

Resolution No. (9/2016)
Issuing Customs Management System in
Special Economic Zone in Duqm

Pursuant to the Royal Decree No. (119/2011) establishing the Special Economic Zone Authority in Duqm and issuing its system;

The Royal Decree No. (79/2013) issuing the System of the Special Economic Zone in Duqm;

The Common Customs Law of the Gulf Cooperation Council (GCC) and the Royal Decree No. (67/2003) on its application;

The approval of the Board of Directors of the Special Economic Zone Authority in Duqm at its third meeting on October 11, 2015;

And as per the exigencies of the public interest;

We decided

Article (1): The enclosed Customs Management System shall apply in the Special Economic Zone in Duqm.

Article (2): The Chairperson of Board of Directors of the Special Economic Zone Authority in Duqm shall issue the necessary decisions to implement the provisions of this System.

Article (3): Cancelled shall be all that contradicts this Decision and enclosed System or contravenes with their provisions.

Article (4): Published shall be this Decision in the Official Gazette and shall take effect from the day following the date of publication.

Issued on:

Date: 29 Rabi' Al-Akher 1437 AH

CT: 8 February 2016 AD

Yahya bin Said bin Abdullah Al-Jabri

Chairperson

**Customs Management System in
Special Economic Zone in Duqm**

Chapter One

Definitions and General Provisions

Article (1): In applying the provisions of this System, the following words and phrases shall have the meanings assigned to them unless the context requires otherwise:

Law:	Common Customs Law of the Gulf Cooperation Council (GCC) applied pursuant to the Royal Decree No (67/2003).
SEZAD:	Special Economic Zone Authority in Duqm.
SEZD:	Special Economic Zone located in Duqm for establishing economic, service and other projects whose boundaries and location are set in the layout enclosed with the Royal Decree No. (119/2011), as amended by Royal Decree No (44/2014).
Board:	The Board of Directors of SEZAD.
Chairperson:	The Chairperson of the Board of Directors.
Projects:	Projects licensed be set up in the region, whether in the form of a sole proprietorship, company, a branch of a foreign company or establishment, or professional and craft activities.
Goods:	Machinery, equipment, tools, devices, materials, products, spare parts, fuel and others used, distributes or produced, in whole or in part, or consumed by the project for any purpose.
Customs Territory:	Anywhere within the boundaries of the Sultanate with the exception of the free zones or special economic zones.
Customs Department:	The department in charge of the spatial scope determined by the Inspector General of Police and Customs in SEZD where the finalization of all or some customs procedures is authorized.
Customs Warehouse:	The place or building in which the goods are deposited under the supervision of the Customs Department pending customs taxes.
Customs Declaration:	The statement of the goods or acknowledgment submitted by the

importer or his representative, identifying the distinctive features of those declared goods and quantity thereof in detail.

Duty Free: The licensed place wherein goods pending customs taxes are placed for display and sale.

Article (2): The provisions of this System shall apply to goods that enter or exit SEZD. The matters not covered specifically in this System or in the Royal Decrees 119/2011 and 79/2013 referred to and the decisions issued for their implementation shall be subject to the provisions of the law.

The same controls and procedures laid down in the Law and its implementing regulations shall apply in respect of each of:

Conducting customs inspections quickly and effectively.

Clarity and transparency of valuation criteria.

Simplicity and brevity of customs clearance procedures without prejudice to their efficiency.

Comprehensive and precise examination of samples controlled at a single site.

Article (3): With the exception of alcohol materials, intoxicants, beer and tobacco products imported into SEZD, the following goods shall be exempted from customs duty, provided they fulfil the controls and conditions set forth in this System:

- Goods imported by the projects registered in SEZD commercial register from within and outside the Sultanate to SEZD.
- Goods exported by the projects registered in SEZD commercial register from SEZD to outside the Sultanate.

Article (4): The projects not registered in SEZD commercial register shall not benefit from the customs exemption stipulated in Article (3). The import of their goods into SEZD and exporting them shall in accordance with the rules and provisions stipulated in the law.

