

Customs Alert: EFTA goods exemption from customs duties in the GCC

February 2021

Summary

With Customs Policy [No. 51/2021](#), dated 14 January 2021, Dubai Customs retroactively announced the duty exemption of a new list of goods referred to as "Category B" in the agreement between GCC States and the European Free Trade Association* (EFTA) (the "Agreement"). The effective date of duty exemption benefit for "Category B" goods is 1 July 2020.

More Specifically

The Agreement completed its fifth year of enforcement on 1 July 2020 and, accordingly, certain products will become exempt from Customs duties on the first day of the sixth year of the entry into force of the Agreement. Therefore, the deferral exemption provided in Article 2.2 of the Agreement is now in force.

Below is a non-exhaustive list of the "Category B" goods:

- Food items (pasta, macaroni, and French fries)
- Cereal products (Cornflakes and food made from roasted cereal products)
- Bakery products (bread, pastries, margarine, baking powder, and yeast)
- Coffee and tea products
- Sauces including ketchup, soy sauce, and mayonnaise
- Food supplements
- Mineral water and beverages
- Bamboo
- Softening agents
- Glue

For the full list of goods included under category B, see Dubai Customs Policy [No. 42/2015](#).

Implications

- GCC-based businesses and consumers could witness a reduction in the prices of "Category B" goods.
- Businesses can review their pricing policies and their supply options in order to benefit from this recent exemption.
- Businesses who paid duties for Category B products imported into the GCC after 1 July 2020 may request a refund of said duties.

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

Get in touch

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