

MMJS Alert

Ministerial Decision No. 1 of 2025

Ministerial Decision No. 1 of 2025 has been issued on 03 January 2025 for the Implementation of the Cabinet Decision No. 52 of 2019 on Excise Goods, Excise Tax Rates and the Methods of Calculating the Excise Price (hereafter referred to as "Decision").

This Decision is effective from the date of its issuance i.e. 03 January 2025 and has abrogated the earlier Ministerial Decision No. 236 of 2019 which was issued for the implementation of Cabinet Decision No. 52 of 2019.

The provisions of Ministerial Decision No. 1 of 2025 are largely identical to those of Ministerial Decision No. 236 of 2019, with the exception of a few specific provisions. A comparison of old Ministerial Decision No. 236 of 2019 and new Ministerial Decision No. 1 of 2025 is provided below for reference:

Article No.	Ministerial Decision No. 236 of 2019	Ministerial Decision No. 1 of 2025
<p>Article 1 – Liquids Used in Electronic Smoking Devices and Tools</p>	<p>Excise Tax shall be imposed on liquids used in electronic smoking devices and tools, and the like whether or not containing nicotine pursuant to the following Customs code:</p> <ul style="list-style-type: none"> • <u>HS Code 38249999 (Others).</u> 	<p>For the purposes of imposing Excise Tax on liquids used in electronic smoking devices and tools and the like, whether or not containing nicotine, the applicable harmonized system codes specified in <u>Chapter Twenty-Four</u> of the Common Schedule for Classification and Coding of Goods for the Gulf Cooperation Council Countries in force in the State shall apply.</p>
<p>Article 2 – Electronic Smoking Devices and Tools</p>	<p>Excise Tax shall be imposed on electronic smoking devices and tools, and the like whether or not containing nicotine or tobacco pursuant to the following Customs codes:</p> <ul style="list-style-type: none"> • <u>85437031: Electronic cigarettes</u> • <u>85437032: Electronic water pipe "shisha"</u> • <u>85437039: Others</u> 	<p>For the purposes of imposing the Excise Tax on electronic smoking devices and tools and the like, whether or not containing nicotine or tobacco, the below harmonized system codes specified in Chapter Eighty-Five of the Common Schedule for Classification and Coding of Goods for the Gulf Cooperation Council Countries in force in the State shall apply:</p> <ul style="list-style-type: none"> • 85 43 40 10 00 00: Electronic cigarette devices for reusable use • 85 43 40 20 00 00: Electronic water pipe "shisha" • 85 43 40 30 00 00: Electrically heated devices for cigarettes • 85 43 40 90 00 00: Other

Article No.	Ministerial Decision No. 236 of 2019	Ministerial Decision No. 1 of 2025
		<ul style="list-style-type: none"> • 85 43 90 91 00 00: For electronic cigarettes, excluding batteries under item 85 07 • 85 43 90 92 00 00: For electronic water pipe "shisha", excluding batteries under item 85 07 • 85 43 90 93 00 00: For electrically heated devices for cigarettes, excluding batteries under item 85 07 • 85 43 90 98 00 00: For other smoking electronic devices.

Our Insights and Recommendation:

- Ministerial Decision No. 1 of 2025 has provided broader and detailed list of HS codes for the products covered under the category of Electronic Smoking Devices and Tools.
- The business should take into account the new HS Codes w.e.f. 03.01.2025 as prescribed in the Ministerial Decision No. 1 of 2025.

Should you require assistance in understanding or implementing these changes, please feel free to reach out to discuss this in more detail.

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