



الهيئة العامة للزكاة والدخل  
GENERAL AUTHORITY OF ZAKAT & TAX

# General Authority of Zakat and Tax

## Excise Tax Implementation

### Excise Tax Guidelines

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## Preface

The purpose of this guideline is to provide a brief overview of Excise Tax, along with instructions for Excise taxpayers in the Kingdom of Saudi Arabia.

This guideline is issued by the General Authority of Zakat and Tax (GAZT). It represents GAZT's views on the application and fair treatment of the unified Excise Tax Agreement, the Excise Tax Law and the Implementing Regulations as of the date of this guideline, but does not include, or purport to include, all the relevant provisions from those laws and cannot be considered a basis for administrative and judicial actions.

## Introduction

For additional information, you can contact GAZT through (ET-gazt@gazt.gov.sa).

The Kingdom of Saudi Arabia (KSA), together with the other Member States of the Gulf Cooperation Council (GCC), has taken the momentous decision to implement a GCC-wide excise tax which is designed to reduce the consumption of goods deemed most harmful to the social and economic fabric of the region and the nation.

At the heart of the decision to implement excise tax in the KSA is the vision for the future of the State, embodied primarily through the vision 2030 which expresses the long term goals for the future development of the KSA. The vision 2030 is premised on building an ambitious nation, with a vibrant society and a thriving economy for future generations. The introduction of excise tax in the KSA is aligned with two of the three pillars of the vision 2030.

**The financial and economic cooperation committee of the Arab Gulf Cooperation Council (GCC) imposed Excise Tax on goods that are deemed harmful to human health and the environment as described below:**

- 1- Tobacco and tobacco products – 100% Tax rate
- 2- Soft Drinks – 50% Tax rate
- Energy Drinks – 100% Tax rate

## Excise Tax Registration

Any person who is intending to practice any of the following activities is required to register in Excise Tax with the General Authority of Zakat and Tax for tax purposes:

- 1- Importing Excise Goods
- 2- Producing Excise Goods
- 3- Holding Excise goods under a Tax suspension arrangement

The person should file a registration application with GAZT and obtain a registration certificate before carrying out any activities related to Excise Tax. To file the registration application, the person will log in online to his GAZT account, and submit a registration request.

GAZT will review the Excise registration application within 14 days from the application submission time and communicate its decision (approval/ rejection for more information/ cancellation) to the Taxpayer. If the application is approved, the Taxpayer is deemed to be registered in Excise Tax with GAZT from the application approval time.

GAZT can also extend the review period by 14 days and will communicate this extension to the Taxpayer within 14 days from the application submission time. **The registration application will include the following:**

- 1- General Information regarding the applicant, including:
  - a. Applicant details
  - b. Applicant address and contact details
  - c. The commercial registration numbers to be registered for Excise purposes
- 2- Intended activities such as importing or manufacturing Excise Goods
- 3- Type of Excise Goods

Based on this information a risk assessment will be made by the authority in order to establish whether an excise registration should be granted. This decision is based on the information provided in combination with the intended excise activities.

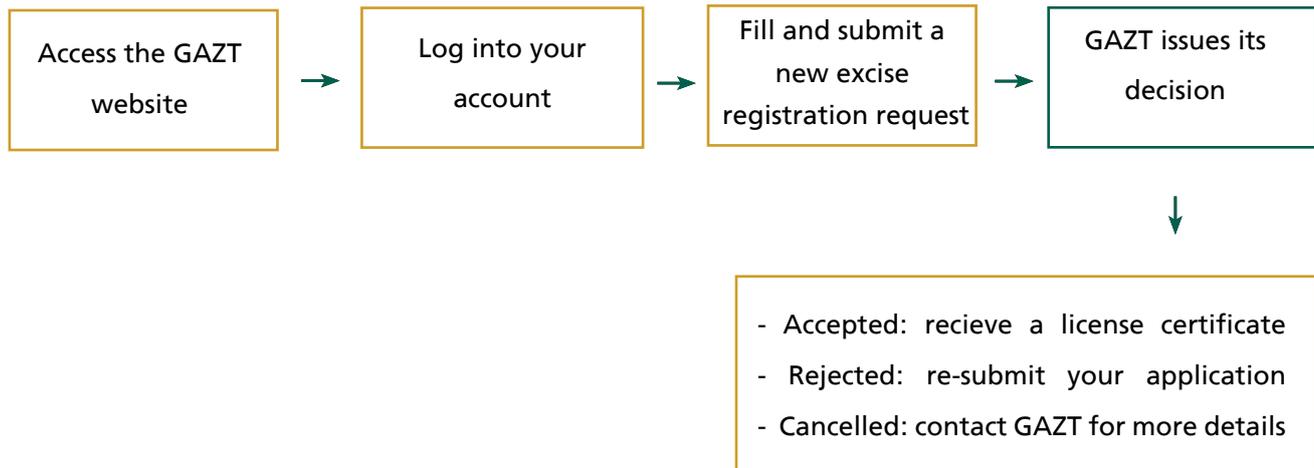
In case the registration is granted, the registration will be valid from the approval date of the registration of the application and a financial identification number (FIN) is issued to the Taxpayer. In case of rejection, the person will receive a rejection notification along with the reasons for rejection.

