هيئة الزكاة والضريبة والجمارك
Zakat, Tax and Customs Authority

Excise Tax

IMPLEMENTING REGULATIONS OF THE EXCISE TAX LAW

Issued by resolution of the Board of Directors of the Zakat, Tax and Customs Authority Resolution No. (9-1-17) Dated: 13 Ramadan 1438 H | 08 June 2017 G

As amended by

- the General Authority of Zakat & Tax's Board of Directors Resolution No. (8-2-19) dated 27 Rajab 1440 H (03 April 2019);
- the General Authority of Zakat & Tax's Board of Directors Resolution No. (2-3-19) dated 10 Ramadan 1440 H (15 May 2019 G);
- the Zakat, Tax and Customs Authority's Board of Directors Resolution No. (14-6-22) dated 04 Safar 1444 H (31 August 2022 G);
- the Zakat, Tax and Customs Authority's Board of Directors Resolution No. (13-1-23) dated 15 Rajab 1444 H (06 February 2023 G); and
- the Zakat, Tax and Customs Authority's Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

CHAPTER 1:

Definitions

Article (1): Definitions

1. The following words and expressions, wherever mentioned in the Law, shall have the meanings ascribed to them, unless the context requires otherwise:

The Council: The Gulf Cooperation Council.

Member State: Any state that has full membership status in the Council, in accordance with its Charter.

Ministerial Committee: The Financial and Economic Cooperation Committee of the Council States.

Tax Due: Tax imposed on Excise Goods, payable to the Authority.

Tax Base: The value of Excise Goods upon which the tax is calculated in accordance with Paragraph (1) of Article (4) of these Regulations. It is represented by the highest value of any of the following prices, exclusive of the Tax Due and VAT : (1)

a. The Retail Sale Price as determined in accordance with the provisions of these Regulations by the importer, the producer, or any other person providing Excise Goods for consumption in the Kingdom.
b. The reference Retail Sale Price determined by ZATCA for tax purposes.
c. The standard price for Excise Goods determined periodically among the tax authorities in the GCC Member States in accordance with the provisions of the Agreement.

(1) This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

Tax Stamp: The labeling of Excise Goods provided for in Article (18) of the Agreement. It is a label, symbol, or mark to be affixed to the designated Excise Goods and is activated electronically. The format of, and information included in Tax Stamps shall be determined by the Authority.

Authorized Supplier: A person licensed by the Authority to supply Tax Stamps.

Possession for Commercial Purposes: The possession of Excise Goods for purposes of commercial activities or any related activities, or the possession of Excise Goods of quantities exceeding the limits determined by the Authority.

Designated Excise Goods: Excise Goods to which Tax Stamps shall be affixed; for the purposes of these Regulations.

Tax Suspension Arrangement: An arrangement under which the Tax Due on Excise Goods is suspended.

The Person Liable for Tax Payment: The person responsible - in accordance with the provisions of the Law and the Regulations - for calculating, declaring and paying the Tax Due on its account to the Authority.

Licensee: A person authorized by the Authority to produce, transfer, hold, store, transport or receive Excise Goods, whether produced locally or imported, in a Tax Warehouse, in the context of its business.

Excise Goods: Goods that are subject to Taxation, in accordance with the provisions of the Law and the Regulations

Import of Excise Goods: The entry into the Kingdom of Excise Goods which are not subsequently placed under a Customs Suspension Arrangement, besides customs clearance and release of Excise Goods for import purposes in the Kingdom.

Tax warehouse: A designated place, where a Licensee is permitted to produce, transfer, store, or receive Excise Goods under a Tax Suspension Arrangement.

Total Damage: When the Excise Goods become completely unusable.

2. Without prejudice to Paragraph (1) of this Article, the words and phrases in these Regulations shall have the meanings ascribed thereto in the Agreement and in the Law.

CHAPTER 2:

EXCISE GOODS

Article (2): Excise Goods[2]

1. An Excise Tax shall be imposed on the following Goods:
    a. Tobacco Products.
    b. Energy Drinks.
    c. Sweetened Drinks, to be categorized as per the classes below:
    - Class 1: Sugar-free and containing artificial sweeteners only.
    - Class 2: Low sugar (containing a total sugar content of less than 5 grams per 100 milliliters).
    - Class 3: Medium sugar (containing a total sugar content ranging from 5 to 7.99 gm per 100 mL).
    - Class 4: High sugar (containing a total sugar content of 8 gm or more per 100 mL).

    d. Electronic smoking devices and similar tools.
    e. Liquids used in electronic smoking devices, and similar tools.
2. The Governor of ZATCA may issue the decisions required to identify the range and definition of the Excise Goods listed under Paragraph (1) of this Article in accordance with the resolutions issued by the Ministerial Committee.

Article (3): TAX RATES[3]

1. A Tax Rate of 100% shall be imposed on Tobacco Products.
2. A Tax Rate of 100% shall be imposed on Energy Drinks.
3. A Tax Rate shall be imposed on Sweetened Drinks as follows:

- Class 1: SAR 0/liter
- Class 2: SAR 0/liter
- Class 3: SAR 0.79/liter
- Class 4: SAR 1.09/liter

4. A Tax Rate of 100% shall be imposed on electronic smoking, and similar tools.

2 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

3 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

5. A Tax Rate of 100% shall be imposed on Liquids used in electronic smoking, and similar tools.

CHAPTER (3):

TAX DUE CALCULATION

Article (4): Tax Calculation(4)

1. The Tax Due on the Excise Goods provided in Paragraphs A, B, D and E of Article 2 of these Regulations shall be calculated by applying the Tax Rates for each Excise Good to its Tax Base.
2. The Excise Tax due on the Excise Goods stipulated in Paragraph C of Article (2) of these Regulations shall be calculated by applying the corresponding Tax Rate for each Class specified in Paragraph (3) of Article (3) of these Regulations to the number of liters released for consumption of the Goods included in that Class.
3. In the event that the Excise Goods provided in Paragraph (2) of this Article are released for consumption in the form of concentrates, powders, gels, or extracts, the Tax Due shall be calculated as per the total sugar content in the final ready-to-drink beverage after dilution. This shall be made by applying the corresponding Tax Rate for each Class specified in Paragraph (3) of Article (3) of these Regulations to the number of liters of the final ready-to-drink beverage prepared from those concentrates, powders, gels, or extracts, in accordance with the dilution rate instructions provided on the product released for consumption.
4. The Governor of ZATCA may determine the methodology to calculate the dilution rate for the purposes of calculating the Tax Due in the event that no dilution instructions are indicated on the product as per to Paragraph (3) of this Article, or in the event that such instructions are proven to be incorrect.
5. The Tax Due shall be calculated according to the Tax Rate applicable at the time the Excise Goods are released for consumption.
6. In the event of multiple Tax Rates that may apply to the Excise Good, the highest Tax Rate shall apply.

4 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

CHAPTER 4:

TAXABLE CASES

Article (5): Release for Consumption

The Excise Goods shall be considered released for consumption, and thus shall be taxable in the following cases:

1. Import of Excise Goods, unless they are placed under a Tax Suspension Arrangement.
2. Producing Excise Goods outside a Tax Suspension Arrangement.
3. Releasing Excise Goods from any Tax Suspension Arrangement.
4. Possession of Excise Goods, for which the Tax Due has not been fully paid, outside of a Tax Suspension Arrangement.
5. The Total Damage or loss of Excise Goods placed under a Tax Suspension Arrangement, unless the Licensee provide evidence that the damage or loss is caused by reasons beyond its control, under the following conditions and procedures:
    a. The Licensee shall fill the form prescribed by the Authority for that purpose, which shall include at least the following information:
6. The Tax Warehouse license number of the Licensee.
7. The information related to the Total Damage or irreversible loss of Excise Goods.
8. Evidence confirming that the Total Damage or irreversible loss is attributed to reasons beyond the control of the Licensee.

    b. The Licensee shall submit the completed form to the Authority within a period not exceeding seven (7) days, as of the occurrence of the total damage or irreversible loss.
    c. The Authority shall notify the Licensee of its decision within a period not exceeding fourteen (14) days from the date of receiving the form. Or otherwise, the Total Damage or the irreversible loss of Excise Goods shall be considered made for reasons beyond the control of the Licensee.
    d. The concerned department at the Authority may, For one time only , extend the period prescribed in Paragraph (C) of this Article to another similar period, provided that the extension decision shall be issued prior to the end of initial period, and the Licensee shall

be notified of the extension.

e. If the Licensee does not submit the form within the period mentioned in Paragraph (B) above, or if the Authority determines that the provided information is insufficient or incorrect, then the Excise Goods Shall be deemed released for consumption at the time of total damage or irrecoverable loss.

