



THE GENERAL AUTHORITY OF ZAKAT AND TAX'S (THE "AUTHORITY") BOARD OF DIRECTORS RESOLUTION NO. (3905)

Dated: 23/12/1438 H | 14/09/2017 G



SCAN THIS CODE TO CHECK THE LATEST
UPDATE FOR THIS DOCUMENT AND ALL
PUBLISHED DOCUMENTS



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

CLASSIFICATIONS OF VIOLATIONS AND PENALTIES RELATING TO THE EXCISE TAX LAW

The chairman of the General Authority of Zakat & Tax's (the "Authority") Board of Directors (the "Board")

By the powers and authorities legally vested in him;

PURSUANT to Article 26 of the Excise Tax Law enacted pursuant to Royal Order No (M/86) and dated 27/08/1438H which states that "the [general] Authority [of zakat and tax] is responsible for imposing the penalties stipulated under the [Excise] Law in accordance with the classification of the violations and the Board shall set the appropriate penalty [for each violation] that is proportionate [in severity] with the corresponding violation..."

AND PURSUANT to the minutes of the Board's meeting no. (2/2017) dated 4/12/1438H documenting the Board's approval of the **Classifications of Violations And Penalties Relating To The Excise Tax Law** referenced herein;

RESOLVES THE FOLLOWING:

FIRST: The attached categories of the Excise Tax Law's violations and corresponding penalties (the "Excise Violations & Penalties" are hereby approved.

SECOND: penalties imposed in accordance with the approved Excise Violations & Penalties shall not prejudice or prevent the imposition of other penalties or punishments; if [two or more] offenses are interconnected such that it would be unreasonable to separate each of the various violations/offenses, it is sufficient to impose the most severe applicable penalty.

THIRD: the content of this resolution shall be applicable to violations occurring as of the date of its issuance.

Mohammed Bin Abdullah Aljadaan

Chairman of Board of the General Authority of Zakat & Tax



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

PROVISION (ARTICLE)	VIOLATION/OFFENSE	PENALTY
Article (20) of the Law [Tax Evasion]	Bringing into or attempting to bring into the Kingdom excise goods or to or taking out or attempting to take out from the Kingdom excise goods in violation of the provisions of the Law and its Implementing Regulations without full payment of the tax due on such goods or in violations of any prohibitive or restrictive rules or share requirements issues by the Authority.	<ul style="list-style-type: none">• A fine equal to the value of the unpaid/evaded tax that is due on the excise goods that are the object of the evasion.• If the offense is a repeated offense, the maximum penalty amount shall apply which is three-times the value of the excise goods that are the object of the offense (the evasion of attempted evasion).
	Producing, transferring, possessing, storing, transporting, or receiving excise goods, in violation of the provisions of the Law and its Implementing Regulations for the purpose of evading the payment of tax due [on such goods] or for the purpose of bypassing any prohibitive or restrictive rules or share requirements issues by the Authority	<ul style="list-style-type: none">• a fine equal to the value of the tax due on the excise goods that are the object of the evasion.• If the offense is a repeated offense, the maximum penalty amount shall apply which is three-times the value of the excise goods that are the object of the offense (the evasion of attempted evasion).



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

	<p>Submitting false, forged, or fabricated documents, returns, or records, or placing inaccurate markers for the purpose of not paying the tax due or unlawfully obtaining a refund [without being entitled to a refund].</p>	<ul style="list-style-type: none">• a fine equal to the value of the tax due on the excise goods that are the object of the evasion.• If the offense is a repeated offense, the maximum penalty amount shall apply which is three-times the value of the excise goods that are the object of the offense (the evasion of attempted evasion).
	<p>Carrying out the activity of production, importation, or possession of excise goods, without registration.</p>	<ul style="list-style-type: none">• a fine equal to the value of the tax due on the excise goods that are the object of the evasion.• If the offense is a repeated offense, the maximum penalty amount shall apply which is three-times the value of the excise goods that are the object of the offense (the evasion of attempted evasion).