In case of any changes to the information listed in the registration application, the Excise registrant should inform the authority in advance on the changes. The registrant has to submit an application to change the registration data available on the GAZT system. The application should be submitted before the changes have taken effect and no later than 30 days after the changes have taken effect. GAZT will then review the application and decide on the action to be taken. GAZT can accept the changes or deregister the person if the changes result, in the excise registrant no longer being compliant with the requirements for registration.

The excise registrants will be required to maintain records allowing the authority to supervise their compliance with the excise law and regulations. The excise registrant needs to organize their administrative organization in such a way that it ensures a correct and complete records of the business transactions. It must provide a complete overview of all the business processes relevant for the collection of the excise tax.

## ● **Application for registration in Excise Tax with GAZT**

The applicant should already be registered with GAZT to access his account. In case the applicant is not registered, he should first register with GAZT and receive a Tax Identification Number (TIN).



## Payment of Excise Tax

Generally, the Excise Tax becomes due when a Taxpayer releases excise goods from his Tax warehouse without placing them under any subsequent suspension arrangements, or when the importer customs clear Excise Goods without placing them under subsequent suspension arrangements. There are other specific cases when Excise Tax becomes due, but in this section, we will be addressing the payment methods of Excise Tax for the aforementioned cases.

**Below are cases where Excise Tax becomes:**

- 1- Import of excise goods into the KSA without an excise tax suspension arrangement.
- 2- Manufacture of excise goods outside a tax suspension arrangement;
- 3- Removal of excise goods from an excise tax suspension arrangement;
- 4- Holding excise goods, for which the appropriate excise tax amount has not been paid in the KSA, outside of excise tax suspension arrangement;
- 5- Destruction or irreversible loss of excise goods placed under a tax suspension arrangement (if entity responsible cannot exonerate itself based on lack of control over those events).

## Excise Tax Returns

To file an Excise Tax Return, Taxpayers have to log in to their GAZT account, declare the Excise Tax due and file it electronically. The tax return period is set to two calendar months and at the end of every period, taxpayers will be given a window of fifteen days to file their Excise Tax return and pay the Excise tax due.

Taxpayers will only be able to see the filing obligation on the system during the fifteen days period during which the return must be filed and the due Excise Tax paid. Also, the obligation will only be created on the system if the taxpayer has valid Tax Warehouse license(s) linked to his account. If the Taxpayer does not hold any Tax Warehouses, it means that he is not eligible for any Excise Tax suspension arrangements and the Excise Tax must have been already paid.

### The Excise Tax return requires the following information:

- 1- The total retail sales price of the Excise products released for consumption, listed per warehouse
- 2- Deductions

The total retail sales price (RSP) is the final price of the product including Excise Tax and Value Added Tax (VAT). Based on the RSP and the Excise rate per product, the total Excise Tax due will be calculated by the system.

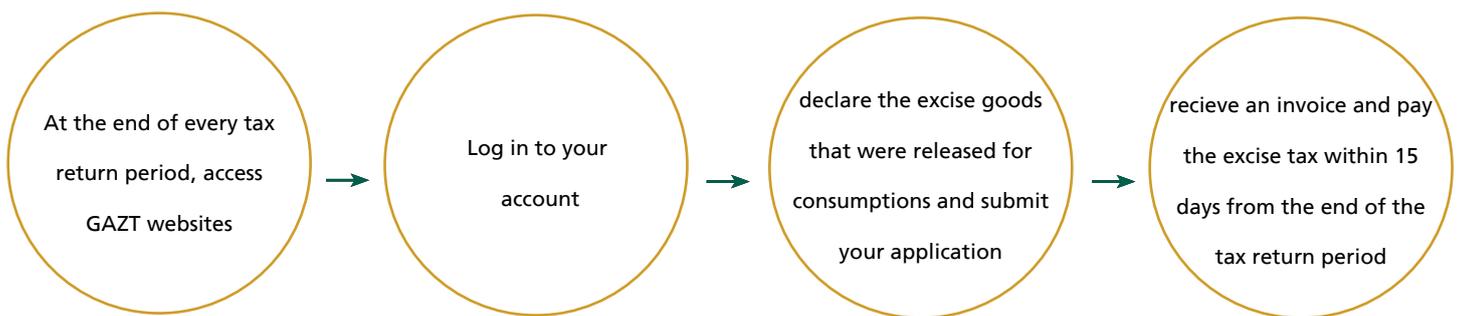
The deductions value is the value of Excise Tax paid on input material (raw materials) used to manufacture the final Excise product which is being released for consumption and declared in the excise return. The taxpayer should only include deduction of Excise Tax that is paid on input materials used to manufacture final products that are accounted for in this specific excise return.