Article (6): Tax Suspension Arrangement

The Tax on Excise Goods shall be suspended in the following cases:

1. The production of Excise Goods or the transfer, possession, storage or receipt of locally produced Excise Goods by a Licensee.
2. transport of Excise Goods in any of the following cases:

   a. From one Tax Warehouse in the Kingdom to another Tax Warehouse inside the Kingdom, as well.

   b. From a Tax Warehouse in the Kingdom to a Tax Warehouse in any other Member State.

   c. From a Tax Warehouse in any Member State to a Tax Warehouse in the Kingdom.

   d. From a Tax Warehouse in the Kingdom or any other Member State to outside the Council Territory for export or re-export, according to the provisions of the Common Customs Law.

   e. Upon importing to a Tax Warehouse in the Kingdom or any other Member State.

CHAPTER 5:

PERSONS LIABLE FOR TAX PAYMENT

Article (7): Persons Liable for Tax Payment

1. The following persons shall be liable for the payment of the Tax Due the Tax Due:

   a. The importer of Excise Goods outside a Tax Suspension Arrangement.

   b. The producer of Excise Goods outside a Tax Suspension Arrangement.

   c. The Licensee, in the Case of transportation of Excise Goods other than cases of Excise Suspension Arrangement, in accordance with Paragraph (2) of Article six (6) of these Regulations.

   d. The Licensee, in case of Total Damage or irreversible loss of Excise Goods without evidence that the damage or loss is caused beyond its control, in accordance with the Paragraph (5) of Article five (5) of these Regulations.

e. The Licensee, in case of releasing Excise Goods from Tax Suspension Arrangement.

f. Any person holding Excise Goods for commercial purposes outside a Tax Suspension Arrangement, where the Tax Due on these goods has not been paid, without evidence that he is not aware that the Tax Due has not been paid. A person who holds Designated Excise Goods for commercial purposes not under a Tax Suspension Arrangement, without valid and activated Tax Stamps affixed thereto, shall be considered aware that the Tax Due on these goods has not been paid.

g. Any other person releasing Excise Goods for consumption.

2. If, based on Paragraph (1) of this Article, multiple persons are liable for the payment of the Tax Due, they shall have joint and several liability for the payment of this Tax. The Authority may require the payment of Tax from all of the persons, or from any of them, as it deems appropriate to the public benefit.

CHAPTER (6):

Retail Sale Price

Article (8): Retail Sale Price(5)

1. For Tax purposes, the Retail Sale Price of an Excise Good means the price at which the Excise Good is sold at retail to the final consumer, inclusive of all taxes, fees, and any other charges borne by the final consumer.

2. Upon ZATCA's request, the person liable for the payment of the Tax Due shall provide evidence substantiating the validity of the Retail Sale Price declared by them upon calculating the Tax Due.

3. If no or insufficient evidence is available in accordance with Paragraph 2 of this Article, or if ZATCA has reasonable grounds to doubt the accuracy of the declared Retail Sale Price, ZATCA shall have the right to reject such prices and it may determine a reference Retail Sale Price for tax purposes in a manner that reflects the correct Retail Sale Price, in accordance with the provisions of the Regulations.

4. The Retail Sale Price of concentrates, powders, gels, and extracts that are subject to the Excise Tax and are sold directly to the end consumers shall be the announced retail price of such goods.

5. Subject to Paragraphs (2), (3), and (4) of this Article, the reference Retail Sale Price and the Retail Sale Price for the remaining concentrations, powders, gels or extracts shall be calculated according to the criteria determined by the Governor of ZATCA.

5 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

CHAPTER 7:

TAX STAMPS

Article (9): Tax Stamps

1. Valid Tax Stamps shall be affixed to the Designated Excise Goods, and shall be activated before they are released for consumption in the Kingdom. ZATCA shall determine the procedures related to the activation of Tax Stamps and the verification of their validity.(6)
2. The following Excise Goods shall be considered as Designated Excise Goods:
   a. Tobacco Products.
   b. Energy Drinks.
3. The person responsible for affixing to and activating Tax Stamps of Designated Excise Goods shall be the Registrant who is or will be releasing these Goods for consumption in the Kingdom in the cases referred to in Paragraphs (1), (2) and (3) of Article (5) of these Regulations.
4. ZATCA shall provide Excise Registrants with the means necessary to verify the validity of Tax Stamps.
5. Tax Stamps shall be affixed to Designated Excise Goods, to be released for consumption in the Kingdom, in the following locations:
   a. At a licensed Customs Warehouse or Tax Warehouse in the Kingdom, except for Duty-Free Shops licensed as Tax Warehouses.
   b. Outside the Kingdom.
   c. Other locations to be determined by the Authority.
6. Activated Tax Stamps must not be removed from the Designated Excise Goods to which they have been affixed.
7. ZATCA shall be responsible for verifying the validity and activation of Tax Stamps affixed to Designated Excise Goods upon their entry into the Kingdom, in accordance with the procedures set by the Authority.
8. This Article may not be applied to Designated Excise Goods entering the Kingdom with arriving passengers as personal luggage for non-commercial purposes.

6 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

Article (10): Authorized Supplier of Tax Stamps

1. Tax Stamps shall be supplied by the suppliers authorized by the Authority.
2. No person, other than the Authorized Supplier, shall produce, supply, sell, exchange or trade in Tax Stamps.
3. The Authority shall determine the purchasing prices of Tax Stamps in agreement with the Authorized Suppliers. Those prices shall be announced via such means as the Authority deems appropriate.

Article (11): Purchase of Tax Stamps

1. A Registrant who intends to release Designated Excise Goods for consumption in the Kingdom, shall submit a purchase request for Tax Stamps. Such purchase requests shall be subject to the approval of the Authority.
2. Purchase requests shall be placed using the form prescribed by the Authority for this purpose. A purchase order must, as a minimum, include the following information:
    a. The applicant's information, including Excise Tax registration number;
    b. The type of Designated Excise Goods to which Tax Stamps will be affixed.
    c. The number of Tax Stamps they desire to purchase.
    d. The location where Tax Stamps will be affixed to the Designated Excise Goods.
3. The Authority shall notify the applicant of its decision regarding the approval or rejection of the request.

Article (12): Possession of Tax Stamps

Any person who is in possession of Tax Stamps from an Authorized Supplier shall comply with the following obligations:

a. To maintain Tax Stamps securely, prior to their affixation to the Designated Excise Goods.
b. shall maintain records of all used and unused Tax Stamps.

Article (13): Deactivation and Invalidation of Tax Stamps

1. Tax Stamps may be deactivated or invalidated upon obtaining the approval of the Authority.
2. Tax Stamps shall be invalidated in any of the following cases:
   a. If the Tax Stamps have been obtained in violation of the Law and the Regulations.
   b. If the Tax Stamps are not affixed to Designated Excise Goods nor activated within 12 months as of the date of purchase of those Tax Stamps.
   c. Any other cases prescribed by the Authority.
3. Tax stamps may be deactivated in the following cases:
   a. The cases listed under Paragraph (2) of this Article.
   b. In case of incorrect activation of Tax Stamps.
   c. If the designated Excise Goods, to which the Tax Stamps had been affixed, were exported outside the Kingdom.
   d. When the Designated Excise Goods are damaged prior to being released for consumption in the Kingdom.
   e. Any other cases specified by the Authority.
4. Without prejudice to Subparagraph (C) of Paragraph (3) of this Article, the person responsible for affixing Tax Stamps to Designated Excise Goods shall apply for deactivating or invalidating Tax Stamps in any of the cases listed under Paragraph (2) or (3) of this Article.
5. The possession of invalidated Tax Stamps is prohibited, and they shall be destroyed by the person responsible for affixing them to Designated Excise Goods, the authorized person thereof or by the person in possession of the Invalidated Tax Stamps.

Article (14): Additional Provisions

The Governor shall issue the guidelines and procedural rules related to Tax Stamps, including, but not limited to, the following:

a. Production and supply of Tax Stamps.
b. purchase and payment for Tax Stamps;
c. Determination of Tax Stamp specifications, And the method of affixing them to Designated Excise Goods;
d. Activation, deactivation, invalidation and damage of Tax Stamps;
e. Keeping and maintaining records for the electronic system of Tax Stamps;
f. The timeline for making Tax Stamps available for purchase, and the dates on which they are due to be affixed to Designated Excise Goods.
g. Licensing of Authorized Suppliers.

CHAPTER 8:

REPORTING OF TAX DUE

ARTICLE (15): Reporting of Tax Due on Importation [7]

1. In case of importing Excise Goods and releasing them for consumption in the Kingdom, the importer shall declare the Tax Due according to the method for calculating the tax applicable to Excise Goods, pursuant to Article (4) of these Regulations, and as per the procedures specified in accordance with the Common Customs Law.
2. For the purposes of Paragraph (1) of this Article, the importer shall provide ZATCA with all information necessary to calculate the Tax Due as stipulated in Article (4) of these Regulations, along with any other information deemed necessary by ZATCA for tax purposes.
3. The importer shall be responsible for the accuracy of all information declared and submitted to ZATCA upon importation pursuant to Paragraphs (1) and (2) of this Article, upon which the calculation of the Tax Due was based. Permitting the importation of Excise Goods and releasing them for consumption in the Kingdom based on the information declared by the importer shall not be deemed as approval by ZATCA of the accuracy of such information.

