

# Customs Alert: The specific conditions for the verification of the Rules of Origin - Saudi Arabia

August 2021

## In brief

Following an announcement by the [Ministerial Decision No.3852](#), new National Rules of Origin (the Rules) have been introduced that determine the conditions to be met for goods imported into Saudi may qualify for GCC preferential treatment based on the GCC Unified Economic Agreement.

The Zakat, Tax and Customs Authority (“ZATCA”) has issued new guidance clarifying the specific conditions that must be met prior to the submission of any request for a customs duties refund in order to verify the Rules of Origin (“RoO”) for commodities imported from GCC countries.

## In detail

### Specific conditions for the verification of the Rules of Origin (“RoO”)

The guidance sets out clear requirements and conditions for the request of customs duties refunds on goods of GCC origin. The main conditions are as follows:

- The importer is required to provide a bank or cash guarantee that covers the amount of customs duties and other taxes subject to the preferential treatment.
- The bank guarantee should be from a bank subject to the supervision and control of the Saudi Central Bank.
- The importer is allowed to request a refund of custom duties within 90 days from the date of clearance of the goods of GCC origin on the condition that the request includes the following requirements:
  - Certificate of origin (“CoO”);
  - Copy of the customs declaration (“Bayan”);
  - Nationalization certificate issued by the competent authority in the country of origin and documented;
  - Added value certificate for goods from the origin country;
  - Payment proof of the value of the goods;
  - IBAN;
  - Bill of lading;
  - Certified Public Accountant report from the country of origin with a licensed and certified branch operating in Saudi Arabia stating the value-added percentage according to the national laws of the origin country;
  - Copy of the invoices; and
  - Copy of the bank guarantee.

- Additionally, ZATCA and related authorities in Saudi Arabia shall verify the documents by conducting visits to the GCC manufacturing entities, or by delegating the verification process to a third party.
- Finally, objections, if any, to the decision of ZATCA to the custom duties refund requests shall be done according to the Common Custom Law of the GCC countries.

## Implications for businesses

Importers should consider these conditions and requirements prior to the submission of any customs duties refund requests to ensure compliance with the law, ZATCA rules and regulations and continue to access Saudi Arabia markets on a duty free basis.

For more information on this topic or to learn more about KPMG's Trade & Customs Services in Saudi Arabia, kindly contact our team at KPMG.

# Get in touch

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