In case the Taxpayer does not release any excise goods for consumption in a tax return period which have to be included in the excise tax return, he is still obligated to file a zero excise tax return.

After the submission of the return, the system will automatically generate a SADAD number for the Taxpayer to pay the Excise Tax due. The taxpayer should also complete the payment within the same fifteen days' period after the Excise Tax return period.

If the taxpayer fails to file the excise tax return and pay the excise tax due within 15 days from the end of every tax return period, late filing and late payment penalties respectively will be imposed on the taxpayer. For more details on the applicable penalties, please visit the GAZT website.

In the case where the Taxpayer does not account for all the Excise Tax due and realizes it at a later stage but does not disclose it, GAZT will consider it as an act of Tax Evasion and additional penalties will be levied on the taxpayer.



In the case where the taxpayer does not account for all the Excise Tax due and realizes it at a later stage, GAZT provides the taxpayer the option to amend the return at any point of time and account for the right amount of Excise Tax. This option is available on the GAZT system where the taxpayer has to log in using his credentials, select the incorrectly filed return, amend it and submit it again. The system will automatically issue a new bill with the unpaid tax and associated penalties.

## Customs Declaration

If excise goods are customs cleared at import, without being placed under a subsequent excise tax suspension arrangement, the taxpayer will be required to pay the due Excise tax after filing his import declaration.



In his import declaration, the taxpayer will be required to enter the tariff code of the imported Excise Good, the quantity and the retail selling price. The Excise Tax will be calculated based on the excise goods type, the RSP and the applicable tax rate. GAZT and Customs have a list of standard retail sales prices for all Excise Goods. If the value of the RSP entered by the Taxpayer is lower than the price listed in the aforementioned list, the Excise Tax shall be calculated based on the listed RSP.

After filing the import declaration, the taxpayer will be required to pay the Excise Tax due to the Customs Authorities.

**To facilitate the importation for taxpayers, GAZT provides other options to move the goods into the Kingdom without directly paying the Excise Tax at Customs:**

- 1- Moving the goods to a Tax Warehouse under an excise tax suspension arrangement
- 2- Deferring the payment of Excise Tax

In the case where the Taxpayer holds a Tax Warehouse license, the taxpayer can apply for an Excise Movement Document (EMD) with GAZT to move the goods under suspension of Excise Tax from Customs to the taxpayer's Tax Warehouse. The taxpayer should apply for an EMD with GAZT and obtain GAZT's approval before moving the goods. Once the taxpayer has a valid EMD, while filing the import declaration at Customs, the taxpayer can select the "move goods under suspension" release method against the goods he wishes to move under tax suspension. The system will automatically check if the taxpayer has any valid EMD that allows him to move the specified goods and associated quantities under tax suspension. If the taxpayer has valid EMD, he will be able to move the goods under Tax suspension to his Tax Warehouse without paying the Tax at Customs. The taxpayer is still required to pay the tax through the bi-monthly excise return once the goods are released for consumption from the tax warehouse. If the system does find any valid EMD, the Taxpayer will be required to change the release method of these goods.

**For the deferment of Excise Tax, GAZT can authorize the deferment of the payment on imports for a maximum period of forty five days provided the following conditions are met:**

- 1- The Tax liability in respect of the importation exceeds 1,000,000 SAR;
- 2- The person importing the Excise goods has provided a bank or cash guarantee to the Customs which covers the payable Excise Tax liability;
- 3- The bank guarantee is valid for a period of at least sixty days from the date of importation of the Excise goods;
- 4- The person importing the Excise goods must not have defaulted on the payment of a Customs duty or Excise Tax, or a bank security during the last twelve months; and
- 5- The person importing the Excise goods must not have been declared bankrupt or convicted of a tax or financial offence during the last twelve months.

While filling the import declaration, the taxpayer will select the “Defer the payment” release method. If the taxpayer meets the above conditions, he will be allowed to select this option and release the goods from Customs without directly paying the Excise Tax.

Otherwise, he will have to choose another release method.

In case of deferment, the taxpayer should pay the Excise Tax to the Customs Authorities within a period of 45 days. If the period is exceeded without full payment, Customs will forfeit the bank guarantee to cover the open Excise Tax liability.