7 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

Article (16): Tax Returns [8]

1. The tax periods shall be associated with the State's fiscal year, and each tax period shall be two calendar months such that there are six (6) tax periods in one fiscal year. The Licensee shall submit a tax return to ZATCA for each tax period prior to the end of the last day of the month following the end of that tax period. The return shall explain the details of the Tax Due on the taxable Excise Goods released for consumption and released from a tax suspension during that period, using the form prepared by ZATCA for this purpose, provided that it includes at least the following information:
   a. Information on the Licensee submitting the Tax Return.
   b. calculation of the amount of Tax Due for each type of Excise Goods released for consumption;
   c. The Tax Warehouse license number and the corresponding releases for consumption of Excise Goods from each Tax Warehouse.
   d. The Tax Stamps affixed to the Designated Excise Goods incorporated in the Excise Tax Return.
2. After the end of the tax period, if the period for which the Licensee shall file an Excise Tax Return on the Goods released for consumption from a Tax Suspension Arrangement does not exceed one month, ZATCA may include this tax period in the following tax period for that person as a one-time procedure.

8 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

CHAPTER 9:

TAX ASSESSMENT AND DISCLOSURE

Article (17): Tax Assessment and Disclosure(9)

1. If the importer becomes aware that it did not correctly disclose the Tax Due upon importation and this led to a shortfall in the amount of the Tax Due declared to ZATCA, it shall notify the Authority within fifteen (15) days from the date of its becoming aware of such shortfall, using the form prepared for that purpose by ZATCA.

2. If the Licensee becomes aware of an error or inaccuracy in the tax amount declared in the tax return submitted to ZATCA, which led to a shortfall in the amount of the Tax Due to ZATCA, it shall correct that tax return within fifteen (15) days from the date of becoming aware of such error or inaccuracy.

3. If it is proven to ZATCA that the importer, the person authorized for the same, or any other person responsible for the payment of the Tax Due, has calculated the Tax Due and disclosed it incorrectly in an import declaration, an Excise Tax return, or any other form prepared by ZATCA, the latter shall have the right to conduct a Tax Assessment or a Tax Re-assessment in accordance with these Regulations.

4. If it is proven to ZATCA that the importer, the Licensee, or any other person responsible for the payment of the Tax Due, has calculated the Tax Due and disclosed it incorrectly in an import declaration, an Excise Tax return, or any other form prepared by ZATCA, the latter shall have the right to conduct a Tax Assessment or a Tax Re-assessment in accordance with these Regulations.

9 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

5. For the purposes of this Article, an import declaration, an Excise Tax return, or any other form prepared by ZATCA for the purposes of disclosing the Tax Due, shall be deemed incorrect if the information disclosed therein resulted in an erroneous calculation of the Tax due in accordance with the provisions of the Law and the Regulations.

6. ZATCA shall inform the person liable for paying the Tax, by means of a written notice, of the amount of the Tax Due resulting from the Tax Assessment or Tax Re-assessment conducted by ZATCA, provided that such notice includes the reasons that led to the re-calculation of the amount of the Tax Due resulting from the Assessment or Re-assessment, along with any penalties that may be incurred and the date by which such amounts shall be paid.

7. As provided for in Article (22) of the Law, a late payment penalty shall be calculated on the amount of the shortfall in the unpaid Tax Due, commencing from the day following the expiration of the deadline specified for the payment of the Tax Due and in accordance with the provisions of Article (18) of these Regulations.

CHAPTER 10:

PAYMENT OF TAX DUE

Article (18): Payment of Tax Due

1. Without prejudice to the provisions of the Common Customs Law, GAZT shall collect the tax due on imports on behalf of the Authority and according to the procedures determined by the Authority. GAZT shall transfer the Taxes collected, as well as hand over any supporting documentation, to the Authority within seven (7) to fourteen (14) days from the date of the collection date.

2. Without prejudice to Paragraph (1) of this Article, the Authority may defer the payment of the Tax Due on imports by the person liable for the payment for a maximum of forty-five (45) days if the following conditions are satisfied:

    a. The Tax Due in respect of the importation exceeds one million (1,000,000) (SAR)
    b. The person importing the Excise Goods has provided a bank or cash guarantee to ZATCA which covers the Tax Due liability;
    c. The guarantee is valid for a period of at least sixty (60) days from the date of importation of the Excise Goods;
    d. The person importing the Excise goods must not have defaulted on the payment of a Customs duty or an Excise Tax, or a guarantee during the last twelve (12) months;
    e. The person importing the Excise Goods must not have previously declared bankruptcy or been convicted of a tax or financial violation during the previous twelve (12) months.

3. Without prejudice to the conditions set out in Paragraph (2) of this Article, the Authority's Governor may agree to defer the payment of the Tax Due by the person liable for the payment of Tax Due on imports for a period not more than forty-five (45) days in specific cases and in accordance with the regulations determined by the Board. (10)

10 This Paragraph had been added under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

4. The Licensee shall pay the Tax Due, which shall be declared within the Excise Tax Return to be submitted to ZATCA, before the end of the last day of the month following the end of the tax period related to such Return . (11)

5. The Tax Due, in accordance with the provisions of Paragraph (3) of Article (17) of these Regulations, shall be paid to ZATCA within a period not exceeding fifteen (15) days from the date on which it becomes due.

6. If the Authority receives a payment from a person liable for the payment of the Tax Due, it shall first be credited in the balance of the tax period to which the payment refers. Any excess balance shall be used to cover any fines or fees, then to cover any due amounts, starting with the oldest outstanding balance.

Article (19): Failure to Pay the Tax Due

1. If the Tax Due has not been paid within the prescribed time limit, the Authority may, for the purposes of collecting the unpaid Tax or any of the imposed penalties by the Law and its Regulations, seizure the guarantees submitted, in accordance with the Law and Regulations.

2. The Authority shall notify the person liable for the payment of the Tax Due of any action it has taken, in accordance with Paragraph (1) of this Article.

11 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

CHAPTER 11:

REGISTRATION APPLICATION FOR EXCISE TAX PURPOSES

Article (20): Registration Application

1. An application for registration for Excise Tax purposes shall be submitted to the Authority using the form prescribed by it.

The form shall at least include the following information:

a. Information of the applicant
b. The intended activities, according to Article six (6) of Law.
c. The type of the Excise Goods that will be involved as a part of activities.

The establishment through which the applicant carries out its activities must have a permanent headquarters in the Kingdom.

Article (21): Decision on the Registration Application

1. The Authority shall issue its decision on Excise registration application by means of a notification to the applicant within fourteen (14) days from the date of submission.

The notification shall include at least the following information:

a. The application form reference number, which was completed by the applicant.
b. Approving or rejecting the Excise registration application, with clarifying the reasons behind rejection.

2. Registration shall be considered effective from the date of approval.
3. Registration shall be considered rejected, if the Authority has not issued its decision within the prescribed period set out in Paragraph (1) of this Article.

4. The Authority, for just one time, may extend the period prescribed in Paragraph (1) of this Article to another similar period. The decision of extension should be made before the end of the first period and the applicant shall be notified of the extension.

5. If any person who is required to register fails to submit a registration application to the Authority in accordance with these Regulations, the Authority may register that person without having submitted a registration application, provided that the Authority notifies the said person of the registration. The registration shall enter into force as of the date on which that person became liable to register.

CHAPTER 12:

EXCISE TAX REGISTRANT RESPONSIBILITIES

Article (22): Administrative Requirements

1. The Registrant shall keep and maintain electronic records, enabling the Authority to verify the compliance to Law and Regulations. Moreover, the Registrant shall have an administrative system, permitting the following:

    a. Ensure the credibility and completeness of the records related to the business transactions.
    b. Provide a comprehensive overview of all the business processes relevant to the collection of the Excise Tax.

2. For the purposes of Paragraph (1) of this Article, an Excise Registrant who is in possession of Excise Goods prior to their release for consumption in the Kingdom shall keep electronic records of such Goods.

3. Records shall include the details of Designated Excise Goods released for consumption, as well as the data of the Tax Stamps affixed thereto and the Tax Due thereon pursuant to the provisions of the Law and Regulations, and proof of payment of that Tax.

4. The Authority may add further rules with regard to the administration and security requirements for maintaining Tax Stamps and the Designated Excise Goods, to which they are affixed.

Article (22) (bis): Registration of Excise Goods [12]

1. The importer, producer, or any other person releasing Excise Goods to be consumed in the Kingdom shall register such Goods with ZATCA prior to their release for consumption, as per the mechanism and form set by ZATCA.

2. The information for registering Excise Goods with ZATCA shall include the data required for calculating the Tax Due pursuant to Article (4) of these Regulations, along with any other information that ZATCA deems necessary for the purposes of classifying the Goods and identifying their content, including supporting documents for the accuracy of the information provided in the registration form.

3. The importer, producer, or any other person releasing Excise Goods to be consumed in the Kingdom shall inform ZATCA of any change to the information previously provided to ZATCA in the registration form immediately upon becoming aware thereof, and no later than the date of the subsequent release of such Excise Goods in the Kingdom.

