

Customs Policy

Policy Code: DCP (20)

Policy Name: Mechanism for Determining the Value of Passengers and Cargo Transport Vehicles

Policy details:

Pursuant to the Agreement on Customs Valuation that derived from the General Agreement on Tariffs and Trade (GATT) and the decisions thereof; and the relative provisions provided for in the Common Customs Law, the value of the new and used imported vehicles including their depreciation percentages shall be determined for customs purposes in accordance with the following rules:

Article (1)

New imported Cargo and Passengers Transport Vehicles model the year of clearing or the following year:

The value of new imported cargo and passengers transport vehicles shall be determined for customs purposes in accordance with the following:

- A. The total values and costs being paid as a price for the importation of such articles up to their delivery at the GCC borders shall be calculated including, within the concept of CIF, charges and cost of international freight and insurance, handling and unloading expenses at the first point of transit of any GCC State; when importers declare the values and costs of the importation of such articles under proper commercial invoices and buying contracts issued by the production or export companies.
- B. The values of previously imported identical or similar articles under proper commercial invoices and buying contracts shall be accepted to determine the value of such articles when being imported by individuals, show rooms or commercial companies to which the terms and arrangements for trade contracts of import transactions are not available or when doubt about the authenticity of values, invoices and trade contracts arises.

Article (2)

Imported Used Cargo and Passengers Transport Vehicles Produced in the year of Clearing or the forgoing years

The value of imported used cargo and passengers transport vehicles shall be determined on the basis of previously accepted values of identical or similar articles after deducting the depreciation and prescription percentages in the years of production and in accordance with the list attached herein regarding the deduction percentages.

Article (3)

The rules set out in the attached list herein in connection with the deduction percentages shall be applicable to the new imported vehicles being produced in the year that preceding the year of clearing and where the terms of trade transactions are not fulfilled.

Article (4)

When determining the value in accordance with previously accepted identical or similar articles, the value shall be based on values of identical articles in the first instance and if such values are not available, the value shall be determined in accordance with the values of similar articles.

Article (5)

Subject to provisions of the Common Customs law and where damages in respect to the vehicles bodies are found, the deduction percentage referred to in Article (2) of this Policy may be increased providing that a report approved by the Customs Office Manager or his representative detailing reasons, statement and cost estimate of the damages is presented.

Article (6)

The old vehicles that deemed to be "classic" shall be excluded from such rules and their value shall be determined in accordance with the provisions of Article (26) of the Common Customs Law and the Rules of Implementation thereof.

Article (7)

Without prejudice to the provisions of Article (26) of the Common Customs Law and Rules of Implementation thereof, the rules contained herein shall be applicable.



Article (8)

The determined value of the articles specified in the attached list herein shall not be less than 20% of the previously accepted values or the similar articles (in the year of clearing) irrespective to the prescription of the production years that preceding the year of clearing except for cases provided for in Article (5) herein.

Article (9)

The Customs Valuation Department shall monitor the implementation of this policy and follow-up the procedures thereof.

This Policy shall come into force as from 9/2008.

for/ Ahmed Butti Ahmed
Director General



List of Deduction in Value Based on Years of Prescription

Deduction Percentage	Year of Importation
15%	New imported vehicles produced in the first year that preceding the year of clearing.
15%	Used imported vehicles produced in the year of clearing.
25%	Used imported vehicles produced in the first year that preceding the year of clearing.
35%	Used imported vehicles that produced in the second year that preceding the year of clearing.
45%	Used imported vehicles that produced in the third year that preceding the year of clearing.
55%	Used imported vehicles that produced in the fourth year that preceding the year of clearing.
60%	Used imported vehicles that produced in the fifth year that preceding the year of clearing.
65%	Used imported vehicles that produced in the sixth year that preceding the year of clearing.
70%	Used imported vehicles that produced in the seventh year that preceding the year of clearing.
75%	Used imported vehicles that produced in the eighth year that preceding the year of clearing.
80%	Used imported vehicles that produced in the ninth year that preceding the year of clearing.