If the taxpayer intends to use KSA as a transit country, the Taxpayer will not be required to pay the Excise Tax on the Excise Products and will move the Goods under Customs Transit in accordance with Customs Procedures.

The taxpayer can select different release methods for various Excise Goods declared in the same Import Declaration.

If the taxpayer believes that the RSP in GAZT’s list of Excise Goods is incorrect, the taxpayer can appeal to GAZT.

## **Tax Warehouse**

A Tax Warehouse is a designated physical space in which excise goods can be manufactured, processed, held, received, or dispatched by an authorized licensee in the course of his business under tax suspension.

- 1- Tax Warehouse for production: manufacturing of Excise Goods may only take place in a licensed Tax Warehouse. Note that (only) the manufactured excise goods in the tax warehouse may be stored under suspension of Excise Tax there.
- 2- Tax Warehouse for storage: Excise Goods may be stored under suspension in a tax warehouse licensed for storage.

**Specific requirements apply to obtain a storage Tax Warehouse licensee:**

- 1- The quantity of Excise goods being held there as an average over the course of 12 calendar months is more than any of the following:
  - a. 10 Million liters of soft drinks or energy drinks;
  - b. 1 Billion cigarettes or other individual units of tobacco products;
  - c. 500 Thousand Kilograms of other tobacco products
- 2- At least 70% of the quantity of the Excise goods held at that location is removed from the KSA under Tax suspension arrangements
- 3- Obtaining a permission from the board of directors

To apply for a Tax Warehouse license, the taxpayer should log in to their GAZT account and file a new Tax Warehouse license application. **The following information will be required in the application:**

- 1- Purpose of the Warehouse: Storing or producing.
- 2- Type of Excise Goods that will be manufactured/ stored in the warehouse.
- 3- Address of the Warehouse
- 4- Details about the ownership of the warehouse: If it is owned or leased.
- 5- Warehouse Dimensions
- 6- Details of the Warehouse Manager
- 7- Bank Guarantee Details
- 8- Terms and Conditions

**The value of the bank guarantee is calculated based on the sum of the following estimated quantities and corresponding retail sales prices:**

- 1- The quantity of Excise goods held in the Tax Warehouse over the course of a calendar month.
- 2- The quantity of Excise goods being released for consumption over the course of a calendar month.

3- The quantity of Excise goods being placed under a subsequent Tax suspension arrangement over the course of a calendar month.

GAZT may conduct an inspection of the warehouse to make sure all the submitted information is correct and that the Taxpayer meets the requirements.

If the taxpayer meets all the requirements for the Tax Warehouse, GAZT will first request the taxpayer to provide physical financial security. After the financial security is provided to GAZT, the Tax warehouse license will be issued to the Taxpayer. The validity of the license is 1 year from the approval date of the application.

If GAZT rejects the application, the taxpayer is not allowed to produce Excise Goods in the Warehouse or store Excise Goods under suspension of Excise Tax in the warehouse.

**The Tax Warehouse Licensee should meet the terms and conditions in the warehouse license application and should have complete administrative system for each Tax Warehouse, which shall include at least the following information:**

- 1- The Excise goods released for consumption and their corresponding invoices or the movement documents in case the Excise goods are moved under a Tax suspension arrangement.
- 2- The Excise goods produced or used in the production process in the Tax Warehouse; and
- 3- The Excise goods which have been received or moved under a Tax suspension arrangement to and from a Tax Warehouse.
- 4- The Authority may require any other administrative requirements in the Tax Warehouse license terms and conditions.

If the taxpayer wishes to renew his tax warehouse license, the taxpayer should submit a renewal application to GAZT within ninety days from the expiry of the tax warehouse license. The taxpayer will be required to re-calculate the value of the financial security based on the last twelve months. GAZT will then review the application,

inspect the warehouse if needed and issue its decision on the application. If GAZT does not issue its decision before the expiry of the license, the tax warehouse license would be deemed as valid until GAZT officially notifies the Taxpayer otherwise. In the case where the taxpayer does not submit a renewal request within ninety days from the expiry of the warehouse license, the Tax Warehouse License will be automatically cancelled and the taxpayer will not be allowed to carry out his manufacturing activities or store the goods under suspension of Excise Tax.

If there is any changes in the information listed in the taxpayer's Tax warehouse license, the taxpayer should inform GAZT of the changes before the changes have taken effect and no later than thirty days after the changes has taken effect.

To do so, the taxpayer will submit a change request to amend the details of his Tax warehouse license. Depending on the impact of the changes on the Tax Warehouse license, GAZT may amend or cancel the license in accordance with the Law and the Regulations. If the authority approves the changes, the license validity remains the same.