4. In the event that the information provided to ZATCA in the registration form referred to in Paragraph (2) of this Article is incorrect, or if ZATCA has reasonable grounds to doubt its accuracy, ZATCA may take any of the following actions:

    a. Amending the registration of Excise Goods as per the highest Tax Rate or according to the data available to ZATCA until its accuracy is proven by the applicant or verified by ZATCA.
    b. Requiring the importer, producer, or any other person releasing Excise Goods for consumption in the Kingdom to update the registration of the Excise Goods.
    c. Requiring the importer, producer, or any other person releasing Excise Goods for consumption in the Kingdom to provide laboratory results and reports from laboratories accredited by the competent authority, or any other supporting documents to confirm the accuracy of the information provided in the registration form.

12 This Article was added under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

d. Requesting the competent authority to take a sample of the Excise Goods in question for verification and to provide laboratory results and reports showing the technical details of such Goods, in accordance with what is agreed upon between ZATCA and the competent authority.

5. The laboratory results and reports used to prove the accuracy of the information provided in the registration form shall meet the following criteria:

   a. The report shall be issued by a laboratory accredited by the competent authority for the purposes of conducting the technical tests related to the nature, components, and elements of the product.
   b. The laboratory shall hold an accreditation certificate specified by the competent authority in accordance with relevant laws and regulations.
   c. The laboratory results and reports shall involve all technical and procedural details required in accordance with the rules and requirements by the competent authority.
   d. The laboratory results and reports shall meet the technical requirements and Saudi standard specifications issued by the competent authority, specifying the criteria used to prepare such laboratory results and reports.

6. If Excise Goods are not registered, or if the information previously submitted in the registration form is not updated in accordance with this Article, ZATCA may register or amend the registration of such Goods based on the highest Tax Rate or data available to it until the necessary information is provided and its accuracy is verified, or impose a tax assessment pursuant to the provisions of Article (17) of these Regulations.

7. ZATCA shall notify the importer, producer, any other person releasing such Goods for consumption in the Kingdom of any decision issued according to the provisions of this Article , such person has the right to object to such decision, In accordance with Article (27) of the Excise Tax Law.

CHAPTER 13:

REGISTRATION AMENDMENTS

Article (23): Registration Amendments

1. The Registrant shall inform the Authority by means of a written notification of any changes in the information listed in the registration application.

2. The Registrant shall submit the notification stated in Paragraph (1) of this Article before the changes have taken effect or, if this is not possible, no later than thirty (30) days after the changes have taken effect.

3. The Authority may amend the Excise registration or deregister the Registrant in accordance with the Law and the Regulations, depending on the impact of the changes of information on the Excise registration application.

CHAPTER 14:

DEREGISTRATION PROCESS

Article (24): Deregistration

The Authority shall deregister the Registrant in the following cases:

1. If the Registrant has not carried out activities requiring registration in accordance with Article (6) of the Law for one year, starting from the date of either the Registration or ceasing the activities.

2. Upon the request of the Registrant.

Article (25): Deregistration Application

1. A deregistration application for Excise Tax purposes shall be submitted to the Authority, using the form prescribed for such purposes by the Authority. The form shall include at least the following information:
    a. Information about the registrant, including the Excise Tax registration number.
    b. Information about any Tax Warehouse licenses that the Excise registrant holds.
    c. Reasons for deregistration.

2. A deregistration application may not be approved, if the Registrant fails to cancel any Tax Warehouse licenses he holds.

CHAPTER 15:

GRANTING A TAX WAREHOUSE LICENSE

Article (26): Conditions for Granting a Tax Warehouse License

1. Eligible locations for a Tax Warehouse license are the locations where Excise Goods are being produced and/or stored.

2. A location where no Excise Goods are produced is eligible to obtain a Tax Warehouse license if all of the following conditions are fulfilled : (13)

   a. The average quantity of Excise Goods held at such location over the course of twelve (12) calendar months exceeds any of the following thresholds:

1. 2.5 million liters (2,500,000) of Energy Drinks or Sweetened Drinks.
2. 500 million (500,000,000) cigarettes or other individual units of tobacco products.
3. 250 thousand (250,000) kilograms of other tobacco products.
4. 500 thousand (500,000) electronic smoking devices and similar tools .
5. 125 thousand (125,000) liters of liquids consumed in electronic smoking devices and similar tools.

   b. All conditions and requirements stipulated in Articles (29), (30), (31), and (32) of the Regulations shall be met, provided that the Licensee or license applicant shall provide the financial guarantee due to each Tax Warehouse, before the final approval of the application.

   c. Any other conditions set out by the Authority in the license application.

3. Locations from which Excise Goods are directly sold to consumers are not eligible for a Tax Warehouse license.

13 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

4. Without prejudice to the provisions of Paragraph (2) and Paragraph (3) of this Article, the following locations shall be eligible for a Tax Warehouse license:

   a. Duty-free shops
   b. Any other locations designated by the competent authority.

Article (27): Production of Excise Goods

1. Excise Goods may only be produced in a Tax Warehouse licensed for the production of these Excise Goods.

2. Without prejudice to Paragraph (1) of this Article, no Tax Warehouse license shall be granted for locations where Excise concentrates are converted to final Excise Goods for the purpose of immediate consumption at these locations.

3. The Licensee is the producer of the Excise Goods.

Article (28): Storage of Excise Goods

1. Excise Goods may only be stored and maintained under a Tax Suspension Arrangement in a Tax Warehouse licensed for the storage of these Excise Goods.

2. The Licensee must be the owner of the Excise Goods, with the exception of Excise Goods which have been produced in the Tax Warehouse by order of another person.

CHAPTER 16:

TAX WAREHOUSE LICENSE

Article (29): Tax Warehouse License Application

1. In order to obtain a Tax Warehouse License, a person registered in accordance with the Law shall submit an application to the Authority by using the form provided for such purposes. The form shall at least include the following information:

   a. Information about the applicant, including the Excise Tax registration number;
   b. Confirmation whether the Tax Warehouse license will be used for producing and/or storing Excise Goods;
   c. The type of Excise Goods that will be obtained or stored under the Tax Warehouse license;
   d. Information with respect to the location of the Warehouse for which a Tax Warehouse license is being requested;
   e. A calculation of the amount of mandatory financial security.

2. A Tax Warehouse license application shall be submitted in respect of each facility for which a Tax Warehouse license is being sought.

ARTICLE (30): Financial Security

1. The Tax Warehouse Licensee or license applicant shall provide a financial security covering the amount of Tax that may become due for taxable cases relating to this Tax Warehouse.

2. In accordance with Paragraph (1) of this Article, the amount of the Tax that may become due shall be calculated on the basis of the sum of the following estimated quantities set out below, and the Tax that may be due thereon, which shall be calculated in accordance with Article (4) of these Regulations in the event of their release for consumption in the Kingdom : (14)

14 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

a. The quantity of Excise Goods held in the Tax Warehouse during a calendar month;
b. The quantity of Excise Goods released for consumption during a calendar month; and
c. The quantity of Excise Goods placed under a Tax Suspension Arrangement during a calendar month.

3. The Authority may reduce the required value of the financial security; however, the minimum security is (5%) of the amount calculated in accordance with Paragraph (2) of this Article.

4. If the Authority has reasonable grounds to assume that the security calculated by the Licensee or the license applicant is inaccurate, it may request that the value of the financial security be increased at its discretion.

5. The financial security shall be recalculated every (12) months for each Tax Warehouse.

6. ZATCA may determine a minimum amount for the financial guarantee if the Tax Due according to this Article is zero Saudi Riyals . (15)

Article (31): Administrative Requirements

Without prejudice to the general administrative requirements for the Registrants, the Tax Warehouse Licensee shall have a complete administrative system for each Tax Warehouse, which shall include at least the following information:

a. The Excise Goods released for consumption and the invoices in relation thereto or the transport documents in case the Excise Goods are moved under a Tax Suspension Arrangement;
b. The Excise Goods produced or used in the production process in the Tax Warehouse;
c. The Excise Goods which have been received or transported under a Tax Suspension Arrangement to and from a Tax Warehouse;
d. The Authority may require any other administrative requirements in the Tax Warehouse license terms and conditions.

15 This Article was added under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

Article (32): Assessment of License Granting

1. In addition to the terms and conditions for qualifying for a Tax Warehouse license as stipulated in the Law and the Regulations, the applicant shall:

    a. Be in a financially sound position.
    b. Have no prior conviction for a financial crime, whether the applicant or its legal representative in managing the establishment through which they carry out its activities, unless such person has been rehabilitated.
    c. Have an administrative system that enables the compliant management of the Tax Warehouse in accordance with the provisions of the Law and the Regulations.
    d. Have safety and security measures in place limiting accidents as determined by the concerned authorities.

2. The Authority shall include with the Tax Warehouse license the terms and conditions which should be fulfilled by the Licensee during the license validity.

3. The Authority shall grant the license once the applicant has fulfilled all terms and conditions stipulated by the Law and the Regulations.

