exemption for the plant's imports (Attachment No.2)
- o **Form (C):** Record of the machinery, equipment and parts (Attachment No.3)
- o **Form (D):** Record of the raw materials, semi-manufactured materials, and packing materials (Attachment No.4)

# Attachment (1)

Form (A)

Application for Exemption from Customs Duties

## I. General details about the enterprise

- 1- Name of plant : .....
  - 2- Manager's name: ..... Nationality: .....
  - 3- Legal status: .....
  - 4- Address: .....
- Office:*
- P.O. Box : .....
  - Tel: .....
  - Email: .....
- Factory:*
- P.O. Box : .....
  - Tel: .....
  - Email: .....
  - 5- Location: .....
  - 6- Industrial license No.:..... Date: .....
  - 7- Industrial registration No.:..... Date: .....
  - 8- C.R. No.:..... Date: .....
  - 9- Actual production Date: .....

**II. Details about the enterprise products of the projects:**

<b>Serial No.</b>	<b>Products</b>	<b>H.S. Code</b>	<b>Unit</b>	<b>Annual capacity</b>

**III. Machinery, equipment and parts required for the project to be exempted from duties:**

Serial No.	Description	Number	Unit	value	Source

\* Additional sheets may be attached, if necessary

**IV. Raw materials, semi-manufactured materials and packing materials required for the plant to be exempted from customs duties:**

Serial No.	Description	Unit	H.S. Code	Quantity require per year	Source

\* Additional sheets may be attached, if necessary.

**Attachment (2)**

**Form ( B )  
Customs Exemption Certificate**

Ref:-----

Date:-----

1. Name of the plant : .....

2. Industrial License No. : ..... Date:

3. Industrial Reg. No. : ..... Date:

4. C.R. No. : ..... Date:

5. Reference No : .....

6. B/L No. : .....

Serial	Description	HS Code	Unit	Quantity	Country of origin	Invoice No	Value (in original currency)	Value (in local currency)

Approval of the official authority



**Attachment (3)**

**Form (C)**

**Registration of imported machinery, equipment and parts exempted from customs duties**

Serial No.: .....  
 Reference No. : .....  
 Industrial License No.: .....  
 Industrial Reg. No.: .....  
 C.R. No. : .....

Date:-----

Machinery, equipment and parts	H.S. Code	Unit	Quant.	Invoice No.	Customs Declaration No.		Country of origin	Customs Exemption No.	Consumed materials		Remaining materials	Machinery, equipment and parts	H.S. Code	Unit	Quant.	
					Date	Date			Date	Value						

- Balance sheet of the plant attached.

**Attachment (4)**

**Form ( D )**

**Registration of imported Raw materials, semi-manufactured materials and packing materials exempted from customs duties**

**Serial No.:**-----  
**Reference No.** ----- **Date:**-----  
**Industrial License No.**-----  
**Industrial Reg. No.**-----  
**C.R. No.:** -----

Raw materials, semi-manufactured materials and packing materials	H.S. Code	Unit	Quant.	Raw materials, semi-manufactured materials and packing materials	H.S. Code	Unit	Quant.	Remarks	Remaining materials	Consumed materials	Customs Exemption	Country of origin	Customs Declaration No.	Invoice	Country of origin	Customs Exemption	Consumed materials	Remaining materials	Remarks	Raw materials, semi-manufactured materials and packing materials	H.S. Code	Unit	Quant.	
													No.	No.	Value	No.	Date	Date						Value

- Balance sheet of the plant attached.