Article (5): Committed shall be the projects that import exempted goods in accordance with the provisions of this System by the following:

- Storage of goods in accordance with the conditions and regulations set forth in this System.

- Not to dispose of goods in other than the purposes they imported them for as stated in the customs declarations they submitted.
- Commitment to the license conditions of the economic activity they engage in.

Chapter Two

Introduction, Exit and Disposal of Goods in SEZD

Article (6): Prohibited shall be the importation of the following goods into SEZD:

- Goods originating in a State that the Sultanate decided to boycott economically.
- Narcotics and their derivatives, with the exception of what is required for the manufacture of drugs and pharmaceuticals as determined by the Ministry of Health.
- Firearms, ammunition and explosives, with the exception of hunting weapons and their ammunition, and fireworks licensed in accordance with the regulations prescribed by the competent authorities.
- Radioactive materials, with the exception of materials allowed for industrial, medical or scientific research purposes, in accordance with the rules specified by the competent authorities.
- Waste materials.
- Goods whose importation is banned for violating the laws and regulations relating to the protection of intellectual, commercial, industrial, literary and artistic property as stated in decisions issued by the competent authorities.
- Rotten, expired, or harmful foodstuff to health or environment.
- Any goods whose importation into the Sultanate is prohibited.

Article (7): A reasoned decision by the Chairperson may prohibit or impose certain conditions on the importation of certain goods into SEZD.

Article (8): Without prejudice to the provisions of Articles (6) and (7) of this System, the projects registered in SEZD commercial register may import goods required for the practice of authorized activity in SEZD, and get them out of SEZD without prior permission or authorization.

Article (9): It is permissible for projects licensed to carry on the activity of general trade in SEZD may sell exempted goods to the projects registered in SEZD commercial register to use them finally in the practice of their licensed economic activity in SEZD. They shall inform the Customs Department of the same.

Article (10): It is permissible for projects licensed to trade in SEZD duty free may sell the exempted goods to the following categories:

- SEZD visitors and residents at non-commercial quantities for personal use.
- Crews of planes and ships requesting the relevant facilities in SEZD.

This shall be according to the controls established by a decision the Chairperson issues after the approval of the Board.

Chapter Three

Customs warehouses

Article (11): Customs warehouses in SEZD are divided into the following:

- 1- Public customs warehouses: where the goods are stored for the account of others. The project licensed to engage in the activity of public warehouses shall replace the owners of goods deposited in all their obligations before the Customs Department.
- 2- Private customs warehouses: where projects store their goods for use in licensed activities.

Article (12): Prohibited shall be the storage of exempted goods in other than the customs warehouses licensed for the projects registered in SEZD commercial register.

Article (13): The requirements for a license to engage in the activity of public customs warehouses in SEZD shall be as follows:

- Project capital is not less than OMR 1,000,000.
- The area of the warehouse and facilities needed for its operation is not less than of twenty thousand (20,000) square meters.
- The warehouse shall have a fence and main entrances, including the port, airport, and logistics villages.
- The warehouse shall be equipped to store the authorized goods.
- Fulfillment of security and safety conditions and requirements.
- Providing appropriate yards equipped with necessary services to complete the customs procedures.
- Allocating suitable yards for parking and equipment to load/ unload goods.

- Providing furnished offices equipped with the appropriate means of communication to the staff of the Customs Department.
- Not to amend or change the warehouse or its area without obtaining the consent of SEZAD and the Customs Department.
- Providing a bank guarantee of at least OMR one hundred thousand (100,000) to pay customs duties when necessary.
- Providing an insurance policy on the warehouse and the goods stored that covers all risks.
- Payment of the prescribed fees.
- Controlling the entrances to public warehouses through a system agreed between the Customs Department and the owner of the warehouse.

Article (14): The following activities may be conducted within the public customs warehouse in SEZD:

- Unwrapping the goods and transferring them to another place.
- Collecting or dividing parcels.
- Any other activity for keeping, improving or facilitating the marketing of the goods.

In all cases, prohibited shall be changing the country of origin. These activities shall be under the supervision of the Customs Department.