4. For revenue protection purposes, the Authority, at any time, may modify the terms and conditions under which the Tax Warehouse license was granted. The Authority shall inform the Licensee at least (7) days in advance before the new amendments take effect.

Article (33): License Amendment

1. The Tax Warehouse Licensee shall inform the Authority by means of a written notification of any changes in the information listed in their Tax Warehouse license application.

2. The notification mentioned in Paragraph (1) of this Article shall be submitted before the changes have taken effect, or, if this is not possible, no later than (30) days after the changes have taken effect.

3. The Authority may amend or cancel the license, in accordance with the Law and the Regulations, depending on the impact of the changes on the Tax Warehouse license.

Article (34): License Term

1. The license shall remain valid for (1) year from the day it is granted by the Authority, unless it is canceled at an earlier time in accordance with the provisions of the Law and the Regulations.

2. Upon renewing the license, the Authority may, in certain cases, increase the validity duration of the license up to (3) years.

Article (35): License Renewal

1. The license renewal application shall be submitted to the Authority, using the relevant application form within (90) days before the expiration of the License;

2. The applicant for renewal shall meet the terms and conditions of granting the license, in accordance with the Law and the Regulations.

3. In the case of the renewal application being accepted, the new license shall take effect from the last day of the previous License.

4. In the renewed Tax Warehouse license, the Authority may specify terms and conditions that differ from those specified in the previous license.

5. If the Authority has not taken any decision on the renewal of a Tax Warehouse license before the date of its expiry, the previous license shall remain valid until a decision is issued.

Article (36): License Suspension or Cancellation

1. Subject to Articles (13) and (25) of the Law, the Authority may :
    a. Cancel the Tax Warehouse license, if it is not used for the purposes thereof for over (3) months; and
    b. Suspend the License.
2. If the Authority decides to suspend or cancel the License, it shall notify the Licensee and determine the date of effect of the license suspension or cancellation.
3. If any Excise Goods are held in the Tax Warehouse on the date the suspension of the license is effective, the Excise Goods may not be deemed to be released for consumption, and no additional Excise Goods may be produced or held under a Tax Suspension Arrangement in that Tax Warehouse during the license suspension period.
4. If any Excise Goods are held in the Tax Warehouse on the date the cancellation of the license is effective, the Excise Goods shall be considered as being released for consumption from the Tax Suspension Arrangement.

Article (37): License Cancellation Application

1. A Tax Warehouse cancellation application shall be submitted to the Authority, using the form prescribed for such purpose, provided that the form shall include at least the following information:
    a. Information about the Licensee, including the Excise tax registration number and the Tax Warehouse license number;
    b. The reasons for the cancellation request.
2. Before the Authority issues the approval on a Tax Warehouse cancellation application, the Licensee shall undertake any of the following:
    a. Place the Excise Goods held in the Tax Warehouse, for which the license is to be canceled, under another Tax Suspension Arrangement; or
    b. Declare the Excise Tax Due on the release for consumption of the Excise Goods from the Tax Warehouse and pay it by means of an Excise Tax Return.
3. The Licensee shall inform the Authority once the Tax Warehouse license cancellation request is finalized.

Article (37) (Cont'd): Application for Licensing Of Designated Destruction Sites (16)

1. For the purpose of this Article, and without prejudice to any laws or regulations applied in KSA, the designated destruction site, for the purpose of refunding the Excise Goods Tax, is meant to be as follows:

   a. A site that is licensed by the Authority for destructing the Excise Goods that are non-consumable.

   b. A site that is affiliated to any of the government entities in Saudi Arabia that the Authority shall license for the destruction of non-consumable Excise Goods.

2. An integrated administrative system shall be available on the site mentioned in Subparagraph (A) of Paragraph (1) of this Article, as the System shall cover, at a minimum, the following:

   a. The capability to maintain electronic records related to the Excise Goods held for destruction purposes, the details of the destroyed goods, and the details of the Registrant applying to the Authority to destroy Goods at that site.

   b. Provision of CCTV systems to record the entrance of the Excise Goods into the licensed site and record the destruction of such goods therein. The said systems shall allow maintaining and archiving the recorded data for no less than (5) years from the end of the calendar year of the recording process.

   c. An accurate system that entails security and control measures that allow following up the Excise Goods that enter and leave the site, and such measures prohibit the release of the Excise Goods without control.

   d. The Authority may require any other administrative requirements in the terms and conditions of licensing the destruction sites.

3. In order to obtain a license of destruction sites, a separate application for licensing shall be submitted to the Authority regarding each site to be specified for destruction of Excise Goods. The application shall be submitted, using the form prepared for that purpose, provided that the application shall include, at a minimum, the following information:

   a. Information of the applicant.

   b. Information of the site to be licensed.

   c. Types of the Excise Goods that can be destroyed in the site to be licensed.

   d. Destruction methods to be adopted in such site.

16 This Article was added under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

e. Information of the administrative system to be followed to register the details of the Goods and the destruction processes of such Goods.

f. Security and control measures to be adopted in such site that allow for tracking the Goods that enter and leave the site, and prevent the release of the Excise Goods without supervision.

4. Without prejudice to the provisions stipulated in this Article, the natural person may not submit to the Authority an application for licensing a designated destruction site .

5. The provisions set out in Articles (32), (33), (34) and (35) of the Regulations shall apply to all matters related to licensing the designated destruction sites in accordance with the provisions of this Article, mutatis mutandis to different situations.

6. An application for cancelling the license of the designated destruction site may be submitted to the Authority, using the form prescribed by it, provided that the application shall, at a minimum, include the following:

a. Information of the Licensee of the place for Goods destruction processes.

b. Reasons for the cancellation request.

7. The Authority may decide to cancel the license of the designated destruction site if the site is not in use for the purpose intended for more than (3) months, or upon the request of the Licensee . In all cases, the Authority may suspend the license, and if the Authority decides to suspend or terminate the license, it shall inform the Licensee of such decision and determine the effective date of the suspension or cancellation.

8. In case there are Excise Goods in the designated destruction site on the effective date of the license suspension or cancellation, such goods may not be considered destroyed, and the Registrant shall be responsible for transporting them to another designated destruction site. Further, a new application shall be submitted to the Authority in accordance with the terms and controls set forth in this Article.

CHAPTER 17:

PLACING THE EXCISE GOODS UNDER A TAX SUSPENSION ARRANGEMENT

Article (38): Transporting Excise Goods Under a Tax Suspension Arrangement

1. A Tax Warehouse Licensee can send and receive Excise Goods under a Tax Suspension Arrangement.
2. Upon the importation of Excise Goods, such Goods may be moved under a Tax Suspension Arrangement if they are moved to a licensed Tax Warehouse, whether belonging to the importer in the Kingdom or located in another Member State.
3. The Tax Warehouse Licensee which sends the Excise Goods shall be responsible for the placement of such Goods under the Excise Tax Suspension Arrangement.

Article (39): Excise Goods' Transport Document

1. Excise Goods may not be transported under a Tax Suspension Arrangement except according to a document authorizing the transport of the Excise Goods. A copy of this document shall be attached to the Excise Goods being transported at all times during the transportation process phases.
2. The Excise Goods transport document shall be submitted, using the form prescribed by the Authority .
3. The form referred thereto in Paragraph (2) of this Article shall include, at a minimum, the following information:
   a. Details of the Excise Goods to be transported under a Tax Suspension Arrangement, including:

1. The type of the Excise Goods.
2. The quantity of the Excise Goods; and
3. The Excise Tax Due, should the Excise Goods be released during the transport process.

b. Details of the origin of the Excise Goods being transported, which can be either:

1. A Licensed Tax Warehouse situated in the Kingdom;

2. Importation

3. A Licensed Tax Warehouse located in another Member State.

b. The destination of the Excise Goods being transported, which can be either:

1. A Licensed Tax Warehouse situated in the Kingdom;

2. Exportation, or a licensed Tax Warehouse situated in another Member State.

3. A licensed Tax Warehouse situated in a third Member State via the Kingdom.

b. The means of transportation.

c. The estimated time required for the transportation.

4. If the destination of the transport is a Tax Warehouse and the sender is a person other than the Licensee, the recipient Licensee shall first approve the transport before the Authority reviews the Excise transport application.

5. If the Authority approves the transportation application, it shall issue the Excise transport document bearing a unique number printed on the document, allowing the transport of the Excise Goods under a Tax Suspension Arrangement.

6. The Excise transport document shall remain valid for (14) days from its issuance date.

Article (40): Decision on the Excise Goods Transport Document Application

1. The Authority may grant or reject the issuance of the Excise Goods transport document.
2. The Authority shall notify the licensed applicant of its decision on the transport application within (24) hours from the date of its submission.
3. If the Authority fails to notify the Licensee of their decision within the timeframe stipulated in Paragraph (2) of this Article, and does not extend the time period in accordance with Paragraph (4) of this Article, the Excise Goods transport document shall be deemed accepted.
4. Without prejudice to Paragraph (2) of this Article, the Authority may take as much time as it deems necessary to inspect the Excise Goods and the means of their transport before making a decision regarding the transport application, if deemed necessary.

