

Levy on Mobile Phone Handset Imports

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Following the Council of Ministers Resolution Nos. 125/6/4 of 2012 dealing with the collection, recycling and safe disposal of mobile phone handsets in the United Arab Emirates (UAE), the Council of Ministers on 5 June 2012 issued Resolution No. 20 of 2012 (the "Resolution") imposing a levy on all mobile phone handsets imported into the UAE for the purpose of use within the UAE.

The levy is called the "Green Dirham" and shall consist of an amount of ten Dirhams per mobile phone handset. According to the Resolution, no mobile phone handset shall enter the UAE without the required levy having been paid. The Resolution will be effective within sixty days from the date of publication of the Resolution in the Official Gazette, which should be 29 August 2012.

The Resolution provides that the Minister of Finance will, in cooperation with the Minister of Environment and other relevant authorities, issue the necessary measures for the implementation of the Resolution.

Importers of mobile phone handsets should take note of the requirement for the payment of the new Green Dirham levy and the impact that it may have on the clearance of imported products through Customs.