In the case where the taxpayer wishes to cancel his tax warehouse license, the taxpayer should submit a cancellation request to GAZT with the reasons for cancellation. This option is available in the GAZT system. If GAZT approves the request, the taxpayer will be required to either place the excise goods in another tax warehouse under tax suspension arrangement, or release the excise goods for consumption and pay the excise tax that becomes due. Once the licensee has paid all his liability in full, he should indicate on the system that GAZT can finalize his cancellation request. From the moment the licensee indicates it on the system, he will not be allowed to manufacture excise goods or store the goods under Tax suspension. GAZT will carry out an inspection directly after the cancellation to verify that the excise goods are either moved or excise tax has been accounted and paid for. In case there are additional liabilities to be paid, GAZT will issue an assessment with the remaining liability and any associated fines and penalties.

**GAZT may also cancel or suspend the Tax Warehouse license in the following cases:**

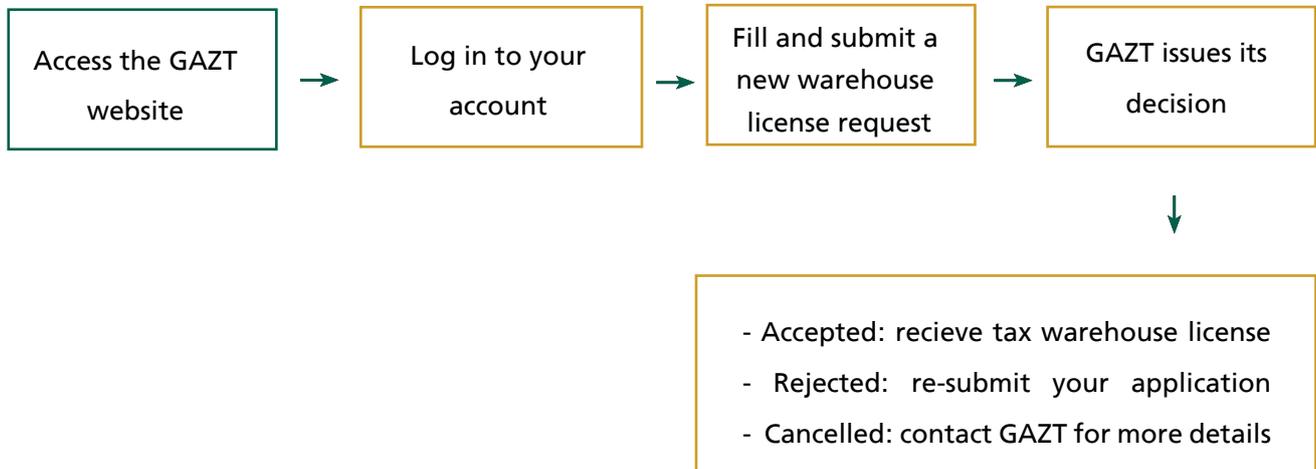
- 1- If the Tax warehouse license is not used for its purposes over three calendar months;
- 2- The taxpayer has acted in violation with the law and its implementing regulations

The taxpayer will receive a notification of cancellation/ suspension from GAZT along with the reasons.

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. The taxpayer can apply for a revocation request to revoke the suspension of the Tax warehouse through the GAZT system. The taxpayer will have to mention the reasons why GAZT should revoke the suspension. Unless GAZT approves the request and the Taxpayer is notified of it, the Warehouse License will still be deemed to be suspended.

To prevent the necessity for a tax warehouse in situations where this is not deemed appropriate, retail establishments that (exclusively) turns excise tax paid concentrates into soft drinks and sell the final product directly to a consumer for immediate consumption at these locations, do not require a tax warehouse license.

## Application for a new Tax Warehouse License



Locations from which Excise Goods are directly sold to consumers are not eligible for a Tax Warehouse License.

## Movement of Excise Goods under Tax Suspension

Taxpayers who own Tax Warehouses can move Excise goods under Tax Suspension.

The movement of goods has to be from or to a licensed Tax Warehouse. Below are the possible movement types:

- 1- From Customs entry point to a Tax Warehouse
- 2- From one Tax Warehouse to another Tax Warehouse of the same owner
- 3- From one Tax Warehouse to another Tax Warehouse of different owners
- 4- From Tax Warehouse to Customs exit point