Article (41): Amendment or Cancellation of the Excise Goods Transport Application Prior to Its Issuance:

1. The Tax Warehouse Licensee may cancel or amend an application for the transport of Excise Goods at any time before the Authority issues its decision on it.
2. If the amendment involves a change of the destination and the licensed recipient is a person other than the originally designated Licensee , Paragraph (4) of Article (40) of the Regulations shall apply, along with its amendments.
3. The period taken by the Authority to decide upon the application, in accordance with Paragraph (2) of Article (40) of the Regulations, shall be extended if an amendment is made to the application.

Article (42): Amendment or Cancellation of the Excise Goods Transport Document After It Has Been Issued

1. During its validity, the Excise Goods Transport Document may, at any time, be amended or canceled upon the request of the Sending Licensee, as long as the transport of the Excise Goods has not yet commenced.

2. When the Sending Licensee becomes aware that it will not use the Excise Goods Transport Document, it shall request a cancellation of the Excise Goods Transport Document.

3. During the validity of the Excise Goods Transport Document, and prior to their release, in accordance with Article (38) of these Regulations, the destination of the Excise Goods Transport Document may be amended.

4. If the amendment involves a change of the destination and the licensed recipient is a person other than the originally designated Licensee, Paragraph (4) of Article (39) of the Regulations shall apply, along with its amendments.

5. The sending Licensee shall submit the application for amendment or cancellation by means of a form prescribed by the Authority.

6. Article (41) of the Regulations shall apply, along with its amendments, to any amendment request submitted in accordance with this Article.

Article (43): Refusal of the Excise Movement by the Recipient

1. If the destination of the Excise Goods Transport Document is a Tax Warehouse Licensee, this Licensee may refuse the Excise transport at any point before unloading the vehicle and before submitting the unloading report to the Authority, in accordance with Article (44) of the Regulations.

2. If the destination Tax Warehouse Licensee refuses an Excise Goods transport, the Sending Licensee shall amend the destination or cancel the Excise Goods Transport Document and return the Excise Goods to the Sending Licensee, in accordance with the Articles of this Chapter.

Article (44): Clearance of Excise Goods Transport Document

1. The Receiving Licensee must unload the Excise Goods and submit a report to the Authority upon their arrival, in the event that the destination specified in the transport request was another Tax Warehouse.

2. The unloading report as referred to in Paragraph (1) of this Article shall include information on the quantity and type of the Excise Goods unloaded from the means of transport at the destination.

3. If the destination of the Excise Goods Transport Document is export, the Sending Licensee shall submit the export supporting documents to the Authority.

4. The Excise Goods Transport Document is deemed to 'cleared' in either of the following two cases:
   a. The unloading report is submitted to the Authority.
   b. The export declaration as accepted by GAZT is submitted to the Authority.

5. If there is a difference between the quantities of the Excise Goods listed in the Excise Goods Transport Document and the unloading report or the export document, the difference in quantity shall be deemed to be cleared from the Tax Suspension Arrangement.

Article (45): Monthly Transport Declaration

1. Without prejudice to the other Articles of Chapter (16) of these Regulations, the requirement of covering every movement of Excise Goods under a Tax Suspension Arrangement with one-time transport document shall be canceled under the following cases:

    a. If the transport of Excise Goods made between two Tax Warehouses belonging to the same Licensee.

    b. The Licensee has an administrative system via which the transportations between the Tax Warehouses are tracked separately.

    c. The Licensee files a monthly transport declaration listing all the transportations between their Tax Warehouses.

2. The transport declaration as referred to in Subparagraph (C) of Paragraph (1) of this Article shall include, at a minimum, the following information for each transport:

    a. Information about the Tax Warehouse Licensee submitting the transport declaration.

    b. The numbers of the Tax Warehouses from which the Goods were dispatched and where they were received, respectively.

    c. The date of dispatch from the Sending Tax Warehouses and the date of receipt at the Receiving Tax Warehouses.

    d. The quantities of Excise Goods dispatched from and received in the respective Tax Warehouses.

3. Any differences between the quantity of Excise Goods dispatched and received in the respective Tax Warehouses shall be deemed "released for consumption" from the Sending Tax Warehouse.

4. For the purposes of Paragraphs (1) and (2) of this Article, transportations shall be included in the transport declaration of the calendar month in which the transport was dispatched.

5. The monthly transportation declaration shall be submitted to the Authority within (15) days after the end of the month.

CHAPTER 18:

EXEMPTIONS, REFUNDS, AND DEDUCTIONS OF EXCISE TAX

Article (46): Exemptions on Import

1. Excise Goods which are imported into the Kingdom with arriving passengers as personal luggage shall be exempt from tax if such Excise Goods are exempt from customs duties under the Common Customs Law for GCC States.

2. Without prejudice to any other laws applicable in the Kingdom, the Tax shall become payable on the full quantity of Excise Goods where such quantity exceeds the limit established for exemption under Paragraph (1) of this Article.

Article (47): Exemptions for Excise Goods sold to Passengers on an International Flight

1. The Excise Goods sold to the consumer from a duty-free shop licensed as a Tax Warehouse shall be exempted from Tax if the consumer presents a boarding pass for an international flight departing within (24) hours of the time of sale.

2. The exemption granted by the Licensee referred to in Paragraph (1) of this Article shall be substantiated by means of the barcode on the boarding pass.

3. For the purpose of this Article, an international flight shall mean a direct or indirect flight between the location from which the aircraft departs within the Kingdom and the location it lands outside the Kingdom.

Article (48): Exemptions for International Organizations

1. On the condition of reciprocity, diplomatic and consular bodies, international organizations, and heads and members of diplomatic and consular corps accredited by the Kingdom shall be exempt from the tax.

2. Such exemption of tax shall only apply on import or upon submitting the Excise Tax Return.

3. Any person applying for the exemption stipulated in Paragraph (1) of this Article shall, upon the request of the Authority, provide sufficient evidence substantiating the destination of such Excise Goods .

4. If insufficient or no evidence is provided of the destination of the Excise Tax Goods, or if it is clear that the Excise Goods did not reach the exempted destination, the Authority may reject the exemption and impose a tax assessment in accordance with the provisions of the Law and these Regulations.

Article (49): Deduction of Tax for Excise Goods Used in Production(17)

1. Where a Tax Warehouse Licensee has paid Tax in respect of Excise Goods, which were used in the production of other Excise Goods subject to the Tax, this tax may be deducted from the total Tax Due. This is for the purpose of exporting or releasing them for consumption, provided that the Licensee possesses evidence substantiating such use and evidence of payment of the excise tax subject to deduction.

2. The tax shall be deducted in the Excise Tax return of the Tax Warehouse in which the Excise Goods were used as raw materials in the production process of other taxable Excise Goods.

17 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

3. The tax shall be deducted in the tax return submitted to ZATCA for the tax period during which the Excise Goods were used as raw materials in the production process of other taxable Excise Goods, or in any subsequent tax return, up to a maximum of twenty-four (24) calendar months from the date of releasing such Goods as raw materials for production or for consumption in the Kingdom.

4. The Excise Tax paid on Excise Goods used in the production of non-taxable Goods to which the definition of Excise Goods does not apply, pursuant to the provisions of Article (2) of these Regulations, may not be deducted.

5. If the tax return submitted by the Licensee results in a tax amount they are entitled to recover as per the provisions provided in this Article, the Licensee may submit a refund request as per the provisions of Article (50) of these Regulations, provided that both of the following conditions are met:

   e. The refund request shall be submitted to ZATCA within six (6) months from the end date of the tax period of the return from which the tax subject to the refund request arose.

   f. The amount of the Excise Tax subject to the refund request exceeds SAR 3,000.

Article (50): Refunds of Tax Application

1. A person registered for Excise Tax purposes may submit an application to the Authority for an Excise Tax refund.

2. The tax refund application shall be submitted either by means of the Excise Tax Return or any other form prescribed by the Authority.

3. Such tax refund application shall contain, at least, the following information:

   a. Information of the applicant
   b. Information with respect to the type, quantity, and origin of the Excise Goods for which a refund of tax is claimed; and
   c. The amount of the tax paid upon releasing the Excise Goods for consumption.

4. For verification purposes of the refund application, the application shall be accompanied by information supporting the amount of the tax previously paid on the release of the Excise Goods for consumption in the Kingdom. The Authority may request any additional documents for the purposes of verifying the application.

Article (51): Refunds of Overpaid Tax

1. The Authority shall refund the tax that has been paid in excess of the tax due.

2. The tax refund shall be processed and approved by the Authority only for registered persons who overpaid the tax.

3. No application for the refund of the tax paid in excess of the Tax Due, according to this Article, shall be processed by the Authority unless it is submitted within (90) days after the payment of such tax on the Excise Goods released for consumption in the Kingdom.

Article (52): Refund of Export-Related Tax

1. Refund of Tax shall be granted by the Authority for tax which has been paid for Excise Goods that are transported or exported outside the Kingdom.

