

### UAE Guide: Overview

UPS first entered the Middle East in 1987 when it established import operations in Bahrain. UPS has since developed a comprehensive service portfolio combining local expertise in the Middle East market with UPS's international strength and high quality standards.

Location	Situated in Middle East, bordering the Gulf of Oman and the Persian Gulf, between Oman and Saudi Arabia	
Land Area	83,600 km2 (slightly smaller than US state of Maine)	
Main Cities	Seven emirates also named the main cities of each: Abu Dhabi (Capital), Dubai, Ras Al Khaimah, Ajman, Fujairah, Sharjah, Umm Al Quain	
Languages	Arabic (government/legislative), English	
Religion	Islam (75%)	
Top Industries  Petroleum and petrochemicals, fishing aluminum, cement, fertilizers, commer ship repair, construction material, aerospace, professional services, tour pharmaceuticals, steel, handicrafts, textospace.		
Top Trade Lanes	Exports: India 9.9%, Iran 8.9%, Japan 8.8%, Switzerland 8.5%, Oman 5.4%, UAE 5.1% (2016) Imports: UAE 7.4%, US 6.9%, India 6.8%, Germany 4.4% (2016)	

Currency: The Dirham, pegged to the US dollar at fixed 1 USD = 3.678 AED US is largest export market for the Middle East

Very low or non-existent import duties Population: 8 million (90% expats from over 200 nationalities)

Wealth: Per capita GDP is on par with Western European countries

## Top Export destinations from the UAE include:

- ✓ United States:
- ✓ Europe: machinery, instruments, plastic and linoleum products
- ✓ India:
- ✓ Africa:
- ✓ Far East:



#### **Top Import origins to the UAE include:**

- ✓ China:
- ✓ India: machinery, instruments, plastic and linoleum products
- ✓ United States:
- ✓ Germany: machineries, electronics, chemical products, measurement and control technology, iron and steel
- ✓ Japan: raw materials, general machinery



Source: CIA World Factbook (2016)



## **UAE** Guide: Competitive Advantage

# We make cross-border and international logistics and supply chain management easy



Where we really stand out is in facilitating your ability to do business there:

- Our team and technology make it easy to plan, ship and import.
- Our export tools enable you to:
- Find and manage harmonized tariff codes.
- Calculate landed cost estimates.
- Check compliance information.

What does this mean for you? Rely on UPS to get your items to the outer reaches of Qingdao as readily as we can get them to the inner reaches of Los Angeles.

When it comes to express delivery, nothing is more valuable than time. Or shall we say, the lack thereof? With UPS, you get an expansive network that has more delivery options to UAE than other carriers. And we offer the speed that can help you get to places faster helping youclaim more of the market as your own. Our shipping tools and technologies were designed around our customers, in order to centralize control, cut costs and increase productivity. They allow you to keep track of shipments for full visibility inbound and outbound, so you can always perform at your best.

## **UPS® Small Package Service Options in the UAE**



## **Worldwide Export & Import Express Services**

U	Services	Transit	Delivery	Package Type
	UPS Express Plus®	Next day	8- 10 am	Letter
	UPS Express®	1-2 days	By 12:00 pm	Letter / Package
TIME DEFINITE	UPS Express Freight® Midday	2-5 days	By 12:00 pm or 2:00 pm	Over 70 kg pallets
DAY DEFINITE	UPS Express Saver®	2-4 days	End of day	Letter / Package
	UPS Expedited®	3-5 days	End of day	Economy > 30 kg
	UPS Worldwide Express Freight®	2-5 days	End of day	Over 70 kg pallets



## **UAE Guide: Greater Options**

# How to get your items where they need to be, quickly and efficiently.

UPS offers the industry's widest range of time-definite and day-definite delivery services supported by technology solutions to make your work easier. With the added simplicity of dealing with one company, one driver and one invoice for all your export requirements.

When speed is a priority, UPS's international time-definite express portfolio offers the best options.

