

***THE COOPERATION  
COUNCIL FOR THE  
ARAB STATES OF THE  
GULF***



***SECRETARIAT  
GENERAL***

**UNIFIED GUIDE OF ADVANCE RULINGS**

## **Introduction**

Proceeding from the desire of the GCC Member States to facilitate and simplify procedures and requirements for customs clearance and the release of commodities in particular; and in order to facilitate trade between the GCC Member States and with the rest of the world in general, and in implementation of the requirements of the Trade Facilitation Agreement binding on the GCC Member States due to their membership in the World Trade Organization, the Unified Guide of Advance Rulings has been prepared to be consistent with the obligations of the GCC Member States under this agreement and guided by best international practices in this field.

This Guide is in line with the GCC Member States' trend to enhance transparency, within the framework of the founding of the GCC Customs Union - applicable as of the beginning of 2003, with importers, exporters and those dealing with them and providing stakeholders with relevant available information.

# Chapter One

## **Objectives and Definitions Content of Advance Rulings and Administrative Measures**

### **First - Objective of the Unified Guide**

The Unified Guide aims to introduce the most important procedures and disciplines adopted by customs administrations in the GCC Member States for issuing Advance Rulings requested by importers or exporters in preparation for the import/export operations which they carry out.

Consequently, the Unified Guide represents a guideline document that helps importers, merchants and businessmen in the GCC States and exporters to the GCC States to understand the procedures and disciplines related to advance rulings in order to facilitate their implementation and use on the one hand, and it also contributes to strengthening the information unit included in the advance rulings at the all first entry points and all customs administrations in the GCC Member States

Advance Rulings are among the most important basic tools that help to facilitate the import Declaration, and thus facilitate the procedures related to customs clearance, within the framework of the objectives of trade facilitation and enhancing the trade flow of and the growth of GCC intra-trade and international trade of the GCC Member States.

### **Second - Definition of Advance Rulings**

It is the official rulings issued in writing by the customs administrations in the GCC Member States prior to the import process, at the request of the importer or exporter, which include specific information and data related to customs classification, rules of origin, and customs valuation for specific merchandise that the applicant intends to bring from outside the GCC Member States.

Advance rulings are binding decisions for all entry points and customs administrations in the country that issued them, and guideline in the all first entry ports and all customs administrations in the GCC States.

### **Third – Competent Authorities in charge of Issuing Advance Rulings**

These are the authorities competent in the customs administrations authorized to issue advance rulings and that are appointed by GCC Member States.

### **Fourth - Applicants for Advance Rulings**

The unified procedures and disciplines determine the status of the applicant for advance rulings as natural or legal persons among importers and their representatives who have obtained commercial registration from the competent authorities in the GCC Member States, and exporters to the GCC Member States through their representatives therein.

### **Fifth: Contents of Advance Rulings**

Advance rulings in this guide include information and data related to the following topics:

#### **1- Classification of goods according to the unified Customs Tariff:**

Advance Rulings regarding classification refer to the sub-item classified within the goods to be imported, according to the GCC Unified Customs Tariff, conforming to the Harmonized Commodity Description and Coding System established by the World Customs Organization.

Advance Rulings also refer to the reductions or exemptions from customs taxes "duties" on the commodity to be imported, if any, within the framework of international trade agreements concluded by the GCC Member States with the countries of the world.

Accordingly, the advance rulings including classification help to define the terms of the customs tariff for the commodity to be imported clearly and at a stage prior to the import process, and thus contribute to facilitating the import Declaration and speeding up customs clearance procedures.

#### **2- Rules of Origin:**

The advance rulings refer to the rules of origin applied to the commodity to be imported, which include the used criteria by the competent authorities in issuing advance rulings in order to determine the country of origin for the commodity forwarded for import. These criteria are of particular importance when it comes to applying preferential treatment to

these commodities within the framework of an international trade agreement concluded by the GCC Member States.

The rules of origin are related to criteria that define the country of origin of the commodity on the basis of its entire production in the country of export or through introducing components that change their origin, or an industrial transformation that modifies their customs classification. Therefore, the advance rulings that contain the rules of origin constitute a way to enhance the visibility for importers in determining the origin of the commodity before carrying out the import.