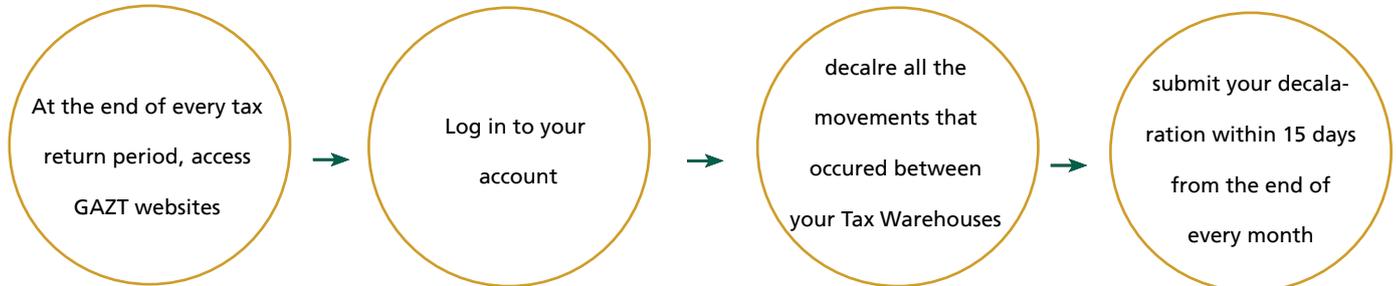
The treatment of the movements is not the same. For point 2 above, the taxpayer only has to report the movements to GAZT periodically. For points 1, 3 and 4 the taxpayer has to apply for an Excise Movement Document and get the approval from GAZT before moving the goods. The processes are discussed further in the below sections.

## Monthly Movement Declaration

This option is only available on the system for taxpayers who have multiple Tax Warehouses registered under their name. The monthly movement declaration is used to report movements of Excise Goods under tax suspension between the same licensee's warehouses. At the end of every calendar month, the licensee will have a window of fifteen days to report the movements of Excise Goods under tax suspension that happened between his warehouses during that month. The Taxpayer will access his GAZT account, select the monthly movement declaration option, fill the application and submit it. **The application requires the following details for every movement of goods:**

- 1- Source and Destination Warehouses
- 2- Date of the Movement
- 3- Details about the product and quantities moved

Any differences between the quantity of Excise goods dispatched and received in the respective Tax Warehouses are considered as releases for consumption from the sending Tax Warehouse.



## Excise Movement Document

All Taxpayers that wish to move Excise Goods from Customs entry point to Warehouse, Warehouse to Customs exit point, or between Warehouses of different licensees have to apply for an Excise Movement Document (EMD). The Excise Movement Document is a document by which the Taxpayers will be able to move the goods under Tax suspension. Taxpayers are required to carry a physical copy of the EMD throughout the movement of the goods.

To apply for an EMD, the sending licensee has to log in to his GAZT account and submit an EMD request. The application will directly go to GAZT for review unless the movement is between tax warehouses of different licenses. In the aforementioned case, the receiving licensee has to approve the request before GAZT reviews the application.

**The application will have the following details:**

- 1- Source and Destination of the movement, e.g., from Customs entry port #21 to the Tax Warehouse License.
- 2- Details about the excise goods moved, quantities and excise tax

3- Transportation details, i.e., vehicle type, information, license plate number and the quantity moved in each vehicle

4- Estimated time for the movement

GAZT will review the application then issue its ruling to the taxpayer. If the request is approved, the EMD will be valid for fourteen days from the date it has been issued. The taxpayers should move the goods and clear the EMD during this period. To clear the EMD, the taxpayer should login to the system and upload an unloading report in case the goods were moved to a Tax Warehouse or an export declaration in case the goods were moved to Customs point of exit. In case of movement to a warehouse, the recipient licensee should clear the document. Otherwise, the sending licensee has to clear it (in case of movement from/to customs).

If there is a difference between the quantities of Excise goods listed in the Excise movement document and the unloading report or the export document, the difference in quantity shall be deemed to be cleared from the Tax suspension arrangement.

**Below are rules for amending/ cancelling the EMD:**

1- The sending licensee should indicate the start of movement on the system.

2- If the case where the destination of the movement is a Tax Warehouse of which the sender is not the Licensee, the recipient Licensee will have a period of seven days to approve the request before it is sent to GAZT. If the recipient does not approve the request within this period, the sender has to change the destination of the movement or cancel the request.

3- During its validity, the Excise movement document may at any time be amended or cancelled at the request of the sending Licensee, as long as the movement of the Excise goods has not yet commenced. In case of amendments or cancellation, the request will go again to GAZT for review

4- If the destination of the Excise movement document is a Tax Warehouse Licensee, this Licensee can refuse the Excise movement at any point before unloading the vehicle and before submitting the unloading report. If the destination Tax Warehouse Licensee refuses an Excise movement, the sending Licensee must amend the destination or cancel the Excise movement document and return the Excise goods to the sending Licensee. In case of amendment, the new recipient has to approve the request before it goes to GAZT for review.

### **Irreversible Loss of Goods under Tax Suspension Arrangement**

In case of irreversible loss or destruction of Excise Goods held under a Tax Suspension arrangement, the taxpayer is required to report it to GAZT. The taxpayer is given 7 days from the date of the occurrence of the total destruction or irreversible loss to report it to GAZT. To do so, the taxpayer is required to access his account, fill the application form and submit it.