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	Shipping Services	to UAE	from UAE
Optional Services	UPS Broker of Choice™		•
	UPS Import Control™	•	•
	UPS Paperless® Invoice	•	•
	UPS Returns® - Print & Email	•	
	- Print Return Label	•	•
	- Email Return Label	•	•
	- Returns Plus - 1 UPS Pickup Attempt	•	
	- Returns Plus - 3 UPS Pickup Attempts	•	
	Saturday Delivery	•	•
Freight Transportation	UPS Air Freight Premium Direct®	•	•
	UPS Air Freight Direct®	•	•
	UPS Air Freight Consolidated <sup>™</sup>	•	•
	Ocean Freight - Full Container (FCL)	•	•
	- Less-Than-Container (LCL)	•	•
	- Preferred LCL	•	•
eig	Contractual Service UPS Trade Direct® Ocean		•
占	Contractual Service UPS World Ease®		-
Billing Options	Bill Shipper		
	Bill Receiver		
	Bill Third Party		
	Split Duty & VAT		



## UAE Guide: Clearance Information

### Local Clearance Experts and Trained Operators deliver Best in Class service

- ✓ Single, aligned clearance team for all shipment types, movements and commodities.
- ✓ Single window clearance for Air, Ocean and Cross-Border Middle East Road Freight
- ✓ Value Added Brokerage services: coordination of SASO documentation, UAE Importer Code applications & renewals, advance VAT payments and clearance for non-UPS shipments Coordination of SASO documentation
- ✓ Same day clearance and export of shipments originating from UAE Free Trade Zones (DAFZA, JAFZA, SAIF Zone) into local UAE market.

#### **Paperless Invoice**

UPS Paperless®Invoice is an industry first that promotes sustainability and eliminates the need for paper commercial invoices by integrating order and shipment processing, and transmitting commercial invoice data to enable clearance by customs offices across the globe. You can easily manage your paperless shipping lane preferences on a per-shipment basis, or by shipping lane, to gain even more flexibility

#### **Import Prohibited & Restricted Items**

- Food/drink products containing alcohol
- · All religious reading or educational materials
- · Animal skins (non-domesticated)
- Articles of exceptional value (e.g. works of art, antiques, precious stones, gold and silver)
- Dangerous goods/hazardous materials or Biological substances
- · Firearms and Ammunition
- Furs
- Ivory and ivory products
- Live animals
- · Money and negotiable items
- · Perishable goods
- · Personal effects (except to the U.S.)
- Plants
- · Pornographic materials
- Seeds
- Stamps of unusual value
- · Tobacco and tobacco products
- Unaccompanied baggage
- Electronic Cigarette
- Lithium Batteries (Excepted quantities are allowed on some GCC flights (in cargo mode only) but ALWAYS requires the following documentation: Chamber attested invoice, Certificate of Origin, and MSDS)
- Dubai Customs

#### **Customs Clearnace Clarification**

Use this glossary to understand how the items you ship are defined by UAE customs. This will help with a speedy clearance process for all your deliveries.

#### **Document Shipment**

A shipment generally containing written, typed or printed communication of no commercial value. Document shipments are usually considered non-dutiable shipments and generally do not require export documentation (commercial invoice, etc.). Use the <u>Country Regulations</u> tool to confirm your shipment to UAE is defined as a document.

#### Non-Document/Dutiable

Any commodity not meeting the document qualifications of UAE.

#### Non-Dutiable

Goods that, due to their nature and/or value, are considered exempt from customs duty, usually based on value, weight or quantity. The type of goods that are considered non-dutiable may vary by country.

#### Samples

A low-value commodity that essentially has no commercial value. For textile goods to qualify as a sample, they must be mutilated or marked to render them not suitable for commercial use.

#### Add link:

https://www.dubaicustoms.gov.ae/en/eServices/ServicesForIndividuals/ViewCustomsInformation/Pages/Prohibited-and-Restricted-Goods.aspx



## UAE Guide: Shipping Information

# No one knows The UAE like we do, from importing to exporting we have the region covered.

In a place where people shop for the world's most luxurious goods and brands, understanding importing and exporting is absolutely key. But don't worry, when UPS is your logistics partner, our expertise is your expertise. Use the information below to get you started, but know that we are also available to answer any of your specific questions. So whether you need links to

imports forms or just to verify the regulations relating to exporting the world's most perfect pearls, we're here to help.