### **3- Commodity Valuation for Customs Purposes**

The valuation of commodities is an essential factor in determining the amount of customs taxes "duties" to be imposed on their import. Customs valuation represents an important step in the process of importing commodities to the GCC Member States, so that customs administrations depend in determining the value of commodity for customs purposes on different ways according to the types of commodities and their classification within the framework of the GCC Unified Customs Tariff, and according to the GCC Unified Customs Regulation (Law) and its executive regulations, and the WTO Agreement on Customs Valuation.

Consequently, the advance rulings that contain the customs valuation methods used in the GCC Member States constitute an effective tool in facilitating the import process, helping to clarify the criteria for customs valuation of specific commodities in advance and prepare the necessary documents to prove the value of the commodity at a stage preceding the import.

### **Sixth - Administrative measures taken by customs administrations in the GCC Member States for implementing the Advance Rulings System**

In the context of implementing the Advance Ruling System, customs administrations in the GCC Member States will take the following administrative measures:

1. Establishing special units at customs administrations to deal with requests for advance rulings and providing them with specialized personnel, electronic systems and a central database and therefore to enhance the uniformity of information included in the advance rulings in a way that ensures its uniformity and coordination between all the first entry points and all customs administrations in the GCC Member States.
2. Circulating all information related to the implementation of the system of advance rulings to all the first entry points and all customs administrations in the GCC Member States.

3. After receiving the request, studying it and issuing the advance ruling thereon, the authority that issued the advance ruling will circulate it to all the competent authorities in the customs administrations in the country that issued the advance ruling for the purpose of its implementation in the state, and an electronic copy of it to the rest of the GCC Member States for guidance.
4. Providing means of communication between all the first entry points and all customs administrations in the GCC Member States and those applying for advance rulings, and setting a system for submitting requests through the form attached with the guide or via electronic means for submission of requests.

## **Chapter Two**

### **Procedures and disciplines related to Advance Rulings**

#### **First – Issuance of Advance Rulings**

1. The authorities competent for issuing Advance rulings in the GCC Member States issue advance rulings that include binding data related to the classification of the commodity to be imported, or the criteria applied in determining the origin, or the methods adopted in their valuation for customs purposes.
2. Advance Rulings relating to classification as a guidance may include information on exemption or reduction in customs “duties” contained in the relevant free trade agreements concluded by the GCC Member States.
3. The advance rulings issued in the matter of classification, customs classification and rules of origin are binding on all entry points and customs administrations in the country that issued them, and are for guidance in all the first entry points and all customs administrations in the GCC States
4. The competent authorities in the GCC Member States are not legally obliged to issue advance rulings regarding customs valuation. However, they issue guiding advance rulings in this matter to assist importers and exporters in explaining ways of determining the value of certain commodity for customs purposes. This does not include calculating neither the amount of the value of the commodity nor the amount of the customs duties due.
5. Customs administrations in the GCC Member States may issue advance rulings against administrative fees to be determined by the competent authorities.
6. Advance rulings are issued for determined commodity received from a determined source and directed to a determined importer. The same Advance

- Rulings cannot be used for other commodities even if they are similar, or by other importers of the same commodities not mentioned in the advance ruling.
7. Advance rulings will be issued on the basis of information and data provided by the applicant, which may include confidential commercial data. All documents and information related to advance rulings will be considered confidential and may not be disclosed to the public, in order to enable importers provide all relevant documents and data.
  8. The competent authorities in the customs administrations of the GCC Member States issue Advance rulings within a period of (60) sixty days from the date they receive a valid and complete application.

### **Second - Validity of Advance Rulings**

1. The Advance rulings are valid within a period not less than six (6) months from the date of their issuance in all entry points and customs administrations in the country that issued them, and they are as a guidance during their validity period in all the first entry points and all customs administrations in the GCC Member States
2. The Advance rulings terminate either with the expiration of their period of validity or with their cancellation by the customs administration that issued them (see Section VI regarding the cancellation of Advance rulings).

