



EXCISE TAX IMPLEMENTING REGULATIONS

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General Authority of Zakat & Tax

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CHAPTER 1: PREAMBLE

ARTICLE 1. DEFINITIONS

1. The following words and expressions, wherever mentioned in the Law, shall have the meanings assigned against each of them, unless the context requires otherwise:

The Council: The Gulf Cooperation Council.

Member State: Any state that has a 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 Good on which Tax is imposed, equals to the retail sales price determined by the importer or producer, or the standard price agreed on these goods in accordance with the Agreement, whichever is higher; exclusive of the Tax due and VAT.

Tax Stamp: Refers to the labelling 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 the first (1) Paragraph 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

1. An Excise Tax shall be imposed on the following Goods:
 - (a) Tobacco Products.
 - (b) Soft Drinks.
 - (c) Energy Drinks.
 - (d) Sweetened Drinks.
 - (e) Electronic devices and tools used for smoking, vaping and alike.
 - (f) Liquids consumed in electronic devices and tools used for smoking, vaping and alike.
2. The definition of Excise Goods listed under Paragraph (1) of this Article shall be according to resolutions of the Ministerial Committee.

ARTICLE 3. TAX RATES

1. A Tax rate of 100% shall be imposed on tobacco products.
2. A Tax rate of 50% shall be imposed on Soft Drinks.
3. A Tax rate of 100% shall be imposed on Energy Drinks.
4. A Tax rate of 50% shall be imposed on Sweetened Drinks.
5. A Tax rate of 100% shall be imposed on Electronic devices and tools used for smoking, vaping and alike.
6. A Tax rate of 100% shall be imposed on Liquids consumed in Electronic devices and tools used for smoking, vaping and alike.

CHAPTER 3: TAX DUE CALCULATION

ARTICLE 4. TAX CALCULATION

1. The Tax Due shall be calculated by applying the Excise Tax Rates determined for each Excise Good, to the Tax Base of that good.
2. The Tax Due shall be calculated based on the Tax Rate applicable at the time of releasing of the Excise Good for consumption.
3. In case that multiple Tax Rates can be applied to the good, the higher excise tax shall be applied.

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 out of Tax Suspension Arrangement.
3. Removing 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 can 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:
 - i. Tax warehouse license number of the Licensee.
 - ii. Information related to the Total Damage or irreversible loss of Excise Goods.
 - iii. 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 will notify the licensee of its decision within a period not exceeding four-

teen (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 just one time, 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 decided that the provided information is insufficient or incorrect, then the Excise Goods shall be considered to be released for consumption at the time of total damage or irrecoverable loss.

ARTICLE 6. TAX SUSPENSION ARRANGEMENT

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 the Licensee.
2. The 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 Common Customs Law.
 - (e) While 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 THE TAX DUE PAYMENT

1. The following persons shall be liable for paying 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 event of transporting Excise Goods other than cases of Excise Suspension Arrangement, in accordance with the second (2) paragraph of Article six (6) of these Regulations.
 - (d) The Licensee, in case of Total Damage or irreversible loss of Excise Goods without an evidence that the damage or loss is caused beyond its control, in accordance with the fifth (5) Paragraph 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 Tax Suspension Arrangement, with no 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.
1. If, based on the first (1) paragraph 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 shall require the payment of Tax from all of the persons, or require the payment from any of them, as it deems appropriate to the public benefit.

CHAPTER (6): TAX BASE

ARTICLE 8. RETAIL SALES PRICE

1. The Retail Sales Price shall be determined, in accordance with the provisions of the Agreement.
2. Upon the request of the Authority or the Saudi Customs, the person liable for the payment of the Tax Due shall provide an evidence substantiating the validity of declared Retail Sales Price.
3. If no or insufficient evidence is provided in accordance with the second (2) paragraph of this Article, or if the Authority or the Saudi Customs has reasonable doubt with respect to the validity of the declared retail sales price, the Authority or Saudi Customs shall have the right to reject such prices and determine the correct price to be used for calculating the Tax Due, in accordance with the provisions of the Regulations.
4. The Retail Sales Price of concentrates, powders, gels, and extracts, which are subject to Excise Tax and are sold directly to the end consumers shall be the announced retail price of such goods.
5. Subject to the forth (4) paragraph of this Article, the retail sales price for the remaining concentrations, powders, gels or extracts shall be calculated, according to the criteria set by the Authority.