2. Without prejudice to Paragraph (1) of Article (50) of these Regulations, persons registered for commercial purposes in any member State, and persons practicing export activities, may also apply for this refund of Excise Tax.

3. Taking into account the refund requirements provided for in Article (50) of these Regulations, a tax refund application shall be accompanied by the following:

    a. An application for the deactivation of the Tax Stamps affixed to the Designated Excise

Goods; and

b. A copy of the export document or any other document providing evidence that the Excise Goods have been transported from the Kingdom

4. An application for the refund of the tax paid on the Goods transported or exported outside the Kingdom - according to this Article - shall only be processed by the Authority if it is submitted within (90) days after the date on which the Excise Goods released for consumption in the Kingdom have been exported or transported outside the territory of the Kingdom.

Article (52) (bis): Refund of Excise Tax on Non-Consumable Excise Goods:[18]

1. With regard to Excise Goods introduced into the Kingdom that are or become non-consumable therein, the Authority is mandated to refund the paid Excise Tax to the Registrant for the Excise Tax. Such refund is contingent upon the destruction of the said Goods within a Tax Warehouse or any other Designated Destruction Site licensed by the Authority, as stipulated in Chapter (16) of these Regulations. All provisions and conditions specified herein shall be strictly adhered to.

2. For the purposes of this Article, 'non-consumable Excise Goods' refer to the Excise Goods that are unfit for consumption or any other Excise Goods that are not consumed within the Kingdom, provided that they are sent to a Tax Warehouse or any other Designated Destruction Site, and are destroyed therein in accordance with the provisions of this Article, without prejudice to any other Laws or Regulations applicable within the Kingdom.

3. A Registrant for Excise Tax, who paid the tax on non-consumable Excise Goods and who aims to claim a refund of the tax thereon in accordance with the provisions of this Article, shall first submit an application for approval to destroy such Goods before their actual destruction.

18 This Article was added under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

4. The destruction application shall be submitted by the Registrant, using the form prescribed by the Authority, which shall include, at least, the following information:

   a. Details of the Goods covered by the destruction application, including the date on which they were released for consumption, their quantity, the unit of measurement upon which the Excise Tax was paid, the amount of Excise Tax Due to the Authority, and the date it was paid to the Authority;
   b. Evidence supporting that such Goods have become or may become non-consumable;
   c. Details of such Tax Warehouse or Designated Destruction Site;
   d. Proof of delivery of the Goods to the Tax Warehouse or the Designated Destruction Site;
   e. A detailed description of the method of destruction ;
   f. Application for deactivation of the Tax Stamps affixed to any Designated Excise Goods; and
   g. An undertaking from the applicant stating that neither he nor any other person has received, nor is entitled to receive any amount that includes the Excise Tax paid on the Goods subject to the destruction application as compensation under a policy of insurance covering losses or damages that may arise from the Goods being considered 'non-consumable' or as a result of their destruction.

5. The destruction application shall be submitted by the Registrant within no later than (12) months after the date on which the Excise Goods covered by the destruction application are released for consumption in the Kingdom. Such application may only be submitted if the total amount of the Excise Tax paid on the Goods covered by the application is equal to or exceeds (SAR 3,000).

6. The applicant shall keep and store the Excise Goods covered by the application in the same packaging in which they were released for consumption for as long as they remain in the Tax Warehouse or the Designated Destruction Site; i.e., until they are destroyed upon having the Authority's approval. If such Goods are stored in a Tax Warehouse, they shall be stored separately from any other Excise Goods.

7. The Authority shall notify the applicant of its decision within a period no more than (7) days, starting from the next working day after receiving the application. Otherwise, the application shall be deemed 'approved' under no conditions. The Authority may request any additional information prior to the issuance of its decision regarding the destruction application.

8. The Authority is entitled to approve the destruction of the Goods covered by the destruction application, either unconditionally or subject to certain conditions specified thereby. Such conditions may include, but are not limited to, the Authority's supervision of the destruction process and/or requiring the applicant to obtain a report from a third party indicating the Goods' non-consumable status as a condition of approval. Where approval is conditional on the Authority's supervision of the destruction, the applicant shall identify the destruction date and notify the Authority thereof within no less than (5) working days beforehand, provided that such date shall coincide with an official working day. However, if the Authority fails to attend on the said scheduled date, the supervision requirement is deemed fulfilled. If the Authority is not notified within the period specified in accordance with this Paragraph, it may consider such destruction application rejected.

9. Having received the Authority's approval, the applicant of the destruction application may destroy the Excise Goods in the manner identified in the application thereof and in accordance with the laws applicable in the Kingdom within (60) days as of date of being notified of the approval. The Goods shall be destroyed only inside the Tax Warehouse or in the designated place for destroying the Goods as specified in the destruction application. In all cases, Goods destruction shall be conducted under the supervision of the applicant of the destruction application. Additionally, a destruction application may only be complete when the applicant, after completing the destruction process, provides the Authority, as per the identified mechanism, with evidence proving the actual destruction of the Excise Goods provided in the destruction application and as per the destruction manner adopted by the Authority. Such evidence may be in the form of visual records, images, or reports, or as per any other evidence identified by the Authority.

10. The Registrant may submit a refund application of the Excise Tax related to the completed destruction application as per the provisions of this Article.

11. In accordance with the exemption stipulated in Paragraph (6) of this Article, the Authority may allow the Registrant to submit a refund application with regard to the Excise Goods destroyed before obtaining the Authority's approval of the destruction, provided that the Registrant submits the documents providing exceptional evidence and reasons for the matter.

12. The refund application shall be submitted, using the form prescribed by the Authority within (15) days as of the end of each refund period, considering the following:

    a. The refund application shall include all applications for destruction completed before or during each refund period.

    b. Each refund period shall be two calendar months, resulting in (6) refund periods per fiscal year.

    c. Completed applications for destruction may be included in any refund application during any of the following refund periods within a maximum of (12) months as of the date the Authority notifies the applicant of its approval as mentioned in Paragraph (9) of this Article.

    d. The Authority may request any additional information before the issuance of its decision on the refund application.

13. The Registrant submitting the refund application shall be responsible for the destruction of the Excise Goods specified in the destruction application. This also includes the cases wherein the Goods are destroyed by a third party in a licensed Designated Destruction Site by the Authority for such purpose. In case the tax amount is unduly refunded to the Registrant, the Registrant shall repay such amount in accordance with the provisions stipulated in Article (17) of the Law.

Article (53): Refunds of Exempted Tax

1. Refund of the Tax shall be granted by the Authority for the Tax which was paid for the Excise Goods which could have been released for consumption if the consumer is entitled to the exemption, as per the applicable Law.

2. Considering the refund requirements stipulated in Article (50) of the Regulations, the Tax refund application shall also be accompanied by documentation proving evidence that the Excise Goods could have been released for consumption and the consumer is entitled to the exemption as per the applicable Law.

3. As an exception to Paragraph (1) of Article (50) of the Regulations, any diplomatic and consular bodies, international organizations and heads and members of diplomatic and consular corps accredited by the competent Authority of the Kingdom may apply for this refund of the Excise Tax. The Authority may issue a list of persons who are eligible to submit tax refund applications in accordance with this Paragraph.

4. A person who is eligible to submit a tax refund application in accordance with Paragraph (3) of this Article may submit a refund application in respect of either a quarterly period or a calendar year. Only one refund application may be submitted in respect of any quarterly period or calendar year.

5. A refund application that is submitted by a person covered by this Article shall only be processed by the Authority if it is submitted within ninety (90) days after the payment of the Tax on the Excise Goods released for consumption within the Kingdom.

6. As an exception to Paragraph (5) of this Article, a refund application submitted by an eligible person in accordance with Paragraph (3) of this Article shall only be processed by the

Authority if it is submitted within six (6) months from the end of the calendar year to which the claim period relates.

Article (54): Decision on Tax Refund Applications

1. The Authority shall verify the refund application and may reject it in the following cases:
   a. The Tax refund application is not filled in or is not submitted correctly.
   b. The Tax refund application is not submitted within the allowed time period.
   c. The Tax refund application is not accompanied by the required documentation.
   d. The Authority is unable to verify, based on the provided documentation, that the applicant has the right to the Tax refund in accordance with the Law and the Regulations.
2. The Authority shall issue its decision on the partial or full approval or rejection of an application and shall notify the applicant, as well as illustrate the reasons for rejection. In all cases, the Authority shall issue its decision on a Tax refund application within (30) days of the date of the application submission. Otherwise, the application shall be deemed rejected. In case an application is partially or fully approved, the Authority shall finalize the refund procedures and refund the amount within (30) days as of the date of approving the refund application.(19)
3. The Authority, for just one time, may extend the period for issuing its decision on the refund application referred to in Paragraph (2) of this Article to another similar period, provided that the extension decision shall be made before the end of the first period and the applicant shall be notified of the extension. (20)
4. The Authority may offset any credit balance due to the Tax Refund Applicant against any other taxes, fines or any other amounts due to the Authority. The Authority may also withhold such amount pending the resolution of any outstanding assessments raised against the Tax refund applicant. The Authority shall notify the Tax refund applicant where any such action has been taken.

