Dubai Customs announces new policy on the Voluntary Disclosure System

Businesses are encouraged to come forward to fix errors in their customs declarations and take advantage of a full or partial penalty waiver

July 2024







66

The Voluntary Disclosure SYstem aims to enhance Dubai Customs services and encourage businesses to utilize the voluntary disclosure system to promote a culture of compliance, transparency, trust, and participation.

In brief

Dubai Customs has announced Customs Policy No. (58/2024) on the "Voluntary Disclosure System". A self-disclosure process was already in place with Dubai Customs but in an effort to promote good customs practices, Dubai Customs has provided new streamlined rules to encourage businesses to voluntarily disclose errors made in regards to customs compliance.

The rules outline the processes and procedures of the "Voluntary Disclosure System" and how businesses can voluntarily inform Dubai Customs upon discovering an error or violation through the submission of a voluntary disclosure request via the electronic customs system.

The new rules were published on 27 June 2024 and can be accessed <u>here</u>.

In detail

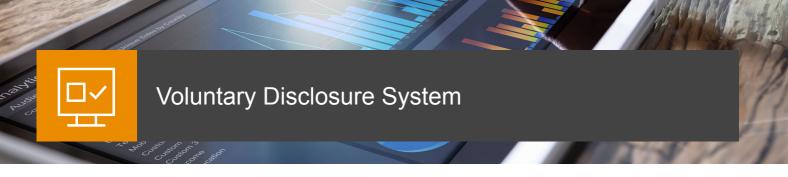
Voluntary Disclosure

Voluntary Disclosure refers to businesses taking the initiative to inform Dubai Customs of any errors or violations in regards to customs compliance upon their discovery. The system enables businesses to disclose customs errors or violations made during the customs clearance process, prior to their detection by the authorities.

Dubai Customs wishes to create a culture of transparency and trust with businesses through allowing them to voluntarily declare any errors and as a result, facilitate the payment of duties, if applicable and avail partial or full exemption from customs penalties.

The voluntary disclosure applies to the following violations:

- 1. Import and export violations
- 2. Customs declaration violations
- 3. Transit violations
- 4. Warehouse violations
- **5.** Violations in areas supervised by customs
- **6.** Temporary import violations
- 7. Re-export violations
- 8. Any other customs violations



Submission process

Businesses are required to electronically submit a voluntary disclosure request via the electronic customs systems, along with supporting documentation and records indicating the error. Upon approval, businesses must settle any due customs duties within 30 days from the date of receiving the financial claim notification from Dubai Customs. Failure to settle the financial claim within the prescribed period will result in the consideration of the voluntary disclosure request as null and void, and Dubai Customs reserves the right to take any further necessary actions against the business, including initiating a customs audit.

It is important to note that voluntary disclosure requests will not be accepted by Dubai Customs for businesses targeted for post clearance customs audits. This is also true for businesses that have been contacted by Dubai Customs in reference to a referral or the initiation of an inspection, investigation, or customs audit of the business.

Helpful links

Voluntary disclosure request can be accessed through the following electronic channels:

Dubai Customs

Dubai Trade

The takeaway

Next steps to consider

Businesses engaged in international trade and customs activities in Dubai (both free zones and mainland) are encouraged to review their historical customs position and consider disclosing any errors or violations discovered. Businesses will not only benefit from the waiver of the applicable penalties but also will enable them to ensure compliance with the customs rules as part of their operations in Dubai. This is a best practice that compliant businesses should include in their regular-cycle internal audit processes.

www.pwc.com/me

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



Carlos Garcia Pinilla

Partner

+971 56 682 0642

c.garcia@pwc.com



Mbali Nkuna

Senior Manager

+971 54 793 3582

nkuna.mbali@pwc.com



Felipe Poveda

Rakan AlHiary

+971 50 189 3238

rakan.alhiary@pwc.com

Director

Senior Associate

+971 50 419 8605

felipe.p.poveda@pwc.com



Abdulla Alkaabi

Senior Associate

+971 56 511 3971

abdulla.a.alkaabi@pwc.com

Sultan Bin Adi

Associate

+971 56 797 8120

sultan.bin.adi@pwc.com

©2024 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.



©2024 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.