CHAPTER 7: TAX STAMPS

ARTICLE 9. TAX STAMPS

1. Valid Tax Stamps shall be affixed to the designated Excise Goods, and shall be activated prior to releasing for consumption in the Kingdom. The Authority shall determine the procedures for activation and verification of validity of Tax Stamps.
2. The following Excise Goods shall be considered as Designated Excise Goods:
 - (a) Tobacco Products.
 - (b) Soft Drinks.
 - (c) 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. The Authority 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. Saudi Customs 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 shall not apply to Designated Excise Goods entering the Kingdom with arriving passengers as personal luggage for non-commercial purposes.

ARTICLE 10. AUTHORIZED SUPPLIER OF TAX STAMP

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 order for Tax Stamps. Such purchase orders shall be subject to the approval of the Authority.
2. Purchase orders 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) Applicant information, including Excise Tax registration number;
 - (b) Type of Designated Excise Goods, to which Tax Stamps shall be affixed;
 - (c) Number of Tax Stamps they desire to purchase; and
 - (d) Determination of the location, where Tax Stamps shall be affixed to the Designated Excise Goods.
3. The Authority shall notify the applicant of its decision regarding the approval of the request or not.

ARTICLE 12. POSSESSION OF TAX STAMPS

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

- (a) To maintain Tax Stamps in secure form, prior to their affixation to the Designated Excise Goods.
- (b) To keep 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 the second (2) Paragraph of this Article.
 - (b) In the event 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. Notwithstanding Subparagraph (3)(c) 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 Paragraphs (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) The purchase and payment for Tax Stamps;
- (c) Determination of Tax Stamp specifications, and how they are to be affixed 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) When Tax Stamp shall be available for purchase, and the dates on which, they are due to be affixed to Designated Excise Goods; and
- (g) Licensing of Authorized Suppliers.

CHAPTER (8): REPORTING OF TAX DUE

ARTICLE 15. REPORTING OF TAX DUE ON IMPORTATION

1. In case of importing Excise goods and releasing it for consumption, the amount of Tax Due shall be calculated by the Saudi Customs based on the Tax Base of these goods and in accordance with the procedures specified in the Common Customs Law.
2. For the purposes of the first paragraph of this Article, the importer shall provide the following information to the Saudi Customs:
 - (a) Information on the type of Excise Goods intended to be released;
 - (b) The retail sales price of these Excise Goods.
 - (c) Any other information requested by Saudi Customs.
3. If Saudi Customs finds that imported Excise Goods have not been declared, they shall inform the Authority accordingly.

ARTICLE 16. TAX RETURNS

1. The Tax periods shall be associated with the State's Fiscal Year, and each Tax Period shall be two calendar months so that there would be six (6) Tax Periods in one fiscal year, the Registrant shall file an Excise return within fifteen (15) days after the end of the Tax period on the goods that have been released from Tax Suspension Arrangement during that period, by using the appropriate form prescribed by the Authority, the form shall include at least the following information:
 - (a) Information about the Excise Registrant submitting the Excise Tax Return;
 - (b) A 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 Tax Goods incorporated in the Excise Tax Return.
2. After the end of a Tax period, if the period for which the Registrant shall file an Excise Tax Return on the goods that have been released from a Tax Suspension Arrangement, does not exceed one month, the Authority may include this Tax period in the following Tax period for that person, as a one-time procedure.

CHAPTER 9: TAX ASSESSMENT AND DISCLOSURE

ARTICLE 17. ASSESSMENT OF TAX DUE BY THE AUTHORITY

1. The Authority shall calculate the Tax Due amount on the Excise Goods, in accordance with the provisions of the Regulations; if the person liable for the payment of the Tax due:
 - a. Fails to comply with the conditions to file an import declaration or submitted an incorrect import declaration;
 - b. Fails to comply with the conditions to file an Excise Tax Return or submitted an incorrect Excise Tax Return; or
 - c. Is not registered for Excise Tax purposes.
2. For the purposes of this Article, an incorrect import declaration or Excise Tax Return shall mean any import declaration or Excise Tax Return which has led to an incorrect calculation of the Tax Due.
3. The Authority shall inform the person liable for the payment of the Tax with the amount of Tax Due by a written notification.
4. The written notification shall include the grounds, on which the Authority calculates the amount of the Tax Due.

