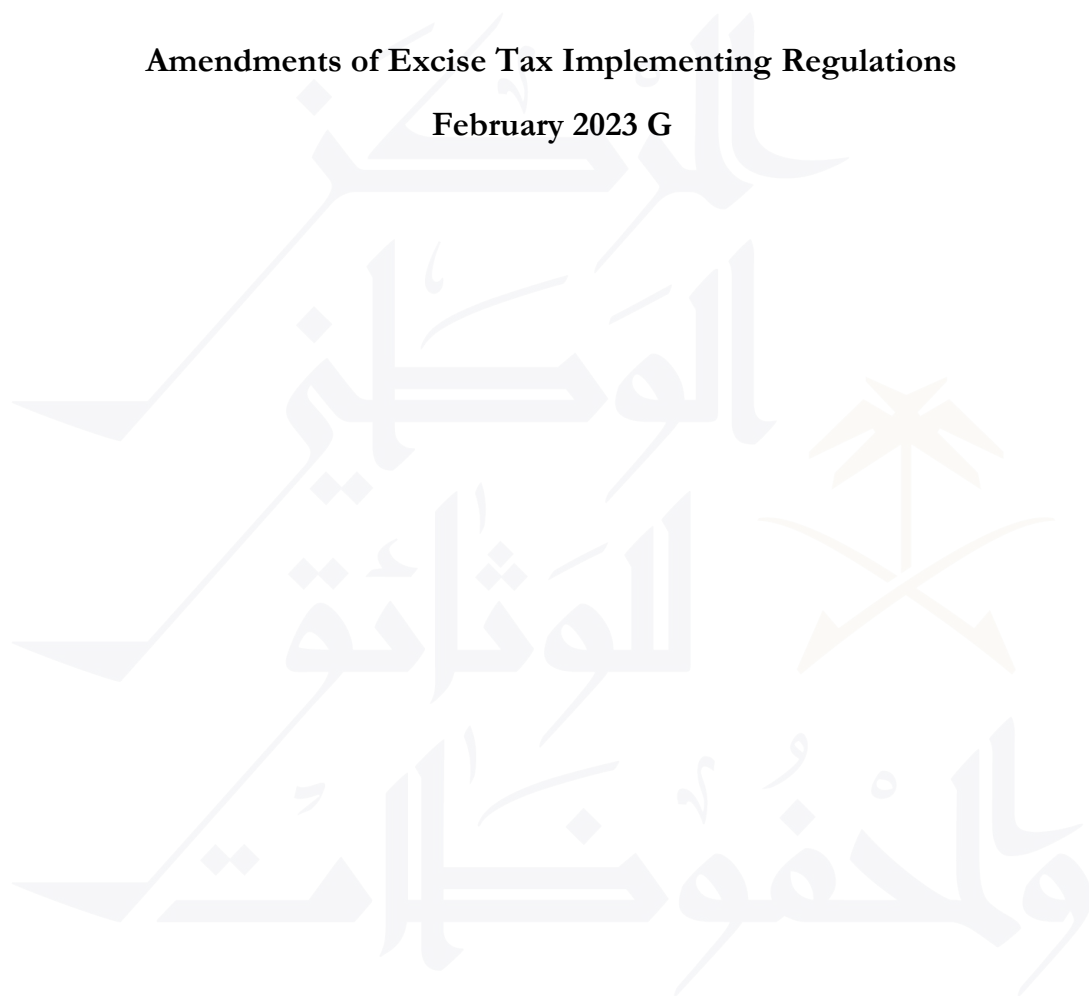


Kingdom of Saudi Arabia	In the Name of Allah, the most Passionate, the most Merciful (Logo of ZATCA) Zakat, Tax and Customs Authority	Board General Secretariat
<p align="center">ZATCA Board Decision No. (23-1-13) dated 15/07/1444 H corresponding to 06/02/2023 G</p> <p>Pursuant to powers authorized in Article (5) of Statute of the Zakat, Tax and Customs Authority approved under the Council of Ministers Resolution No. (570) dated 22/09/1442 H (04/05/2021 G), ZATCA Board “the Board” has resolved the following:</p> <p>I: Approving the amendments of the Excise Tax Implementing Regulations issued by the General Authority of Zakat and Tax –previously- dated 13/09/1438 H (08/06/2017 G), in accordance with the attached form; and</p> <p>II: This decision shall be put into force as the date of publishing thereof in the gazette. In addition, the decision shall be reported to concerned authorizes for implementation.</p> <p align="center">Best Regards, (Logo of ZATCA)</p>		



