Customs and Global Trade
Supporting businesses in the Middle East
Case studies

**Customs review**

Deloitte undertook a Gulf Cooperation Council (GCC) customs import compliance review for a large regional FMCG importer and distributor. The review involved interviews with employees and customs brokers, sample testing of data and documentation, discussions with local customs authorities where needed, and the technical application of law. The output was a comprehensive report detailing specific and practical recommendations in respect of customs controls and processes, as well as documenting the often complex supply chain arrangements across the region. Legal and administrative risks were highlighted, along with opportunities for customs savings.

**End-use relief**

Deloitte assisted a UAE-based air services provider with the elimination of import duties and VAT arising from the movement of its fleet into the EU. The project involved a three-phase approach:

- Technical analysis and feasibility study;
- Solution identification and design; and
- Management of solution implementation.

This resulted in the successful application of an end-use license for customs purposes and a VAT ruling from the respective EU authorities, which together allowed the application of both a VAT exemption and 0% customs duty rate upon importation of the fleet into the EU.
Customs and Global Trade in the Middle East

Overview

Customs duty is perhaps the longest-standing, broad-based, commonly-applied form of taxation across the countries of the UAE, KSA, Bahrain, Qatar, Oman and Kuwait, a region with little history of taxation. GCC countries are unified through a common customs law, however administrative practices often differ at a local level.

In addition to the GCC Customs Union, the Greater Arab Free Trade Area along with a network of bilateral and multilateral free trade agreements are set up across the region, creating a complex web of administration. These arrangements are overlaid with specific local relief programs, such as free zones and industrial exemptions, which combine to form a multi-faceted setting that requires pragmatic and practical support.

The introduction of VAT across GCC countries from 2018 will impact both importations into the GCC and intra-union movements. It is expected to create an additional layer of complexity, and potentially greater transparency, on supply chains throughout the Middle East.

Our services

Deloitte has an experienced Middle East-based team of customs specialists that can assist businesses navigate these complexities through a broad range of Customs and Global Trade advice, compliance and audit support services, including:

- Customs, global trade and export control advisory support in all GCC countries and across the wider Middle East region (Iraq, Iran, Lebanon, Jordan);
- Assistance in progressing disputes or audits on the ground with local customs authorities, including classification, valuation and documentary challenges;
- Conducting regional customs compliance merger and acquisition support, including due diligence, post-merger and acquisition disclosures and integration support;
- Developing tailored standard operating procedures, technical manuals and processes to assist in the management of custom controls in the region;
- Leveraging off international best practices to advise on the authorized economic operator (AEO) control environment to support businesses in the preparation for accreditation,

Deloitte’s Customs and Global Trade specialists across the region and around the world can help businesses establish a strategy designed to manage costs and meet global trade regulatory requirements.
Analytics is the practice of capturing, managing and analyzing data to drive business strategy and performance.

Data analytics
Stricter regulatory environments and the evolving use of e-audit by customs authorities across the Middle East are leading businesses to seek more visibility and control over their customs profile and compliance processes. Data analytics tools and techniques can help companies better understand their customs position as well as identify hidden risks and opportunities.

Global Trade Radar (GTR) is a Global Customs and Trade data analytics solution that imports customs authority data and produces detailed analytics in one online dashboard, across multiple jurisdictions. Deloitte professionals and their clients can access the GTR dashboard to help identify and manage risk and savings opportunities on their customs and trade profiles.