CHAPTER 10: PAYMENT OF TAX DUE

ARTICLE 18. PAYMENT OF TAX DUE

1. Without prejudice to the provisions of the Common Customs Law, The Saudi Customs shall collect the Tax Due on imports on behalf of the Authority and according to the procedures determined by the Authority. The Saudi Customs shall transfer the Taxes collected on behalf of the Authority, as well as hand over any supporting documentation, to the Authority within seven (7) to fourteen (14) days as of the collection date.
2. Notwithstanding the first (1) paragraph 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) Saudi Riyal;
 - (b) The person importing the Excise Goods has provided a bank or cash guarantee to the Saudi Customs which covers the Tax Due liability;
 - (c) The bank 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 bank 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 last twelve (12) months
1. The payment of Tax Due reported by an Excise Tax Return shall be made to the Authority no later than fifteen (15) days after the end of the Tax return period.
 2. The payment of Tax Due imposed by a Tax assessment shall be made to the Authority within 15 days after the person liable for the Tax Due has been notified by the Authority, in accordance with Article seventeen (17) of the Regulations.
 3. If the Authority receives a payment from a person liable for the payment of Tax Due, it shall first be credited to the balance of the Tax Period, to which the payment refers. Any excess balance shall be used to cover any due fines or fees, then to cover any due amounts, starting from the oldest outstanding balance.

ARTICLE 19. FAILURE TO PAY THE TAX DUE

1. If the Tax Due has not been paid on time, the Authority may, for the purposes of collecting the unpaid Tax or any of the imposed penalties by the Law and its Regulations, seize the bank 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 the first (1) paragraph of this Article.

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 the Authority, the form should 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.
2. The applicant must have a permanent establishment in the Kingdom.

ARTICLE 21. DECISION ON THE REGISTRATION APPLICATION

1. The Authority shall issue its decision on the 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 has been completed by the applicant, and
 - (b) Approving or rejecting the Excise registration, with clarifying the reasons behind rejection.
1. Registration shall be considered effective from the date of approval.
 2. Registration shall be considered rejected, if the Authority has not issued its decision within the prescribed period in the first (1) paragraph of this Article.
 3. The Authority, for just one time, may extend the period prescribed in the first (1) paragraph 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.
 4. 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 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 REGISTRANT RESPONSIBILITIES

ARTICLE 22. ADMINISTRATIVE REQUIREMENTS

1. THE REGISTRANT SHALL KEEP AND MAINTAIN ELECTRONIC RECORDS, ENABLING THE AUTHORITY FROM VERIFYING 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; and
 - (b) Provide a comprehensive overview of all the business processes relevant for the collection of the Excise Tax.
2. For the purposes of the first (1) Paragraph 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 of maintaining Tax Stamps and the Designated Excise Goods, to which they are affixed.

CHAPTER 13: REGISTRATION AMENDMENTS

ARTICLE 23. REGISTRATION AMENDMENTS

1. The Registrant shall inform the Authority in advance by means of a written notification of any changes in the information listed in the registration application.
2. The notification prescribed in the first (1) paragraph of this Article should take place 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 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 the Excise registrant holds.
2. A deregistration application shall 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 being produced, is only eligible as a location for a Tax Warehouse license if all of the following criteria fulfilled:
 - (a) The average quantity of Excise Goods being held there over the course of twelve (12) calendar months is more than any of the following:
 - i. Ten million (10.000.000) liters of Soft Drinks, Energy Drinks or Sweetened Drinks.
 - ii. One billion (1.000.000.000) cigarettes or other individual units of tobacco products.
 - iii. Five hundred thousand (500.000) () kilograms of other tobacco products.
 - iv. One million (1,000,000) electronic devices and tools used for smoking, vaping and similar activities.
 - v. Two hundred and fifty thousand (250,000) liters of liquids consumed in Electronic devices and tools used for smoking, vaping and similar activities.
 - (b) At least seventy percent (70%) of the quantity of the Excise Goods held at that location shall be transported from the Kingdom under the Tax suspension arrangements.
 - (c) Obtaining a permission from the Board of Directors.
1. Locations from which, Excise Goods are directly sold to consumers are not eligible for a Tax Warehouse license.
2. Notwithstanding the provisions of the second (2) and third (3) paragraphs of this Article, the following locations shall be eligible for a Tax Warehouse license.
 - (a) Duty-free shop;
 - (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.