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

Article (21) of
the Law

**Failure to file tax returns
to the Authority in accordance with the Law and
its Implementing Regulations.**

- A penalty in the amount of 5% of the tax amount that should have been reported in the tax return for each 30-day period -or a part thereof- that the tax return is unfiled after its statutory filing deadline, provided that the penalty shall not exceed 25% of the tax amount that should have been reported in the tax return.
- **The penalty shall be calculated as follows:**
 - a. 5% of the unpaid tax amount where the tax return remains unfiled for no more than 30 days from the statutory deadline for filing the return (the date specified in the Regulations).
 - b. 10% of the unpaid tax amount where the tax return remains unfiled for more than 30-day but not exceeding 60-days from the statutory deadline for filing the return (the date specified in the Regulations).
 - c. 15% of the unpaid tax amount where the tax return remains unfiled for more than 60-day but not exceeding 90-days from the statutory deadline for filing the return (the date specified in the Regulations).



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

		<p>d. (d) 20% of the unpaid tax amount where the tax return remains unfiled for more than 90-day but not exceeding 120-days from the statutory deadline for filing the return (the date specified in the Regulations).</p> <p>e. (e) 25% of the unpaid tax amount where the tax returns remain unfiled for more than 120-days from the statutory deadline for filing the return (the date specified in the Regulations).</p>
Article (23) of the Law	Preventing, obstructing, or restricting the Authority employees from performing their duties.	SAR 50,000
	Failure to submit information requested by the Authority.	<ul style="list-style-type: none">SAR 1,000 for each business day that the information is not provided to the Authority after the deadline set by the Authority for its submission, provided the penalty shall not exceed SAR 50,000.



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

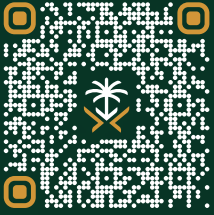
	<p>A registered person's failure to notify the Authority of any change in the information provided in the registration request prior to the change taking effect, where such person is able to notify the Authority of such change.</p>	<ul style="list-style-type: none">• SAR 1,000 for each business day that the Authority is not notified of the change to the registered person's information as of the date on which the changes take effect until the date of notifying the Authority, provided the penalty shall not exceed SAR 50,000.
	<p>A registered Person's failure to notify the Authority of any change in the information provided in the registration request within 30 days from the date the changes take effect.</p>	<ul style="list-style-type: none">• SAR 1,000 for each business day that the Authority is not notified of the change to the registered person's information commencing on the day following the statutory deadline to notify the Authority until the date of notifying the Authority, provided the penalty shall not exceed SAR 50,000.
	<p>A registered person's breach of their duty to safeguard the excise goods.</p>	<ul style="list-style-type: none">• A penalty equal to the higher of the amount of the tax due on such excise goods or SAR 50,000.
	<p>A registered person's failure to maintain and keep commercial and electronic records in accordance with the Law and its Implementing Regulations.</p>	<ul style="list-style-type: none">• SAR 50,000



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

	<p>A registered person's failure to use an administrative system in accordance with the Law and its Implementing Regulations.</p>	<ul style="list-style-type: none">• SAR 50,000.
	<p>Violating any other provision of the Excise Law and its Implementing Regulations.</p>	<ul style="list-style-type: none">• A penalty in the amount of SAR 10,000 for the first occurrence of the offense ("Initial Penalty").• Multiples of the Initial Penalty for recommitting the same offense but not exceeding SAR 50,000.
<p>Article (25) of the Law</p>	<p>Recommission of any violation/offense within three years from the date rendering the previous final decision imposing penalties.</p>	<ol style="list-style-type: none">a. 200% of the value of the penalty imposed under the decision; orb. Suspension of the license for a period not exceeding 6 months.

الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax



SCAN THIS CODE TO CHECK THE LATEST
UPDATE FOR THIS DOCUMENT AND ALL
PUBLISHED DOCUMENTS

OR PLEASE VISIT OUR WEBSITE

gazt.gov.sa