

Meet the Deloitte Middle East (ME) Global Trade Advisory (GTA) team at the next GTA ME conferences in September

Global Trade is a multi-faceted area that requires a high degree of pragmatic support. Our Deloitte Tax Global Trade Advisory practice includes practitioners with various backgrounds which include legal, accounting, auditing, technology, customs, excise and import/export compliance. We are the market leader among professional service providers in delivering import and export compliance, planning, and automation projects.

With more than 550 GTA professionals located in over 100 countries worldwide, Deloitte provides clients with local country insight while keeping global operations in mind.

We have specialized in Global Trade Automation projects with a dedicated team of more than 100 practitioners focusing on the implementation of different Global Trade Management (GTM) solutions.

Our team works together across borders and functions to provide strategic, cost-effective, end-to-end Global Trade services. Our GTA specialists include lawyers, brokers, export control and compliance specialists, system architects and integrators who collectively bring a unique mix of functional, technical and operational know-how.

In September 2019, Deloitte GTA Middle East will organize 5 conferences in Jeddah, KSA, September 8th, Riyadh, KSA, September 10th, Al Khobar, KSA, September 11th, Dubai, UAE, September 15th and Abu Dhabi, UAE, September 17th. Speakers will include senior representatives from the national customs authorities and will cover a variety of customs and global trade related subjects. Please join us to get latest news on what's hot in the global trade area and meet Deloitte Global Trade Advisory team in the Middle East.



Excise Tax on all sugary drinks in KSA

The General Authority for Zakat and Tax (GAZT) in the Kingdom of Saudi Arabia (KSA) will expand an Excise Tax charged on tobacco and soda to include electronic cigarettes and all drinks with added sugar as part of its efforts to boost non-oil revenue.

All sugar sweetened beverages (SSB) will be subject to a 50% levy, while e-cigarettes and their liquids will face a 100% tax, according to a document issued by GAZT. The application of this enlarged Excise Tax in KSA is in accordance with Gulf Cooperation Council (GCC) Unilateral Agreement for Excise Tax.

On 15 May, 2019, GAZT published an amended version of the Excise Tax Implementing Regulations in the Official Gazette. The regulation for e-cigarettes and liquids entered into force with immediate effect. Initially, it was expected that the regulation for SSB's would enter into force on 1 July, 2019, this has very recently been postponed to 1 December, 2019. Details on the definition of SSBs have not been published or made available yet and is still subject to fine-tuning by GAZT. The tax base for calculating Excise Tax on SSBs will be the same as for carbonated drinks, i.e. the current retail price.



Manufacturers, stockpilers and importers of SSBs have already been contacted by GAZT in order to register for Excise Tax purposes. Existing Excise traders (e.g. carbonated drinks) have been notified of the potential need to amend their existing registration.

The future of trade facilitation accreditations: AEO 2.0

Authorized Economic Operator (AEO) is a global trade facilitation accreditation awarded by Customs Authorities to Businesses, which meet certain criteria, to access applicable benefits. Introduced by the World Customs Organization (WCO), there are programs implemented across the globe, including equivalent programs such as the Trusted Trader Program (TTP) in Australia. In the GCC region, the AEO and equivalent programs have been implemented.