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2. Notwithstanding the first (1) paragraph of this Article, no Tax Warehouse license shall be required for locations where Excisable concentrates are converted to a final Excise good 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 suspension of Excise Tax 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 applicant shall provide a financial security covering the amount of Tax that may become due for taxable cases relating to this Tax Warehouse.
2. For the purposes of the first paragraph of this Article, the amount of Tax that may become due shall be calculated on the basis of the sum of the following estimated quantities and corresponding retail sales prices:
 - (a) The quantity of Excise Goods held in the Tax Warehouse;
 - (b) The quantity of Excise Goods being released for consumption over the course of a calendar month; and
 - (c) The quantity of Excise Goods being placed under a subsequent Tax Suspension Arrangement over the course of a calendar month.
3. The Authority may reduce the required value of the financial security; however, the minimum security is five percent (5%) of the amount calculated in accordance with the second (2) paragraph of this Article.

4. If the Authority has reasonable grounds to assume that the security calculated by the Licensee or the applicant is inaccurate, the Authority may request increasing the security, at their discretion.
5. The financial security shall be recalculated every twelve (12) calendar months for each Tax Warehouse.

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 their corresponding invoices 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.

ARTICLE 32. ASSESSMENT OF LICENSE GRANTING

1. In addition to the applicable terms and conditions for qualifying for a Tax Warehouse license as stipulated in the Law and the Regulations, the applicant must:
 - (a) Be in a financially sound position.
 - (b) Not have himself or their legal representative who in the management of the establishment through which he carries out their activity, have been previously convicted of financial crimes, unless he has subsequently been restored to good standing.
 - (c) Have an administrative system to help managing a Tax Warehouse, which is compliant with the provisions of the Law and the Regulations.
 - (d) Have safety and security measures in place limiting accidents as determined by 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 to the applicant if he has fulfilled all terms and conditions prescribed by the Law and the Regulations.
4. For revenue protection purposes, the Authority may at any time modify the terms and conditions under which the Tax Warehouse license was granted. The Authority shall inform the Licensee at least seven (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.
2. The notification of the first (1) paragraph of this Article shall be submitted 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. Depending on the impact of the changes on the Tax Warehouse license, the Authority may amend or cancel the license, in accordance with the Law and the Regulations.

ARTICLE 34. LICENSE TERM

1. The license shall remain valid for one (1) year from the day it is granted by the Authority, unless it is cancelled 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 three (3) years.

ARTICLE 35. LICENSE RENEWAL

1. The license renewal application shall be submitted to the Authority using the relevant application form within ninety (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 different terms than those specified in the previous license.
5. If the Authority has not taken any decision on a renewal of a Tax Warehouse license before the date of expiry, the previous license shall remain valid until the Authority has formally indicated its decision.

ARTICLE 36. LICENSE SUSPENSION OR CANCELLATION

1. Subject to Article thirteen (13) and Article twenty five (25) of the Law, the Authority may decide the following:

- (a) Cancelling the Tax Warehouse license, if it is not used for its purposes for over three (3) calendar months;
 - (b) Suspending 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 shall not be deemed to be released for consumption, however 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 purposes, 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 which are held in the Tax warehouse that is intended to be cancelled under another Tax Suspension Arrangement; or
 - (b) Report and pay the Tax Due resulting from the removal of the Excise Goods from the Tax Warehouse by means of an Excise Tax Return.
3. The Licensee shall inform the Authority once the Tax Warehouse license cancellation request is finalized.