**The application form will contain the following information:**

- 1- Date of the Loss occurred
- 2- Details about the Excise Goods and quantities
- 3- Evidence that supports that the total destruction or irrecoverable loss was caused beyond the Licensee intention.

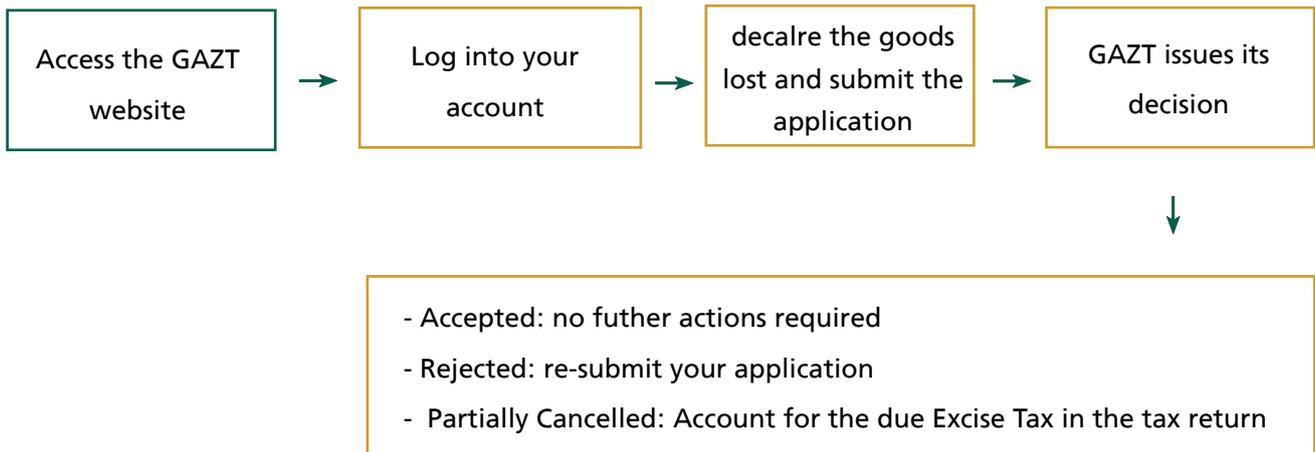
**The Loss can occur in the following cases:**

- 1- Inside the Tax Warehouse, e.g., manufacturing error that led to the destruction of goods;
- 2- During the movement of Excise Goods under suspension (using an Excise Movement Document), e.g., the truck moving the goods had an accident and the goods were destroyed.

If the loss did not occur yet but the taxpayer is planning on destroying the goods for specific reasons (e.g., goods expired inside the warehouse and can no longer be released for consumption), the taxpayer should also inform GAZT. **The Taxpayer will do so by submitting an application online, with the following information:**

- 1- Planned date of destruction
- 2- Excise Goods Details
- 3- Reasons for destruction and supporting evidence

GAZT will review the application and issue its decision. GAZT may also inspect the goods before issuing its decision.



## Refund

**Taxpayers can apply for refund of Excise Tax with GAZT. Below are possible scenarios for refund applications:**

1. Taxpayer filed and paid an incorrect tax return, e.g., Excise tax has been paid on excise goods which have posteriorly been incorporated to produce a new excise good. In this case the value of excise tax paid on the original excise good will become refundable tax, however excise tax shall become due on the new excise good when it is produced.
2. Excise tax has been paid on excise goods which have thereafter been exported outside of the KSA.

To apply for refund, the taxpayer has to log in to his GAZT account, select the refund application type and file it. Taxpayers will not be able to apply for refunds on payments made more than 90 days ago. In the application, the taxpayer should mention whether he wants the refund amount to be credited to his GAZT account or transferred to his bank account. In case of uncovered liabilities, the refunded amount will first cover these liabilities and the rest will be credited to the taxpayer.

**GAZT will verify the refund application and may reject it in the following cases:**

1. The Tax refund application is not filled in or is not submitted correctly;
  2. The Tax refund application is not submitted within the allowed time period;
  3. The Tax refund application is not accompanied by the required documentation;
  4. GAZT 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.
- GAZT will review the application and give its decision within 60 days. If GAZT does not issue its ruling within 30 days or does not notify the taxpayer of extending the review period within 30 days, the application shall be deemed rejected.

GAZT can approve, partially approve or reject the application. If the application is (partly) approved, the refunded amount will be credited to the taxpayer.

## Audit & Assessment

### Audit

The General Authority of Zakat and Tax may carry out audits to verify the compliancy of a taxpayer with the obligations following from the excise tax legislation. Such audits can either be 'field audits' carried out the premises of an entity, or administrative audits.

