



Customs Alert: Procedures for declaring goods consumed within free zones in Dubai

November 2020

Dubai Customs has released [Notice No.17/2020](#) on 22 October 2020, which relates to procedures for declaration of goods consumed within free zones. It enters into force on 25 October 2020.

Distinction between goods

This Notice distinguishes between goods that are consumed in the free zones and those sold to the United Arab Emirates' local market and it elaborates on how customs duties apply to each.

1. Goods that are not subject to customs duties are those:

- used and consumed within the free zones for the purpose of the establishment, operation or maintenance of projects and facilities enabling businesses to carry out their activity; or,
- involved in the manufacturing of any goods or productions of any service within the free zone.

2. Goods that are subject to customs duties are those:

- sold out of the free zone and introduced into the local market; or,
- consumed in the free zone in cases other than those mentioned in (1) above.

What Changed?

This Notice implements the following changes:

- Differentiating the treatment of the goods based on their utilization;
- Explicitly stating the obligation of free zone companies to trace their inventory and listing the documents and procedures to be followed to this effect; and
- Introducing a new compliance requirement in the form of quarterly reporting.

Compliance requirements

Free zone companies will have to follow customs procedures, which include the submission of a consumption goods declaration, whether the goods are subject or not to customs duties. The consumption goods declaration must be completed at least on a quarterly basis with the required documents attached.

For more information on this topic or to learn more about KPMG's Trade & Customs Services, kindly contact the Middle East Trade & Customs team at KPMG.

Get in touch

Middle East Customs and International Trade Contacts

Wadih Abu Nasr

Head of Tax,
KSA and Levant
E: wabunasr@kpmg.com

Stuart Ciocarelli

Head of Tax,
Lower Gulf
E: scioccarelli@kpmg.com

Pascal Cange

Director, Trade & Customs
Leader, Middle East
E: pcange@kpmg.com

Nick Soverall

Senior Director,
Head of Indirect Tax,
KSA
E: nsoverall@kpmg.com

Rhys Penning

Partner,
Indirect Tax,
Lower Gulf
E: rpenning@kpmg.com



<https://home.kpmg.com/sa>

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