

KSA Customs Alert

Elimination of certificate of origin as a customs release requirement

October 2017

In brief

Saudi Customs has recently issued a new regulation eliminating the requirement for importers to provide a Certificate of Origin ("CoO") to clear the goods for import into the Kingdom, subject to the condition that the goods bear an affixed, irremovable mark of origin. This new simplification is expected to generate significant cost reductions to import goods into Saudi Arabia, as importers will no longer require to obtain a CoO from their suppliers in the country of origin (or country of export, as the case may be) of the goods

In detail

In line with other trade facilitation initiatives introduced as part of the Kingdom National Transformation Plan - "NTP" 2020 and Vision 2030, Saudi Customs announced in its website on 08/10/2017 the elimination of the requirement to present a CoO to clear goods into Saudi Arabia. The new simplification rule applies to all goods imported into the Kingdom subject to the condition that the goods bear an irremovable, affixed mark of origin. It is important to note that in case the mark of origin is not affixed in an irremovable manner, providing a CoO (preferential or non-preferential) is still compulsory to clear the goods for import.

The announcement further indicates that all customs offices have been instructed to stop requesting importers to provide a CoO as part of the documentation required to release goods for import. Saudi Customs has also clarified that the new regulation is limited to the customs clearance process, and that other government authorities may request a CoO from importers further to other (non-customs) regulations in the Kingdom. For instance, Saudi Foods and Drugs Authority ("SFDA") normally requires a CoO to issue an import permit for pharmaceutical products and cosmetics.

Preferential treatment CoO

As an important exception to the new regulation, importers willing to benefit from preferential treatment for goods imported under any of the applicable Free Trade Agreements (FTA) in Saudi Arabia are still required to submit a CoO according to the approved forms and as per the conditions set in those FTAs; failure to do so may result in the rejection of the preferential treatment and the collection of the customs duties due on the imported goods.

GCC National Goods

There is no change in relation to the preferential treatment accorded by Saudi Customs to GCC National Goods, which can still be imported into the Kingdom free of customs duties provided the goods bear an irremovable, affixed mark of origin.

The takeaway

The CoO has traditionally been one of the main documents required to clear goods for import into Saudi Arabia. The new simplification measure will allow exporters to avoid the process of obtaining a CoO in the country of origin/export of the goods, which will lead to substantial savings especially for exporters engaged in frequent, high-volume exports to the Kingdom. Likewise, importers will be able to reduce the administrative burden and costs associated to the imports of goods into Saudi Arabia.

Let's talk

For any question or clarification, please do not hesitate to contact us:

PwC KSA Contacts

Mohammed Yaghmour

Tax Leader, KSA

Tel: +966 50 569 8572

E: mohammed.yaghmour@pwc.com

Suleman Mulla - Director

Tax, KSA

Tel: +966 54 122 8051

E: suleman.mulla@pwc.com

PwC Middle East Customs & International Trade

Jeanine Daou

Middle East Indirect Tax Leader

Tel: +971 (0)4 304 3744

E: jeanine.daou@pwc.com

Carlos Garcia - Director

Middle East Customs & International Trade,
UAE

Tel: +971 (0) 4 304 3936

E: c.garcia@pwc.com

www.pwc.com/me