#### **De Minimums Value**

- •Courier or express shipments below AED 1,000 (USD 270) are considered as Low Value. 5% VAT is applicable on Customs Value, Insurance & Freight (CIF)
- •Courier and express shipments above AED 1,000 (USD 270) are considered as High Value. Commercial customers must provide valid Importer or Exporter codes for clearance. 5% VAT is applicable on (CIF + Excise Tax + Customs Duty + Customs Fees)
- •UPS disbursement fee of AED 75 (USD 20) or 2% of the advance amount applies. UAE VAT TRN number linked to the Importer Code is required to clear inbound shipments.

#### **Remote & Extended Areas in UAE**

Delivery to the below areas are arranged twice a week only to several areas, including but not limited to: Baniyas Island, Khalifa city, Zayed Military City, and Hydra village.

Complete list of Remote & Extended Areas in UAE:

https://www.ups.com/ae/en/shipping/zones-and-rates/areasurcharge.page

Collection and Delivery Service to these areas are calculated at AED 2.00 per kg or AED 109 (USD 30) minimum, whichever is greater, per delivery.

#### Weight & Size Limits into UAE

Max weight: 70 kg (150 lbs.) per package

Max length: 274.0 cm (107.9 inches) per package

Max girth: 419 cm (165 inches) per package

Max Dimension: 279cm x 179cm x 170cm per skid

Max Weight: 2000 Kg per skid

#### **UAE Customs Forms and Downloads**

<u>Commercial Invoice</u> (See UPS Paperless® Invoice solution below.)

Chamber attested invoice (Lithium Batteries)

MSDS (Material Safety Data Sheet)

Packing List

#### **Certificate of Origin:**

https://www.ups.com/ae/en/help-center/packaging-and-supplies/export/us-origin.page?

<u>Electronic Export Information</u> (for any one commodity line level with a value over \$2,500 or for any licensable shipment at any value)

**Import Power of Attorney** 

**Bonds** 

To learn more about how to complete these forms, <u>download this</u> <u>detailed reference guide</u> that provides step-by-step instructions.

#### **Registering for Value Added Tax (VAT)**

Effective from 1<sup>st</sup> January 2018, UAE companies are required to pay VAT on services and goods, as per Federal Tax Authority regulations.

All importers must have a valid Importer Code linked to their TRN number issued by the FTA to ensure VAT are paid accordingly.

A UPS VAT Admin fee will be applicable to VAT amounts paid on behalf of customers where the above requirements are not in place.

#### For FTA Log in and for registrations:

https://eservices.tax.gov.ae/en-us/login

#### For Frequently asked questions related to VAT in the UAE:

https://www.tax.gov.ae/faq.aspx



## UPS Export Guide: UAE to Gulf Cooperative Countries (GCC)

#### Fenced Free Zone to Row & GCC

Jebel Ali FZE & Dubai Airport FZE

#### Air waybill copy

Itemized invoice must contain HS Code & country of manufacture of goods, quantities, values, currency, description of goods

#### **Delivery Advice**

Valid customs business code

Copy/Ref No. of BOE under which goods were originally imported

#### **Unfenced Free Zone to GCC\***

DMCC/JLT, Silicon Oasis, Media City, Internet City, DIFC, Healthcare City, Production City

#### Air waybill copy

Itemized invoice must contain HS Code & country of manufacture of goods, quantities, values, currency, description of goods

#### **Delivery Advice**

Valid Dubai customs business code for shipper and GCC consignee

Copy/Ref No. of BOE under which goods were originally imported

Customs duty applicable

Makasa stamp to confirm the duty payment

GCC importer must be registered with Dubai Customs

#### **Local Export GCC**

Anywhere in UAE excluding Free Zones

#### Air waybill copy

Itemized invoice must contain HS Code & country of manufacture of goods, quantities, values, currency, description of goods

Valid customs business code for shipper

Makasa required – Original duty paid declaration + copy of previous import invoice