CHAPTER 17: PLACING THE EXCISE GOODS UNDER A TAX SUSPENSION ARRANGEMENT

ARTICLE 38. TRANSPORTING THE EXCISE GOODS UNDER A TAX SUSPENSION ARRANGEMENT

1. A Tax warehouse Licensees can send and receive Excise goods under Tax Suspension Arrangement.
2. Upon the Import of Excise Goods, the Excise Goods can be moved under Tax suspension arrangement if the Excise goods are moved to a licensed Tax Warehouse situated for the importer in the Kingdom or in another Member State.
3. The Tax Warehouse Licensee which sends the Excise goods is responsible for the placement of the Excise goods under the Excise Tax suspension arrangement.

ARTICLE 39. EXCISE GOODS' TRANSPORT DOCUMENT

1. A movement of Excise goods under Tax suspension arrangement must be covered by an Excise movement document that allows the movement of the Excise goods. A physical copy of this document must accompany the Excise goods at all times during the transport.
2. The Excise movement document shall be requested from the Authority by means of the prescribed form.
3. The form referred to in the second (2) paragraph of this Article shall require at least the following information:
 - (a) Details of the Excise Goods to be transported under Tax Suspension Arrangement, including:
 - i. The type of the Excise Goods;
 - ii. The quantity of the Excise Goods; and
 - iii. The Excise Tax due, should the Excise Goods be released during the transport process.
 - (b) The provenance of the Excise Goods being transported, which can be either:
 - i. A Licensed Tax Warehouse situated in the Kingdom;
 - ii. Import;
 - iii. A Licensed Tax Warehouse situated in another Member State.
 - (c) The destination of the Excise Goods being transported, which can be either:
 - i. A Licensed Tax Warehouse situated in the Kingdom;

- ii. Export, or a licensed Tax Warehouse situated in another Member State.
 - iii. A licensed Tax Warehouse situated in a third Member State across the Kingdom.
- (d) The mean of transportation.
- (e) The estimated time required for the transportation.
 - i. If the destination of the transport is a Tax Warehouse of which the sender is not the Licensee, the recipient Licensee has first to approve the transport before the Authority shall review the Excise transport document application.
 - ii. If the Authority approves the transport, it shall issue the Excise transport document with a unique number be printed on the document, allowing the transport of the Excise Goods under Tax Suspension Arrangement.
 - iii. The Excise transport document shall remain valid for fourteen (14) days from its issuance date.

ARTICLE 40. DECISION ON THE EXCISE GOODS TRANSPORT DOCUMENT APPLICATION

1. The Authority may grant or reject to grant the Excise Goods transport document.
2. The Authority shall notify the licensed movement applicant of its decision on the movement application within twenty four (24) hours after its submission.
3. If the Authority has not notified the Licensee of their decision within the timeframe stipulated in the second paragraph of this Article, and has not extended the time period in accordance with the fourth (4) paragraph of this Article, the Excise Goods transport document shall be deemed accepted.
4. Notwithstanding the second (2) paragraph of this Article, the Authority may take as much time as it deems necessary to inspect the Excise Goods and the means of transport before making a decision, 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 Excise movement application at any time before the Authority has issued its decision on it.
2. If the amendment involves a change of the destination and this new licensed recipient has a different Licensee than the original destination, the fourth (4) paragraph of Article forty (40) of the Regulations shall apply along with its amendments.
3. Any amendment made on the application shall renew the time period the Authority has to decide upon the request, in accordance with the second (2) paragraph of Article forty (40) of the Regulations.

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 cancelled 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 is or 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 but before it has been cleared in accordance with Article thirty-eight (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 this new licensed recipient has a different Licensee than the original destination, the fourth paragraph of Article thirty-nine (39) of the Regulations shall apply along with its amendments.
5. The sending Licensee shall submit the request for amendment or cancellation by means of a form prescribed by the Authority.
6. Article forty-one (41) of the Regulations shall apply, along with its amendments, to a request for amendment made 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 forty-four (44) of the Regulations.
2. If the destination Tax Warehouse Licensee refuses an Excise 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 THE EXCISE GOODS TRANSPORT DOCUMENT