Amendments of Excise Tax Implementing Regulations

February 2023 G



National Center for Archives & Records



Article/Paragraph	Current Article Provision	Post-amendment Proposed Article Provision
New paragraph addition to Article (18)	New paragraph	3. Excluding terms contained in the second (2) paragraph of this Article, the Authority Governor may defer the payment of the Tax Due on imports by the person liable for the payment for a maximum of (45) forty-five days in certain cases and according to controls identified by the Council.
New Article (37) (bis)	New Article	<p>Application of Destruction Sites Licenses</p> <ol style="list-style-type: none"> 1. For purposes of this Article, and without prejudice to any laws or regulations applicable in the Kingdom, the destruction site for purposes of the Excise Tax Goods refund shall mean any the following: <ol style="list-style-type: none"> a. Site licensed by the Authority to destroy non-consumable Excise Goods. b. Site of any government agencies in the Kingdom, which is licensed by the Authority to destroy non-consumable Excise Goods. 2. The site mentioned in sub-paragraph (b) of this Article shall include an integrated management system, to include the following as a minimum: <ol style="list-style-type: none"> a. Ability to maintain electronic records of details on Excise Goods held for destruction purposes and details on destroyed goods, coupling with details on the person registered for the tax purposes, which applies to the Authority to destroy goods held at such site. b. Availability of CCTV systems to record the entry of Excise Goods to the licensed site and its destruction inside it. Such systems allow to maintain and archive the recorded materials for (5) five years as a minimum as of the date of the



		<p>calendar year end related to the record process.</p> <p>c. Availability of an accurate system, which includes security and control measures that allow to follow-up on the Excise Goods entered to and exited from that site, preventing them to be exited from it without control.</p> <p>d. The Authority may require any other management requirements within terms and conditions of destruction sites license.</p> <p>3. In order to obtain a destruction site, the applicant shall apply a separated license application to the Authority for each site targeted to be licensed as a destruction site. This shall be made by submitting the model developed for this purpose, provided to include the following information as a minimum:</p> <p>a. Information on the applicant.</p> <p>b. Information on the site targeted to be licensed.</p> <p>c. Types of the Excise Goods that can be destroyed at the site targeted to be licensed.</p> <p>d. Methods of destruction to be followed at such site.</p> <p>e. Information on the management system to be used to record details on goods and destruction process.</p> <p>f. Security and control measures followed at such site that allow to follow-up on the Excise Goods that are entered to and exited from the site and prevent them to be exited from it without control.</p> <p>4. Without prejudice to the provisions contained in this Article, the normal person may not apply to the Authority to obtain a destruction site license.</p> <p>5. The provisions provided in Article (32) thirty two to (35) thirty five of the</p>
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		<p>current Regulations shall be applied to all matters related to the destruction sites license according to the provisions contained in this article, as the case may be.</p> <p>6. License cancellation application may be submitted to the Authority by using the model identified by it, provided to include the following information as a minimum:</p> <p>a. Information on the licensee of the destruction site.</p> <p>b. Grounds of the license cancellation application submission.</p> <p>7. The Authority may cancel the destruction site license if it is not used for specified purposes for more than (3) three months or according to an application submitted by the licensee. Under no circumstances, the Authority may suspend the license, and if the Authority decides to suspend or cancel the license, it shall notify the licensee of that decision with identifying the effective date of suspension or cancellation.</p> <p>If there are any Excise Goods at the destruction site on the effective date of the license suspension or cancellation, these goods shall not deem to be destroyed and the registered person shall be responsible for transferring them to another destruction site together with submitting a new destruction application to the Authority according to terms and controls provided in this Article.</p>
Article (52) (bis)	New Article	<p>Tax Refund of Non-consumable Excise Goods</p> <p>1. The Authority shall refund the tax paid for Excise Goods offered for consumption in the Kingdom, which are or become non-consumable. This shall be for persons registered for Excise Tax purposes, in the event that such goods are destroyed at a Tax</p>



