

Customs Update

August 9, 2021



Relaxation in Customs Service Fees for movement of goods via Dubai Trade E-commerce platform

(As part of Dubai Blockchain and E-commerce Strategy)

Dubai Customs recently published two Customs Notices ([No. 09/2021 dated 10 May 2021](#) and [No. 13/2021 dated 05 August 2021](#)) concerning customs declarations related to personal imports ('B2C') and movement of goods between companies ('B2B') via Dubai Trade e-commerce platform.

In this update, we are pleased to share the background around these two Customs Notices which root back to the announcement made in April 2018 by the UAE Government. In addition, we have also covered brief update on the benefit and coverage of the two Notices for the Businesses in the UAE.

Background

In April 2018, the UAE Government had launched "Emirates Blockchain Strategy 2021" with an aim to move 50 per cent of government transactions into the blockchain platform by 2021.

To support this strategy, Dubai Customs, in February 2020, introduced a blockchain-based platform linked with Dubai Trade (hereunder referred as 'e-commerce platform') to facilitate cross-border e-commerce.

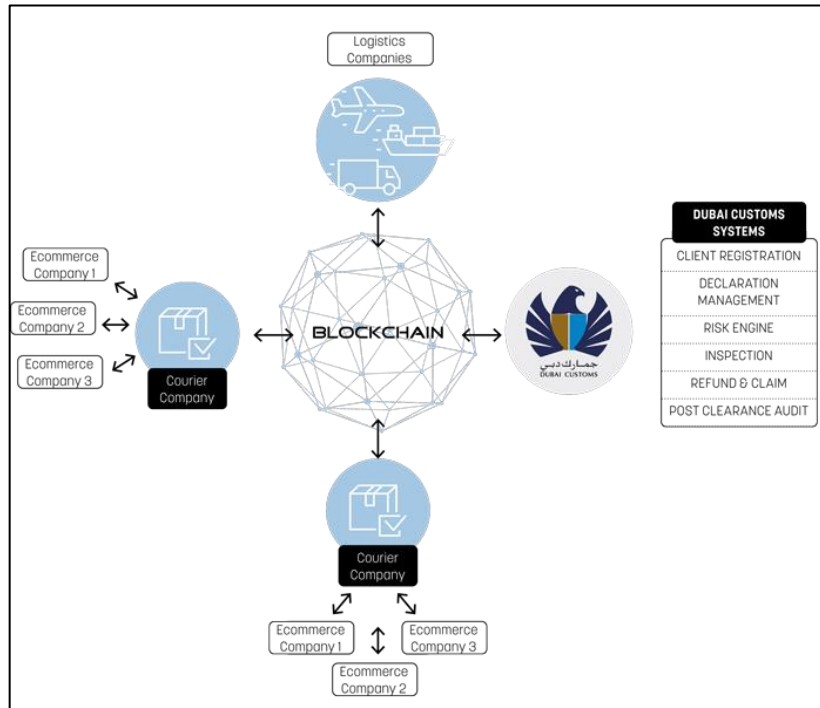
The e-commerce platform is open to companies involved in the import and export of goods across Dubai's borders, namely couriers, companies selling online and logistics companies, as well as for moving goods into Dubai from a free zone or a Customs warehouse located in the UAE.

The said platform would simplify and automate clearance procedures while allowing Dubai Customs to reduce or eliminate duty and service charges on 'low-value' shipments.



As a result of above, the Dubai Customs have now issued two customs notices to exempt customs service charges / fee applicable on filing customs declaration for low-value goods to those using the e-commerce platform.

Dubai Cross-Border E-commerce Platform built on Blockchain technology



Source: www.wcomd.org

Brief Update on Customs Notices

Particulars	Customs Notice No. 09/2021 (B2C e-commerce)	Customs Notice No. 13/2021 (B2B e-commerce)
Effective Date	16 May 2021	14 November 2021
Registration	<ul style="list-style-type: none"> E-commerce license not required Companies required to register on Dubai Trade – Customs Registration System (CRM) under e-commerce activity Logistics companies may clear goods on behalf of their client companies if client registered in CRM 	
Customs Clearance	Two options: <ul style="list-style-type: none"> Use cross-border e-commerce platform Dubai Trade 	<ul style="list-style-type: none"> Dubai Trade
Customs Duty Exemption	All personal goods below AED 300 except tobacco and alcohol related goods	NA



Customs Services Charge Exemption	No service charge for import of personal goods below AED 10,000	No service charge for movement of goods below AED 30,000
Customs Declarations	Inbound: <ul style="list-style-type: none">from Rest of World (ROW)/GCC or Free Zone (FZ)/Customs Warehouse (CW) to LocalGCC/ROW to FZ/CW Outbound: <ul style="list-style-type: none">Local to GCC/ROW or to FZ/CW,FZ or CW to GCC / ROW	Same as 09/2021. In addition, temporary admissions, transfer or transit within same or between Dubai based FZ / CW or FZ to CW or vice versa.
General conditions	<ul style="list-style-type: none">Restricted goods are subject to special proceduresElectronic declarations and invoices (compatible to customs requirements) shall be acceptedData / records of entry and exit of goods to be kept in an approved electronic archiving system and to be submitted to the Customs upon request	
Dispute Resolution	Dubai Customs Tariff & Origin Department shall be the concerned department for dispute resolution	

Comments

The customs service fees (including knowledge and innovation fees) ranges from AED 100 to 120 (depending on declaration type) per customs declaration. From the effective date, the service fees will be exempted on customs declarations filed for personal imports (B2C) and movement of goods between companies (B2B) below specified value, carried via Dubai Trade E-commerce Platform.

Both inbound and outbound declaration made by the companies using the e-commerce platform would be entitled to the customs service fee exemption. This could reduce operating cost for the companies having large volume of shipments having low value.



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