1. If the destination on the Excise Goods Transport document is another Tax Warehouse, after unloading the Excise Goods at the destination the receiving Tax Warehouse Licensee shall submit an unloading report to the Authority.
2. The unloading report as referred to in the first (1) paragraph of this Article shall include information on the quantity and type of Excise Goods unloaded from the vehicle 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 be cleared in either of the following two cases:
 - (a) The unloading report is submitted to the Authority.
 - (b) The export declaration as accepted by the Saudi Customs is submitted to the Authority.
5. If there is a difference between the quantities of 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. Notwithstanding the other Articles of Chapter 16 of these Regulations, the requirement of covering every movement of Excise Goods under Tax suspension arrangement with a single Excise movement document shall be cancelled 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 where 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.
1. The transport declaration as referred to in subparagraph (c) of the first (1) paragraph of this Article shall include at least the following information for each transport:
 - (a) Information about the Tax Warehouse Licensee submitting the transport declaration.
 - (b) The Tax Warehouse license numbers of the Tax Warehouses, from which the transport is dispatched and received respectively.
 - (c) The date on which the movement is dispatched from and received in the respective Tax Warehouses.
 - (d) The quantities of Excise Goods dispatched from and received in the respective Tax Warehouses.
2. Any differences between the quantity of Excise Goods dispatched and received in the respective Tax Warehouses shall be managed as releases for consumption from the sending Tax Warehouse.
3. For the purposes of the first (1) and second (2) paragraph of this Article, transportations shall be included in the transport declaration of the calendar month in which, the transport was dispatched.
4. The monthly declaration shall be submitted to the Authority within fifteen (15) days by the end of the calendar 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 Council 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 Article (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 twenty-four (24) hours of the time of sale.
2. The application of the exemption by a Licensee as referred to in the first (1) paragraph of this Article, shall be substantiated by means of references listed on the boarding pass.
3. For the purposes of this Article, an international flight shall mean a direct or indirect flight between the location from which the aircraft departs the Kingdom and the location the aircraft lands outside the territory of 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 exempted from the Tax.
2. This exemption of Tax shall only be applied on import or upon submitting the Excise Tax Return.
3. Any person applying for the exemption stipulated in the first (1) paragraph of this Article shall, upon the request of the Authority, provide an evidence substantiating the destination of the Excise goods for which the exemption is being sought.
4. If insufficient or no evidence can be provided of the destination of the Excise Tax Goods, or if it is clear that the Excise Goods have not followed the exempted destination, the Authority shall reject the exemption and shall 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

1. Where a Tax Warehouse Licensee has paid Tax in respect of Excise Goods, which have been used in the production of other Excise Goods, this Tax may be deducted from total Tax Due.
2. The deduction of Tax Due shall be effectuated via the Excise Tax Return for the Tax Warehouse in which, the Excise Goods were used as a material in the production process.
3. The deducted tax shall be the amount of Tax which has been paid on the Excise goods used as a raw material in the production process covered by the Excise Tax Return.

ARTICLE 50. REFUNDS OF TAX APPLICATION

1. Excise registrant may apply for a refund of the Excise Tax from the Authority.
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. The Tax Refund Application shall contain at least the following information:
 - (a) Information on the applicant;
 - (b) Information with respect to the type, quantity and origin of the Excise Goods for which a refund of Tax is being requested;
 - (c) The amount of Tax which has been paid on the release for consumption of the Excise goods.
4. For verification purposes of the refund application, the application shall be accompanied by information supporting the amount of Tax previously paid on the release for consumption of the Excise Goods in the Kingdom. The Authority may request any additional documents; for the purposes of verifying the application.

ARTICLE 51. REFUNDS OF OVERPAID TAX

1. Refund of Tax shall be granted by the Authority for Tax paid in excess of the Tax Due.
2. The refund of Tax can only be applied for by and shall only be granted by the Authority to the Excise registrants who paid the excess Tax.
3. An application for the refund of tax paid in excess of Tax Due- according to 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 that have been released for consumption.

ARTICLE 52. REFUNDS OF EXPORT-RELATED TAX

1. Refund of Tax shall be granted by the Authority for Tax which has been paid for Excise Goods, which are exported or transported outside the Kingdom.
2. Notwithstanding the first paragraph 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 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 tax paid on goods transported or exported outside the Kingdom – according to this Article - shall only be processed by the Authority if it is submitted within ninety (90) days after the date on which Excise goods released for consumption in the Kingdom have been exported or transported outside the territory of the Kingdom.