		<p>Warehouse or any other destruction site licensed by the Authority for such purpose according to the provisions provided in Chapter (16) sixteen of these Regulations, coupled with fulfilling all provisions and controls contained in this Article.</p> <p>2. For purposes of this Article, non-consumable Excise Goods mean Excise Goods, which are unsuitable for consumption, or any other Excise Goods, which are not consumed in the Kingdom, provided to be entered to a Tax Warehouse or any other destruction site, in addition, they shall be destroyed at such Tax Warehouse or a destruction site according to the provisions contained in this Article, without prejudice to any laws or regulations applicable in the Kingdom.</p> <p>3. The person registered for Excise Tax purposes, who has paid the Excise Tax for non-consumable Excise Goods and desires to be refunded the Tax according to provisions of this Article – firstly submit an approval application to destroy such goods before its actual destruction.</p> <p>4. The destruction application shall be submitted by the person registered to use the model identified by the Authority, provided to include the following information as a minimum:</p> <p>a. Details on goods listed in the destruction application, included the offering date of consumption, quantity and measurement unit that the Excise Tax is paid accordingly, as well as, the amount of the Excise Tax Due for the Authority and the payment date to the Authority.</p> <p>b. Evidence proves that such goods are or will be non-consumable.</p>
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		<p>Authority approval. In the event that goods are stored in a Tax Warehouse, such goods shall be stored in a separate part away from other Excise Goods.</p> <p>7. The Authority shall inform the applicant within (7) seven days as a maximum as of the working day following the date of the application receipt, otherwise the application shall deem to be accepted without terms. The Authority may require obtaining any additional information before issuing its decision on the destruction application.</p> <p>8. The Authority may approve destroying goods, the subject of the destruction application, according to terms specified by it or without terms, and such terms specified by the Authority, may include but not limited to the Authority supervision on the destruction process and/or a requirement that the applicant shall obtain a report from a third part to prove that such goods are non-consumable, and this shall be a term to approve on the destruction application. In the event that the Authority supervision on the destruction process is required, the destruction applicant shall identify the destruction date and notify the Authority thereof within (5) five working days as a minimum before that date, provided that the destruction date shall be on an official working day. In the event that the Authority does not attend on the destruction date, the destruction provision shall be fulfilled. In the event that the Authority is not notified within the deadline according to this</p>
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		<p>paragraph, the Authority may consider the destruction application rejected.</p> <p>9. The destruction applicant, after obtaining the Authority approval, shall destroy the Excise Goods by the method specified in its application and in align with the laws applicable in the Kingdom. This shall be within (60) sixty days as of the approval notification date, provided that goods shall be destroyed only outside the Tax warehouse or the destruction site specified in the destruction application. In all cases, the destruction shall be supervised by the destruction applicant. The destruction application shall be complete only after providing the Authority – according to the mechanism identified by the Authority - with evidences that prove the actual destruction of Excise Goods included in the destruction application and according to the method approved by the Authority by the destruction applicant and after completing the destruction process. Evidences may be provided as videos, pictures, reports or according to any other evidence specified by the Authority.</p> <p>10. The registered person may submit an Excise Tax Refund Application related to the completed destruction requirements according to the provisions of this Article.</p> <p>11. Excluding provisions contained in paragraph (6) of this Article, the Authority may allow the registered person to submit a refund application of Excise Goods destroyed before obtaining the Authority approval on the destruction process, provided that the registered person shall provide</p>
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		<p>supporting documents on exceptional grounds led to take this action.</p> <p>12. A refund application shall be submitted by using the model specified by the Authority within (15) fifteen days as of the end of each refund period, taking the following into account:</p> <p>a. The refund application shall include all the completed refund applications before and during each refund period.</p> <p>b. Identifying each refund period by (2) two calendar months, as the financial year shall contain (6) six refund periods.</p> <p>c. The completed refund applications of any subsequent refund period, may be included in any refund application, with (12) twelve months as a maximum as of the approval notification date sent by the Authority to the applicant of destruction applications, which is mentioned in paragraph (9) nine of this Article.</p> <p>d. The Authority may obtain any additional information before issuing its decision on the refund application.</p> <p>13. The register person, the refund applicant, shall be responsible for destroying the Excise Goods, the subject of the application, including cases that such goods are destroyed at the destruction site specified by the Authority for this purpose on behalf of a third party. In cases that tax amounts are improperly refunded to the registered person, the latter shall pay an amount equal to the refunded amount according to the provisions provided in Article (17) seventeen of the Law.</p>
Article (54) amendment	Decision on Tax Refund Applications	<p>1. No amendments are made.</p> <p>2. The Authority shall issue its approval or rejection decision, partially or fully, notify the</p>



