

**Cabinet Decision No. (42) of 2018
On Marking Tobacco and Tobacco Products**

The Cabinet:

Having reviewed the Constitution,

- Federal Law No. (1) of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments,
- Federal Decree-Law No. (13) of 2016 on the Establishment of the Federal Tax Authority,
- Federal Law No. (7) of 2017 on Tax Procedures,
- Federal Decree-Law No. (7) of 2017 on Excise Tax, and
- Pursuant to the presentation of the Minister of Finance and the approval of the Cabinet,

Has decided:

Article (1)

Definitions

In the application of the provisions of this Decision, the following words and expressions shall have the meanings assigned against each, unless the context requires otherwise:

State:	United Arab Emirates.
Authority:	Federal Tax Authority.
Chairman:	Chairman of the Board of the Authority.
Tax:	Excise Tax.
Person:	Any natural or legal Person.
Marks:	Digital or physical stamp or seal or mark, which the Authority may approve.
Designated Excise Goods:	Tobacco and tobacco products which shall be required to be marked to indicate that Tax has been paid on them.
Import:	The arrival of Designated Excise Goods from abroad into the territory of the State.

- Importer:** The Person whose name appears for customs clearance purposes as the Importer of the Designated Excise Goods on the date of Import.
- Authorized Supplier:** A Person appointed by the Authority to supply Marks.
- System:** The electronic system approved by the Authority for the purposes of the track and trace of the Marks.

Article (2)

Dates on which Marks will be available

The Chairman shall issue a decision with the following:

- a. The date on which Marks will be available to place an order for the same by the importer or the producer for each category of Designated Excise Goods.
- b. The date from which it will not be permissible to Import Designated Excise Goods which do not have marks in accordance with the provisions of this decision.
- c. The date from which it will not be permissible to supply Designated Excise Goods in the State which do not have marks in accordance with the provisions of this decision.

Article (3)

Manner of Applying Marks on Designated Excise Goods

1. Marks shall be applied on Designated Excise Goods to indicate that Tax has been paid on the goods according to the following conditions:
 - a. The producer shall place Marks on the Designated Excise Goods.
 - b. Marks shall be affixed to Designated Excise Goods in the manner and location on the Designates Excise Good as specified by the Authority.
2. The Authority may vary the method and form of the Marks, including specifying circumstances where a Mark is not required, the manner of affixing the Mark and its location on the Designated Excise Good.
3. Marks shall be affixed to Designated Excise Goods at either of the following locations:
 - a. At the production facility of Designated Excise Goods located within the State immediately after packaging if produced within the State;
 - b. At a location outside the State prior to Import if produced outside the State.

Article (4)

Procedures for the Supply of Marks

1. An Importer or producer in the State shall submit a request to the Authority indicating the quantity of the Designated Excise Goods which he desires to affix Marks to, and any other information required by the Authority, and in accordance with the process established by the Authority.
2. The Authority shall consider the request, and if the Authority approves the request, the Importer or the producer in the State shall purchase Marks from the entity determined by the Authority in accordance with the procedures as specified by the Authority.
3. An Authorized Supplier shall supply Marks to the Importer or producer in the State in accordance with the procedures agreed between the Authorized Supplier and the Authority.
4. Only an Authorized Supplier shall supply Marks and it shall not be permitted for any other Person to trade, swap, sell or otherwise supply Marks.
5. The Importer in the State may request the Authorized Supplier to supply the Marks directly to the producer of the Designated Excise Goods, which may include a producer located outside the State.
6. The value of the fee payable for the purchase of Marks shall be authorized by the Authority and paid for by the Importer or producer before the Marks are issued.

Article (5)

Track and Trace of Designated Excise Goods

1. The importer, producer in the State and Specified Person within the supply chain shall keep records of the movement of all Designated Excise Goods into and within the State during the time such goods are in their possession, including but not limited to:
 - a) The entry of all Designated Excise Goods into the possession of the Importer, producer in the State or Specified Person within the supply chain ;
 - b) The intermediate movement of all Designated Excise Goods within the State;
 - c) The exit of the Designated Excise Goods from the possession of the Importer, producer in the State or Specified Person within the supply chain.

This is an unofficial translation

2. For the purposes of this Article “Specified Person within the supply chain” shall mean any Person handling Designated Excise Goods on whom the Authority specifies an obligation to record the movements of Designated Excise Goods.
3. All Importers, producers in the State or Specified Persons within the supply chain shall record and report Designated Excise Goods which have been purchased, sold, stored, transferred or otherwise handled in the System as specified by the Authority.
4. Recorded data as required by Clause (3) of this Article cannot be modified or deleted by any Person involved in the trade of Designated Excise Goods in the State.
5. Customs Departments shall verify the Marks when the Designated Excise Goods enter into the State and in accordance with the procedures as specified by the Authority.

Article (6)

Storage of Marks

1. Any Person who possesses Marks supplied by an Authorized Supplier must ensure they are stored securely prior to being affixed to the Designated Excise Goods.
2. The Authority may specify the minimum security requirements to be imposed on the storage of Marks.
3. Marks in the possession of any Person must be returned to the Authority in the following circumstances:
 - a) Where the Person becomes aware that he no longer has the intention to use the Marks for the purposes of affixing them to Designated Excise Goods;
 - b) Where a period of twelve (12) months has passed since the Person received the Marks and those Marks have not been affixed to Designated Excise Goods during that period;
and
 - c) Any other circumstances as specified by the Authority.

Article (7)

Issuance of Executive Decision

The Chairman shall issue the required decisions to implement the provisions of this decision.

This is an unofficial translation

Article (8)

Publication and Effective Date

This Decision shall be implemented as of the date of issuance, and shall be published in the Official Gazette.

**Mohammad Bin Rashid Al Maktoum
Prime Minister**

Issued by us:

On: 11 Dhul Qaadah 1439H

Corresponding to: 24 July 2018