ARTICLE 53. REFUNDS OF EXEMPTED TAX

1. Refund of Tax shall be granted by the Authority for Tax which has been paid for Excise Goods which could have been released for consumption if the consumer is entitled to the exemption, as per the applicable Law.
2. In addition to the refund requirements stipulated in Article fifty(50) of the Regulations, the Tax refund application shall also be accompanied by documentation providing evidence that the Excise Goods could have been released for consumption and consumer entitled to exemption, as per the applicable Law.
3. Notwithstanding the first paragraph of Article forty four (44), 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 Excise Tax. The Authority may issue a list of persons who are eligible for submitting tax refund applications in accordance with this paragraph.
4. A person who is eligible for submitting a tax refund application in accordance with the third (3) paragraph 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 that have been released for consumption.
6. Notwithstanding the fifth (5) paragraph of this Article, a refund application submitted by an eligible person in accordance with the third (3) paragraph 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 a right to the refund of Tax in accordance with the Law and the Regulations.
2. The Authority shall issue its decision on a Tax refund application by means of a notification to the applicant within thirty (30) days after the application was submitted, otherwise the application shall be deemed to be rejected.

3. The concerned department at the Authority may, for just one time, extend the period prescribed in the second (2) paragraph of this Article to another similar period. The decision of extension shall be made before the end of the first period and, the applicant shall be notified of the extension.
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.

CHAPTER 19: ENFORCEMENT OF THE LAW

ARTICLE 55. POWERS OF THE AUTHORITY ON AUDIT AND ENFORCEMENT OF THE LAW:

1. For audit and enforcement of the Law purposes, the auditors and the inspectors of the Authority may:
 - (a) Enter Tax Warehouses and 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.
 - (e) Take or request a sample of any Excise Goods available in any means of transport or premises used to hold or move Excise Goods.
2. The powers granted in the first (1) paragraph of this Article for the auditors and inspectors of the Authority may be carried out if it involves Excise goods which are held, or where they have reasonable grounds that they are held, in violation to 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 employees 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 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 Excise Goods allowed to be released for consumption during a certain period in proportion to the quantities of 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 Excise Goods, which are 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 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 Goods Tax Suspension Arrangement.
 - (b) Are not owned by any government entity.
 - (c) Are specified for commercial purposes.
1. For the purposes of paragraph 1 of this Article Excise Goods are designated for commercial purposes if its tax base exceeds sixty thousand (60,000) Saudi Riyals referred to in Article eight (8) of the Regulations.
2. The persons holding Excise Goods, referred to in the first paragraph 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.
3. The Authority shall provide the methods for filing and paying the transitional Excise Tax Return.
4. This Article shall also be applicable to any amendments to the Agreement, the Law or these Regulations, 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, or additional goods becoming subject to Tax. The provisions of the first (1), second (2) and third (3) paragraphs shall apply as of the date of entry into force of such amendments, laws or decisions.
5. Notwithstanding the provisions of the fifth (5) paragraph of this Article, in the case of the entry into force of any amendments to 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, such goods shall be considered specified for commercial purposes pursuant to the first (1) paragraph of this Article if as a result of increased Tax rates the Tax due exceeds twenty thousand (20,000) Saudi Riyals.
6. If the Tax Warehouse license application as referred to in paragraph 2 of Article 62 is rejected by the Authority, 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.

ARTICLE 61. REGISTRATION FOR EXCISE TAX PURPOSES

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 Registrant from the date the Law enter into force, on the condition that this person applies for registration for Tax purposes within 30 days after the Regulations enter into force.



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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 the third (3) paragraph of article sixty (60) of the Regulations, if this person submits a Tax Warehouse license application within thirty (30) days after the Regulations enters into force, this judgmental 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 License for the production of Excise Goods this Person shall be considered holding a Tax Warehouse License from the date of entry into force of such amendment, provided that this Person submits a Tax Warehouse license application prior to the date of effectiveness of the amendments. This implied license shall end if the application for license is rejected.

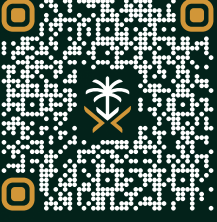
CHAPTER 23: FINAL PROVISIONS

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 at the date the Law enter into force.



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