## SAIF Zone Exports Export to ROW/GCC

Anywhere in UAE excluding Free Zones

#### Air waybill copy

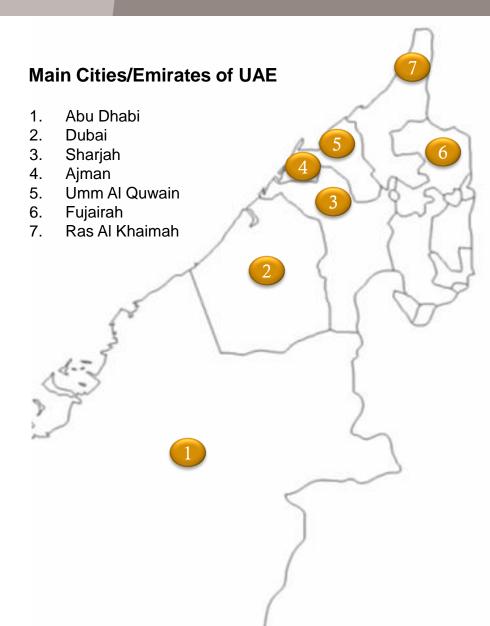
Itemized invoice must contain HS Code & country of manufacture of goods, quantities, values, currency, description of goods

Valid customs business code for shipper

Import BOE copy/s and reference – Must include the summary of items being included



## UAE Guide: 7 Emirates & Industries



#### **UAE Population:**

The UN estimated the country's total population was 9,400,145 as of mid-year 2017; immigrants make up more than 88% of the total population, according to UN data (2017)

Population is heavily concentrated to the northeast on the Musandam Peninsula; the three largest emirates - Abu Dhabi, Dubai, and Sharjah - are home to nearly 85% of the population

#### Abu Dhabi

- Capital of the United Arab Emirates
- Sits off the mainland on an island in the Persian (Arabian) Gulf.
- Its focus on oil exports and commerce is reflected by the skyline's modern towers and shopping mega centers
- The vast Sheikh Zayed Grand Mosque features an immense Persian carpet, crystal chandeliers and capacity for 41,000 worshipers.
- Population: 1.42 million (2018)

#### Dubai

- -for luxury shopping, ultramodern architecture and a lively nightlife
- -Burj Khalifa, an 830m-tall tower, dominates the skyscraper-filled skyline.
- -On artificial islands just offshore is Atlantis, The Palm, a resort with water and marine-animal parks.
- -Population: 2.785M (2018)

#### Sharjah

- Concentrated in two free zones and 19 industrial zones
- industry and manufacturing sector benefits from the emirate's low cost base, developed infrastructure and connectivity, and proximity to facilities in Dubai.
   Sharjah is one of the most important industrial and manufacturing centres in not only the UAE, but also the wider GCC region.

Population: 1.571 million

#### Fujairah

 fishing and agriculture. Its land is irrigated by rainwater from the Hajjar mountains.

Due to its strategic position, it is the UAE's only access to the Indian Ocean. It operates a multipurpose port that offers access to the major shipping routes of the world

Other local industries include mining and stone crushing which have benefited from the recent boom in construction in Dubai and Abu Dhabi.

#### Ajman

Ajman is the smallest of the United Arab Emirates, covering only 260 square kilometres (100 sq mi). The city lies on the coast of the Persian Gulf and is home to some 95% of the emirate's population.

Ajman Free Zone & Ajman Port

- -major contributors to the emirate's economy
- -With capacity to accommodate 1500 companies and serving over 1,000 vessels a year, and Exporting to over 65 countries,
- -the Free Zone's companies comprise something like 20% of the UAE's overall industrial units, with some 256 industrial companies operating from the zone

#### Umm Al Quwain

<u>Umm Al Quwain</u> is the second smallest and the least populated emirate in the UAE. Land is equivalent to 1 per cent of the UAE's area.

The emirate exports seafood throughout Europe and Middle East. The first poultry farm in the UAE was established in Falaj Al Mualla. It is considered a key supplier of poultry and dairy products to the local market. The construction of Ahmed Bin Rashid Port and the <a href="Free Trade Zone">Free Trade Zone</a> signifies the emirate's plans towards expanding its commercial and investment base.