	<p>1. The Authority shall verify the refund application and may reject it in the following cases:</p> <p>a. The Tax Refund Application is not filled in or is not submitted correctly.</p> <p>b. The Tax Refund Application is not submitted within the allowed time period.</p> <p>c. The Tax Refund Application is not accompanied by the required documentation.</p> <p>d. The Authority 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 Regulations.</p> <p>2. The Authority shall issue its decision on a Tax refund application by means of notification to the applicant within thirty (30) days after the application was submitted, otherwise the application shall be deemed rejected.</p> <p>3. The concerned department at the Authority may, for just one time, extend the period prescribed in the second (2) paragraph of this Article to another similar period. The decision of extension shall be made before the first period and, the</p>	<p>applicant and clarify rejection grounds. Under no circumstances, the Authority shall issue a decision on a Tax refund application within thirty (30) days as of the date of submitting the application, otherwise the application shall be deemed rejected. In the event of approving the refund, fully or partially, the Authority shall complete procedures of refund and pay back the amount within thirty (30) days as of the date of approving the refund application.</p> <p>3. The Authority may, for just one time, extend the period prescribed in the second (2) paragraph of this Article, in respect of refund application, to another similar period. The decision of extension shall be made before the first period and, the applicant shall be notified of the extension.</p> <p>4. No amendments are made.</p> <p>5. The Authority shall refund the remaining amount after deducting any amounts according to paragraph (4) of this Article, through a bank transfer to the bank account determined by the refund applicant. The refund applicant registered with the Authority for purposes of the Excise Tax may request to carry forward the adopted refund amount to the Excise Tax account through the refund application.</p>
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	<p>applicant shall be notified of the extension.</p> <p>4. The Authority may offset any credit balance due to the Refund Applicant against any other taxes, fines or any other amounts due to the Authority. The Authority may also withhold such amount pending the resolution of any outstanding assessments raised against the tax Refund Applicant. The Authority shall notify the Tax Refund Applicant where any such action has been taken.</p>	
Article (55) amendment	<p>Article (55): Powers of the Authority on Audit and Enforcement of the Law</p> <p>1. For audit and enforcement of the Law purposes, the auditors and the inspectors of the Authority may:</p> <p>a. Enter Tax Warehouses and any other premises where Excise Goods are being held.</p> <p>b. Access any means of transport used to move Excise Goods.</p> <p>c. Request any means of transport used to move Excise Goods to go any location in the Kingdom.</p> <p>d. Access any information related to Excise Goods, available at any premises or in any means of transport which is used to</p>	<p>Article (55): Powers of the Authority on Audit and Enforcement of the Law</p> <p>1. The Authority, for audit and enforcement of the Law purposes, may issue or amend an evaluation of persons liable for paying the Tax Due, and every and each person has been refunded or exempted from it – according to provisions of the Law and Regulations – within in five (5) years as a maximum as of the calendar year end of the tax period or the tax payment date, or to be exempted. To achieve that, the Authority Employees may:</p> <p>a. Enter Tax Warehouses and sites identified for destruction, which are licensed by the Authority for this purpose, as well as, any other premises where Excise Goods are being held.</p> <p>b. Access any means of transport used to move Excise Goods.</p> <p>c. Request any means of transport used to move Excise Goods to go any location in the Kingdom.</p> <p>d. Access any information related to Excise Goods, available at any premises or in any</p>



	<p>hold or move Excise Goods.</p> <p>e. Take or request a sample of any Excise Goods available in any means of transport or premises used to hold or move Excise Goods.</p> <p>2. The powers granted in the first (1) paragraph of this Article for the auditors and inspectors of the Authority may be carried out if it involves Excise Goods which are held, or where they have reasonable grounds that they are held, in violation to the Law or the Regulations.</p>	<p>means of transport which is used to hold or move Excise Goods, or sites identified for destruction licensed by the Authority for this purpose.</p> <p>e. Request any information or documents to verify obligations of the person, who is liable for paying the Tax Due.</p> <p>f. Take or request a sample of any Excise Goods available in any means of transport or premises used to hold or move Excise Goods.</p> <p>2. The powers provided in the first (1) paragraph of this Article for the Authority Employees may be carried out if it involves Excise Goods which are held, or where they have reasonable grounds that they are held, in violation to the Law or the Regulations.</p>
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