### **Third - Using Advance Rulings**

1. The use of advance rulings during the submission of the unified customs declaration (import status) remains a right of the applicant at the first entry points and all customs administrations in the country that issued them during their validity period, according to the third paragraph of the first part (first) of Chapter Two of this Guide. Their use will be as a guidance at all first entry points and all customs administrations in the GCC Member States.
2. The commodity must be declared in the common customs declaration (import status) in accordance with the data mentioned in the Advance ruling that were issued by the competent authorities in the customs administrations in the GCC Member States. Advance Rulings are used during the import process to verify the tariff classification.
3. The importer's reliance on the content of the advance ruling related to the tariff classification during the submission of the common customs declaration (import status) does not prevent the commodity from being examined by customs administrations in the GCC Member States to ensure that the declared

commodities are identical to the commodities referred to within the advance ruling.

#### **Fourth - Requesting Advance Rulings**

1. A request for advance rulings will be submitted by the importers or their representatives to the competent authorities in the customs administrations in the GCC Member States regarding the commodity to be imported. The submission of a request for advance rulings will be confined to importers who have a commercial register in the GCC Member States.
2. Exporters to the GCC Member States submit a request for advance rulings through their representatives in the GCC Member States to the competent authorities of the customs administrations regarding the commodity to be imported.
3. The subject of the advance rulings request must be specified from among the topics referred to in Section V of Chapter One regarding the contents of advance rulings and related to the following:
  - a. Tariff classification.
  - b. Or rules of origin.
  - c. Or customs valuation.
4. A single application form shall be submitted for each commodity and for each of the subjects of advance rulings referred to in Section V of Chapter One on the contents of advance rulings. In the case of multiple commodities or multiple subjects, separate application forms to be made for each commodity and for each subject.
5. The following data and documents must be attached to the request for an advance ruling:
  - a. The full name, address of the applicant, and commercial register number of the legal person.
  - b. A detailed description of the commodity.
  - c. In the event that the advance ruling related to classification is requested, reference should be made to the expected classification of the commodity, the basis for classification of the commodity, description of its components and scope of use, with the attachment of samples, pictures, designs, bulletins, test results, or any data that can help to describe the commodity, its method of manufacture, or any technical documents that help to determine the correct classification of the commodity and country of origin.
  - d. In the event that advance ruling related to the origin is requested, reference should be made to the expected country of origin, the legal framework of the origin (preferential or non-preferential origin), and the information and data that



- help in determining the origin, including the rule of origin applied to the commodity (a copy of the certificate of origin). Names, addresses, and any other elements that proving the identity of the other parties in the transaction (sellers, exporters, and producers) must be indicated.
- e. In the case of a request related to customs valuation, the type of transaction and its framework (terms of sale and relationship between the parties) should be described. And a copy of the invoice, contract, agreement or any information or data that helps in determine the correct value should be attached.
  - f. Declaration that there is no request in the matter of same or similar commodities to issue an advance ruling with the competent customs administration.
  - g. Declaration that there is no advance ruling regarding same or similar commodities in the context of administrative or judicial review procedures.
6. The Customs Administration can request to be provided with additional data or documents within a period of twenty-one (21) days. If the competent authorities are not provided with sufficient documents and data during the specified period, they will be not obliged to issue an advance ruling.
  7. The advance ruling application form will be submitted in paper form or electronically according to the mechanism applied in each Member State according to the form attached with the Unified Guide of advance rulings, and specifies the type of request (Tariff classification / rules of origin / customs valuation).
  8. Advance ruling requests, information and data accompanying are treated with the utmost confidentiality.

### **Fifth - Refusal to issue Advance Rulings**

A request to issue an advance ruling may be refused by the competent authorities of customs administrations in the GCC States for one of the following reasons:

1. If the determined commodities or identical to them are under administrative or judicial review procedures or a subject of judicial ruling.
2. If the determined commodities have been submitted with a customs declaration.
3. In case there is a previous application for the same importer and the same commodity, being studied.
4. In the event that the requirements imposed by the competent authorities in the GCC Member States are not met. Failure to provide the additional documents required to complete the application file during the time period specified in twenty-one (21) days from the date of its request by the competent authorities in the GCC Member States.
5. In case of providing insufficient or incorrect data / documents.