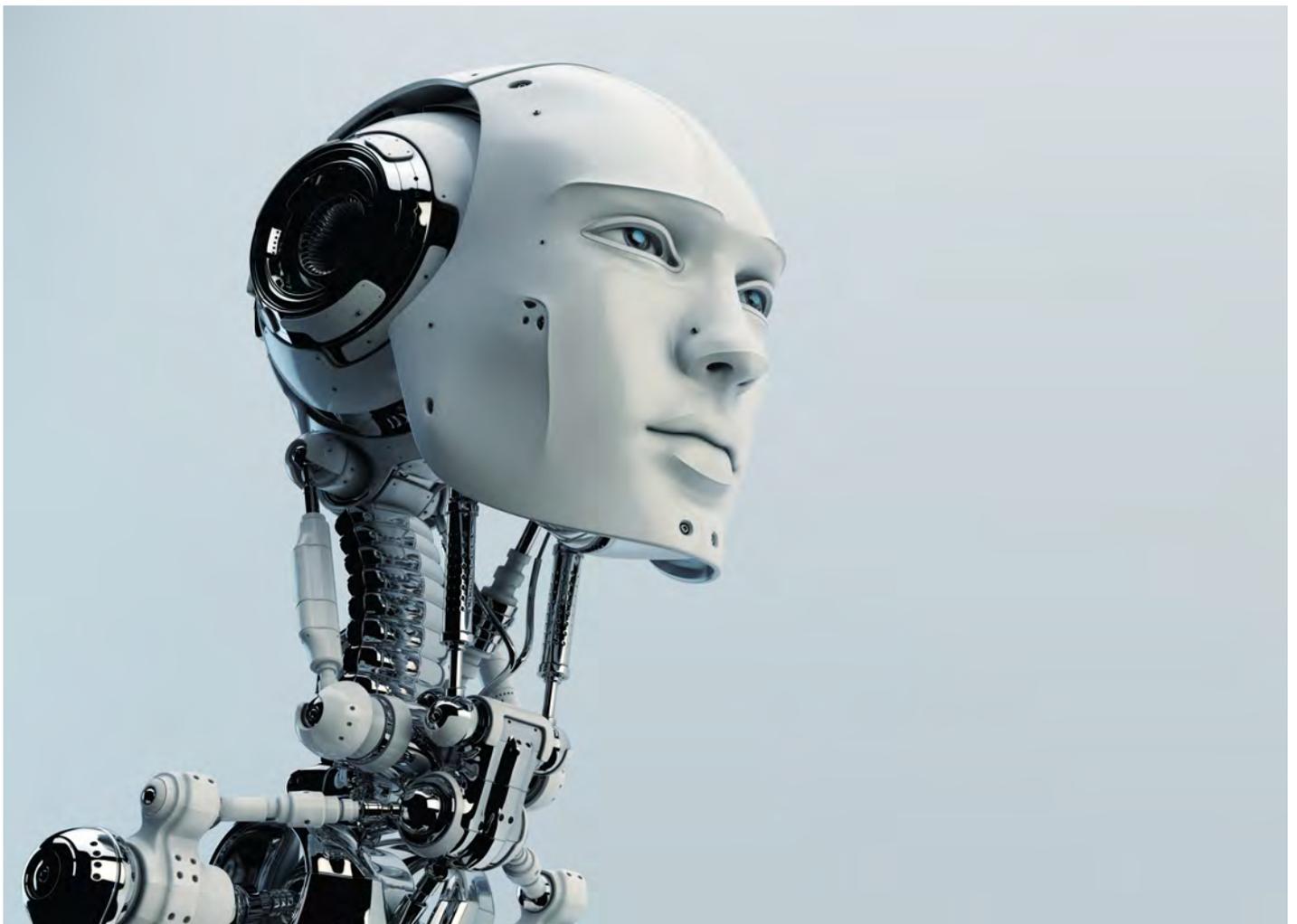
The AEO 2.0 was a prominent subject at recent WCO SAFE Working Group in April 2019 and we have noted a trend in Customs Authorities (including the GCC region) plans to enhance the current AEO schemes that would reduce their operational workload and enhance compliance. Developments to the AEO program would include benefits for traders, such as reducing implementation time, improvement of cross-border risk management and facilitation of faster movement of consignments. In order to achieve these targets, as well as reduce complex red-tape and national variations in accreditations, there is a focus by authorities to reach regional or plurilateral (not bilateral), mutual recognition agreements. There is a trend towards enhancing the technological and data analytical functions and benefits of AEO certification, through artificial intelligence and data collection.

KSA is exploring options for easing the process of release of goods, post the relevant regulatory body check. Currently, there is no single platform for public sector control institutions to a customs AEO programme. The KSA 2030 Vision aims to reduce oil dependency and diversify the economy; potential impacts could include enhancements to the current AEO programme.

Master Data management

With the digitization of the different global trade processes, having good master data is a must. Nonetheless, it is common that this data is not always what it should be. There is limited information on the actual size of the issue due to, rather ironically, a lack of information and the very high volumes.

With the new technologies, companies and authorities have the means to handle and process large amounts of data easily and efficiently. Artificial Intelligence is very strong in finding patterns or what deviates from a pattern making it a good risk assessment tool. With Machine Learning, machines can be trained to perform classification, mimicking human judgment. In combination with RPA (Robotic Process Automation, the digital equivalent of a factory line) data can be processed, cleansed and enriched without human involvement (e.g. reading product sheets or entering invoices). Trade specialists working with these solutions, can focus on training and monitoring the machines and the complex classification cases with all data available to them. This enables them to handle larger volumes in a consistent, efficient and qualitative manner.



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