19 This Article was amended under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

20 This Article was amended under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

5. The Authority shall refund the remaining amount after the offset of any amount as per Paragraph (4) of this Article via a bank transfer to the bank account specified by the refund applicant. Additionally, the refund applicant registered with the Authority for Excise Tax purposes may request the transfer of approved refund amounts to his Excise Tax account by illustrating such request in his application. (21)

CHAPTER 19:

ENFORCEMENT OF THE LAW

Article (55):Powers of the Authority in Auditing and Enforcing the Law. (22)

1. The Authority, for the purposes of auditing and enforcing the Law, shall issue or amend the assessment of obligations of the persons liable for tax payment as well as that of any person who was refunded of the Tax amount or exempted therefrom, as per the provisions of the Law and Regulations. This shall be conducted within a maximum period of 5 years as of the end of the calendar year of the related Tax or as of the date of being refunded of the Tax amount of exempted therefrom. Moreover, for such purpose, the Authority personnel may:

    a. Enter Tax warehouses, sites designated for the destruction of Excise Goods licensed by the Authority for such purpose, or any other premises where Excise Goods are being held.
    b. Access any means of transport used to move Excise Goods.
    c. Requesting any means of transport used to move Excise Goods to go to any location in the Kingdom.
    d. Access any information related to Excise Goods, available at any premises or in any means of transport, which is used to hold or move Excise Goods, or any site designated for the destruction of Excise Goods licensed by the Authority for such purpose.
    e. Request any information or documents needed to verify the obligations of the person obligated to pay the Tax Due.
    f. Take or request a sample of any Excise Goods available in any means of transport or premises used to hold or move Excise Goods.

21 This Article was amended under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

22 This Article was amended under the ZATCA Board of Directors Decision No. (13-1-23) dated 15 Rajab 1444 H., corresponding to 06 February 2023 G.

2. The personnel of the Authority may exercise all powers stipulated in Paragraph (1) of this Article with respect to Excise Goods that are being held, or which they have reasonable grounds to believe are being held in violation of the provisions of the Law or the Regulations.

CHAPTER (20):

GENERAL PROVISIONS

Article (56): Delivery of Notices

Where the addressee does not have a clear or well-known address, the Authority may decide on any method it deems appropriate to send the notices.

Article (57): Time Periods

1. Where no specific rules are stipulated, for the purpose of determining the time periods, the recipient shall be deemed to have been notified on the date the notification was received.

2. If any prescribed period would expire on a non-working day, the prescribed period shall be extended to include the next working day.

Article (58): Financial Rewards

The Board of Directors may grant a financial reward to any person, other than the personnel of the Authority, who contribute in the detection of violations of the Law and the Regulations which lead to the collection of a Tax or a fine by the Authority, with a maximum financial reward that may not exceed two and a half percent (2.5%) of the amount of fines which the Authority collects, or a one million (1,000,000) Saudi Riyals, whichever is lower.

CHAPTER (21):

QUOTA ORDERS

Article (59): Issuance of Quota Orders

1. The Authority may issue quotas limiting the quantity of the Excise Goods allowed to be released for consumption during a certain period in proportion to the quantities of the Excise Goods allowed to be released for consumption in an equivalent time period previous to the issuance of the quota, and if the Taxable Person failed to abide by the quota, the Authority shall collect Tax on the excess quantity over the quota according to the new Tax rate.

2. The Authority shall notify the Excise Registrant of their quota by means of a quota order.

3. The quota order shall incorporate, at least, the following information:

    a. The type of the Excise Goods subject to the quota.
    b. The Quantity of the Excise Goods stated in the quota order.
    c. The group of Excise Registrants subject to the quota.
    d. The validity period of the quota order.

CHAPTER (22):

TRANSITIONAL PROVISIONS

Article (60): Excise Goods Held at the Date of Effectiveness of the Law

1. Tax shall immediately become due on the Excise Goods available in the Kingdom on the date the Law shall enter into force, provided that these Excise Goods:

    a. Are not placed under a Customs Suspension Arrangement or an Excise Tax Suspension

Arrangement

b. Are not owned by any government entity.
c. Are specified for commercial purposes.

2. For the purposes of Paragraph (1) of this Article, Excise Goods are designated for commercial purpose if their tax base exceeds sixty thousand (60,000) Saudi Riyals as referred to in Article eight (8) of the Regulations.

3. The persons holding Excise Goods, referred to in Paragraph (1) of this Article, shall be responsible for calculating, declaring, and paying the Tax Due on the Excise Goods they hold in accordance with the Law and the Regulations, by submitting a single transitional Excise Tax Return to the Authority within forty-five (45) days after the Regulations enter into force.

4. The Authority shall provide the methods for filing and paying the transitional Excise Tax Return.

5. This Article shall be applicable to any amendments to the Agreement, the Law, or these Regulations, the enactment or amendment of any other laws, or the issuance of any decisions which result in increased Tax Rates or Tax Base for Excise Goods, leading to an increase of the Tax Due or the application of the Excise Tax on any other Goods. The provisions of Paragraphs (1), (2), and (3) shall apply as of the effective date of such amendments, laws, or decisions .(23)

6. As an exception to the provisions of the Paragraph (5) of this Article, in the case of the entry into force of any amendments of the Agreement, the Law or these Regulations, or the enactment or amendment of any other laws or issuance of any decisions which result in increased Tax Rates or Tax Base for Excise Goods, resulting in the increase of the Tax Due, such Goods shall be considered specified for commercial purposes pursuant to Paragraph (1) of this Article if such increase results in Tax Due that exceeds twenty thousand (20,000) Saudi Riyals . (24)

23 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

7. Taxpayers registered with ZATCA for Excise Tax purposes who have released Excise Goods for consumption in the Kingdom, and where a reduction in the Tax Rate imposed thereon occurs as a result of the entry into force of any amendments to the Agreement, the Law, these Regulations, the issuance or amendment of any other regulations, or the issuance of any decisions resulting in a reduction in the Tax Rate imposed on Excise Goods released for consumption, may submit a refund request for the tax difference that was due and calculated in excess on those goods compared to the tax that would have been due upon the reduction of the Tax Rate, in accordance with the following : (25)

   a. The Goods subject to the refund request shall be owned by the applicant on the date the amendments resulting in the Tax Rate reduction came into effect, and shall not have been sold by the applicant on or before such date.
   b. The refund request shall be submitted to ZATCA within ninety (90) days from the effective date of the Tax Rate reduction, provided that the tax subject to the refund request has been paid to ZATCA prior to submitting the request.
   c. The amount claimed for refund shall be within the limit of the tax difference resulting from the reduction.
   d. The amount of the tax difference resulting from the reduction shall be reflected as a decrease in the Retail Sale Price of such Excise Goods upon their sale. The applicant shall have supporting documents evidencing this.
   e. The request shall be submitted via the form prescribed by ZATCA, accompanied by the required documents.
   f. ZATCA shall have the right to obtain any additional documents or information prior to issuing its decision regarding the refund request.
   g. ZATCA shall examine the refund request and issue its decision in accordance with the provisions set forth in Article (54) of these Regulations.

8. If the Tax Warehouse license application as referred to in Paragraph (2) of Article (62) is rejected by ZATCA, the period specified in Paragraph (3) of this Article shall commence as of the date on which the license applicant is notified of the rejection . (26)

Article (61): Registration for Excise Tax Purposes

24 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

25 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

26 This Article was amended under the ZATCA Board of Directors Resolution No. (06-06-25) dated 08 Rajab 1447 H (28 December 2025 G).

Any person carrying out activities, for which they are required to register for Tax purposes with the Authority in accordance with Article (6) of the Law, shall be considered an Excise Tax Registrant from the date the Law enters into force, on the condition that this person applies for registration for Tax purposes within 30 days after the Regulations enter into force.

Article (62): Production of Excise Goods and Tax Warehouse Licensing

1. Any person producing Excise Goods from the date on which the Law enters into force shall be deemed holding a Tax Warehouse License, and is excluded from the provision of Paragraph (3) of Article (60) of the Regulations. If this person submits a Tax Warehouse license application within thirty (30) days after the Regulations enter into force, this deemed license ends when the application gets rejected.

2. If, as a result of any amendment to the Law and these Regulations, a person is required to hold a Tax Warehouse for the production of Excise Goods, this person shall be considered holding a Tax Warehouse License from the date such amendments enter into force , provided that this person submits a Tax Warehouse license application prior to the date of effectiveness of such amendments. This implied license shall end if the application for the license is rejected.

CHAPTER (23):

FINAL PROVISIONS

Article (63): Conflicting Provisions

Any provision in the Regulations shall be repealed in case of a conflict with any decision made by the Ministerial Committee in accordance with their powers stated in the Agreement.

Article (64): Regulations' Enter into Force Date

These Regulations shall be published in the Official Gazette and shall enter into force on the date the Law enters into force.



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