## **Sixth - Cancellation of Advance Rulings**

- a. Advance Rulings will be canceled, at the discretion of the customs administrations in the GCC States, due to one of the following reasons, and not exclusively limited to them:
1. In the event of taking administrative or legal measures that result in changing the category of commodities or class of fee.
  2. In the event that the data is not fully disclosed by the applicant.
  3. In the event that the customs administrations are provided with incomplete, incorrect, or false information or that would mislead the customs administrations.
  4. In the event of issuing contradictory advance rulings issued for commodities of the same class or kind.
  5. In the event that the advance ruling was reviewed within the framework of the internal procedures of customs administrations.
  6. In the event that the advance ruling was reviewed within the framework of the judicial review procedures.
- b. In the event that the advance ruling is canceled, the applicant will be notified in writing or electronically, explaining the circumstances and reasons for the decision.

## **Seven: Consequences of incorrect Advance Rulings**

Subsequent review of the advance rulings issued by the customs administrations in the GCC Member States will be carried out, either upon the request of the concerned party (the applicant) or by the customs administrations themselves in order to verify their authenticity.

In the event that the advance ruling is proved to be incorrect, it will be canceled, and the consequences will differ depending on the reasons of incorrect advance ruling and the actual date of import of the commodity, as shown in the following table:

<b>Reason of Incorrect Advance Ruling</b>	<b>Result</b>
1. The administrations in the GCC States have been provided with incorrect, incomplete or misleading information.	<ol style="list-style-type: none"><li>1. Invalidity of the advance ruling.</li><li>2. The importer shall pay the custom fees (duties) or any other fees due actually applicable to the imported commodity.</li><li>3. The importer shall pay the difference of the custom fees (taxes) arising from the advance ruling.</li><li>4. Fines may be imposed on the importer according to what is contained in the</li></ol>

	Common Customs Law.
2. The custom tariff or the custom fee category has been changed.	The due custom fee (taxes) shall be applied during the submission of the import declaration.
3. The advance ruling has been reviewed, leading to custom fee (taxes) higher on the imported commodity.	<p>a. The custom fees (taxes) contained in the advance ruling related to the imported commodity will be applied during the validity period of the advance ruling.</p> <p>b. The custom fees (taxes) related to the imported commodity which amended to higher rate will be applied prior or after the validity period of the advance ruling.</p>
4. The advance ruling has been reviewed, leading to custom fee (taxes) lower on the imported commodity.	c. The importer may request to apply the correct custom fees (taxes) and recover the excess amount paid.

### **Eighth: Procedures for Review of Advance Rulings**

1. An advance ruling related to classification, or origin, or a decision to cancel or amend it, will be reviewed upon a written request from the importer, either before or after its actual application to the import process, by the customs administration in the GCC States.
2. An advance rulings related to evaluation or a decision to cancel or modify will be reviewed based on the written or electronic request submitted by the importer, before import, by the customs administration in the GCC States.
3. A written or electronic report on the outcome of the review is issued and handed over to the applicant.
4. In the event that an amendment to the advance ruling is required, it will be canceled, and a new advance ruling will be issued to replace the annulled advance ruling.
5. The importer can file a grievance within a period of (21) days to the Director General of Customs to request a review of the advance ruling regarding classification, or origin, or a decision to cancel or amend it, either before or after it actually applies to the import process.
6. In the event that no agreement has been reached, the importer can resort to the judicial authority to request a review of the advance ruling for classification, or origin, or the decision to cancel or amend it, either before or after it actually applies to the import process.
7. Advance rulings relating to valuation (ad-valorem or specific duties) are not subject to judicial review procedures, as they include guidance advise.

### **Ninth - Publication of Advance Rulings:**

Advance rulings issued by the customs administrations in the GCC Member States which may be important to other importers will be published through regular bulletins as well as on the websites of customs administrations, without publishing the information of those requesting advance rulings and maintaining full confidentiality of data and information related to them.