Article (15): Fulfilled shall be the following requirements for issuing the license to engage in the activity of customs warehouses in SEZD:

- Project capital is not less than OMR 200,000.
- The area of the warehouse is not less than of five thousand (5,000) square meters.
- To be within the licensed site of the project.
- To be equipped to store the authorized goods.
- Fulfillment of security and safety conditions and requirements.
- Providing a bank guarantee of at least OMR fifty thousand (50,000) for the payment of customs duties when necessary.
- Submitting a written undertaking not to dispose of the goods stored in other than the authorized purposes.
- Payment of the prescribed fees.

Article (16): The activity of private customs warehouse shall be limited to storage of goods and no amendments shall be thereto, with the exception of the necessary work required to protect the goods from damage.

Article (17): It is impermissible to import goods to the public or private customs warehouse except under an import statement in accordance with the terms and conditions prescribed in the law.

Article (18): The duration of storage of goods in warehouse allocated for construction materials shall expire upon the completion of construction work and issuance of the construction completion certificate by SEZAD.

Article (19): Without prejudice to the provisions of Article (18) of this System, goods stored in public or private customs warehouses shall not be subject to any restrictions related to the duration of their presence therein.

Article (20): It is impermissible to remove the goods from public customs warehouses before determining their customs status in accordance with the provisions of the law.

Article (21): It is impermissible to remove the goods from private customs warehouses except for use in the licensed activity for the project.

Article (22): Without prejudice to the provisions of law, transported may be the goods within SEZD from a public customs warehouse to another public or private customs warehouse provided the submission of a detailed statement of such goods and an undertaking not to dispose of them except in accordance with the provisions of this System along with customs guarantees and undertakings.

In this case, the goods shall be subject to transit customs in accordance with the provisions of the law.

The stakeholders shall provide an import certificate to the customs warehouse or Department to which the goods were transported.

Article (23): The licensee shall engage in the activity of warehouses according to the conditions and customs procedures governing customs warehouses in force.

Article (24): Destroyed shall be the invalid or expired goods at the place specified by SEZAD, under the supervision of the Customs Department and the competent authorities whenever the type of goods so requires.

Chapter Four

Liability Rules

Article (25): The projects licensed to engage in public or private customs warehouses activity in SEZD shall be responsible for the duty-free goods stored in their warehouses until they are out of SEZD or dispose of them in accordance with the provisions of this System.

They shall also be responsible for duty-free goods lost or damaged during storage or transport from the warehouse. In this case, the goods shall be subject to the provisions on illegal goods stipulated in the law.

Article (26): The projects licensed to engage in public or private customs warehouses activity in SEZD shall be responsible for the acts of their subsidiaries within SEZD.

Chapter Five

Final Provisions

Article (27): Without prejudice to the provisions of Articles (31 and 32) of this System, treated shall be the goods transported from SEZD to the customs territory as foreign goods, even if they include local raw materials or components.

Article (28): Treated shall be the goods manufactured or assembled within SEZD as goods of domestic origin when exported outside the Sultanate.

Article (29): It is impermissible to remove the exempted goods from SEZD before the completion of all the procedures set forth in this System and the payment of relevant financial dues.

Article (30): The projects shall consider the following issues when transporting exempted goods from SEZD to the customs territory, or offering them for domestic consumption within SEZD:

- Preparing a customs declaration for these goods and depositing it with the Customs Department.

- Payment of due customs taxes according to the law.

Article (31): The provisions of transit customs stipulated in the law shall apply to exempted goods in the following cases:

- When exported from SEZD to outside the Sultanate through the customs territory.
- When imported from outside the Sultanate to SEZD through the customs territory.
- When transported from SEZD into another economic free zone or other area within the Sultanate.

Article (32): Goods whose customs duties have been paid may be transported between SEZD and the customs territory, and vice versa without any restrictions.

In this case, goods are not considered exported or re-exported.

Article (33): The travelers from SEZD to the customs territory shall be subject the relevant provisions prescribed for travelers and stipulated in the law for the goods.