**In doing so the officers of tax authority may:**

- Enter Tax Warehouses and any other premises where Excise goods are being held;
- Access any means of transport used to move Excise goods;
- Direct any means of transport used to move Excise goods to any location in the Kingdom
- Access any information related to Excise goods present on premises or in the means of transport which is used to hold or move Excise goods;
- Take or request a sample of any Excise good available in a means of transport or premises used to hold or move Excise goods.

Taxpayers are required to keep and maintain electronic records allowing the Authority to supervise the compliance with the provisions of the Law and its implementing regulations.

### Assessment

Where a person liable for the payment of the excise tax has not reported the excise tax due to GAZT on an excise tax return or an import declaration, GAZT may issue an assessment based on its best estimate of the due excise tax. The authority imposing the assessment does not discharge registered entity's responsibility to report the excise tax due.

GAZT may also amend any amount of due excise tax reported by a taxpayer on an excise tax return or import declaration if it believes the reported amount to be incorrect. An assessment may be issued following receipt and processing of an excise tax return, following an audit, or at any other time where GAZT believes the reported due excise tax is not correct. Where necessary, multiple assessments may be made in respect of one tax return period.

As an output of the assessment, GAZT may also levy fines and penalties, cancel the Tax warehouse license, deregister the Taxpayer or take any other action in accordance with the Excise Law and its implementing regulations.

## De-Registration

A deregistration application for Excise purposes can be submitted to GAZT online. The application should include the following information:

1. Information about the registrant, including his Excise Tax registration number;
2. Information about any Tax Warehouse licenses the Excise registrant holds;
3. Reasons for deregistration.

Once the application is submitted, it will be reviewed by GAZT. If GAZT issues its initial approval, the taxpayer will be required to cancel all his warehouses and pay his outstanding Excise Tax. Once the taxpayer has done so, he needs to indicate it on the system so that GAZT can finalize his deregistration request.

GAZT can deregister a taxpayer if:

- If the Registrant has not carried out activities requiring registration in accordance with Article 6 of the Law for one calendar year, starting from the date of either the Registration or ceasing the activities;
- At the request of the excise registrant (provided the registrant cancelled all tax warehouse licenses held prior to filing of such request)
- If GAZT deems deregistration is necessary to protect revenue or to ensure compliance with the Excise Law.

## Glossary

The following words and phrases, wherever mentioned in this document shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

**Council:** Gulf Corporation Council.

**Excise goods:** Goods that are subject to Taxation in accordance to the provisions of the Law and the Regulations.

**Import of Excise goods:** The entry of Excise goods into the Kingdom which are not subsequently placed under a customs suspension arrangement, as well as the customs clearance and release of Excise goods for import purposes in the Kingdom.

**Kingdom:** Territory of the kingdom of Saudi Arabia including areas outside the territorial waters, in which the Kingdom practices the rights of sovereignty and jurisdiction over their water, their seabed, the layers under the soil and natural resources, under its law and international law

**Licensee:** A person authorized by the Authority to produce, transfer, hold, store, move or receive the Excise goods produced locally or imported in a Tax Warehouse in the context of his business.

**Member State:** Any State that has a full membership in the Council in accordance with its Statute

**Ministerial Committee:** The Committee for Financial and Economic Corporation of the Council

**Production of excise goods:** Any act involving manufacturing in the kingdom or cultivation of the excise goods, or changing the composition of the excise goods insofar as this is a relevant for levying if excise goods.

**Registrant:** A person registered with GAZT

**SADAD:** is the national Electronic Bill Presentment and Payment

**Tax base:** the value of Excise goods on which Tax is imposed, represented in the higher retail sales price (RSP) determined by the importer or producer, or the standard price agreed on these goods in accordance to the Agreement, without including the Tax due or VAT.

**Tax due:** Tax imposed on Excise goods payable to the Authority

**Tax period:** The period of time during which the tax due is calculated

**Tax suspension arrangement:** The arrangement on which the Tax due on Excise goods is suspended

**Tax warehouse:** The designated place where it is permitted to the Licensee to produce, transfer, store, or receive Excise goods under Tax suspension arrangement.

**The person liable for the payment of the Tax:** The person responsible in accordance with the provisions of the Law and the Regulations for calculating, declaring and paying the due Tax on his account to the Authority.

**Total Damage:** When the Excise goods becomes completely unusable.

## Acronyms

**EMD:** Excise Movement Document

**FIN:** financial identification number

**GAZT:** General Authority of Zakat & Tax

**GCC:** Gulf Cooperation Council

**RSP:** retail selling price

**SAR:** Saudi Arabia Riyal

**TIN:** Tax Identification Number