#### Ras Al Khaimah

It was renowned for its prosperous port and exquisite pearls, which were the whitest and roundest in the world

RAK Free Trade Zone Authority embodies more than 8,600 companies from over 100 countries, representing more than 50 industry sectors. RAK Investment Authority (RAKIA) is a fully equipped business and industrial region offering competitive free zone and non-free zone facilities in a dynamic environment



## UAE Guide: Shipping Checklist

#### 1. Select an International Service

Now that you've familiarized yourself with the regulations in UAE, choose the UPS International shipping services that best fit your import and export needs, from guaranteed delivery times to destinations and more. Choose an international service <a href="here">here</a>. Use the following additional links to help you make your decision:

Calculate times and costs of specific services.

# 2. Choose an International Billing Option

Different businesses have different billing needs. UPS international billing offers a variety of options to best fit the requirements of your specific business model. Choose a billing option <a href="https://example.com/here">here</a>.

#### 3. Prepare Your Shipping Label

You are now ready to prepare your shipping label. Use the following UPS Internet Shipping link to complete labels, fill out forms and make your payments. Fill out necessary forms and labels <a href="https://example.com/here/">here</a>.

### 4. Create Required Documentation

Now that you've selected your shipping and billing options, let UPS guide you through the process of filling out each of the required export or import forms you'll need to get your shipment to its final destination.

Import/Export Documentation link to:

https://www.ups.com/ga/CountryRegs?loc=en\_US)

# 5. Entrust It to Your Worldwide Delivery Partner

It's time to let UPS handle it from here. You can either drop off your shipment to one of the UPS locations near you. We'll gladly pick up all of your ground, air and international shipments for a single fee, regardless of how many packages you have. Find a drop-off location <a href="here">here</a>. Schedule a pick-up here.

#### 6. Check Your Shipment Status

Your shipment may have left your hands, but it hasn't left your sight. Use your UPS package's tracking number to access information about your shipment at any point in the delivery process. You can receive information online at ups.com, by email or through optional services.

Track your shipment <u>here</u>. Learn about more ways to track <u>here</u>.

That's all there is to it. And it will get easier every time you do it. Keep this guide as a reference, and thank you once again for choosing UPS as your global delivery and logistics partner.

### Selling in UAE?

Souq.com is an English-Arabic language e-commerce platform, owned by Amazon, Inc. It is the largest e-commerce platform in the Arab world. As of March 2017, it sold over 8.4 million products in 31 categories, including "consumer electronics, fashion, health and beauty, household goods and baby." It also had around 45 million visits per month. It was the largest e-commerce platform in the Arab world as of 2016, often described as the <a href="Manazon">Amazon</a> of the <a href="Middle East">Middle East</a>. As of 2014, the site delivered to the <a href="United Arab Emirates">United Arab Emirates</a>, <a href="Saudi Arabia">Saudi Arabia</a>, <a href="Kuwait, Egypt">Kuwait</a>, <a href="Egypt">Egypt</a>, <a href="Bahrain">Bahrain</a>, <a href="Oman">Oman</a>, and <a href="Qatar.">Qatar</a>. <a href="Qatar.">[10]</a>

Learn more  $\underline{\text{here}}$ . Visit ups.com/ae or call UPS Customer Service at 600544743 in the UAE.



## UAE Guide: Resources & Glossary

#### **Online Tools**

Convenient links below to help you with your shipping needs.

<u>Calculate Time and Cost</u>: Find delivery dates, time and shipping costs for UPS services.

<u>Import/Export Country Regulations</u>: Find country-specific facts and requirements that may impact your international shipment.

Days of Operation: Find UPS-observed holidays in UAE.

<u>UPS Import Control®</u>: Take control of your inbound international shipments. <u>Quantum View Manage™</u>: Get up-to-date information about shipments you send, or those you're expecting, from one Web-based tool that is easily customizable.

#### **Helpful links**

Dubai Customs - www.dubaicustoms.ae

Dubai Trade - <u>www.dubaitrade.ae</u> (Processing of customs declarations and all customs related e-services)

Abu Dhabi Customs - www.auhcustoms.gov.ae/Home.aspx

Sharjah Customs – <u>www.sharjahcustoms.gov.ae</u>

E-portal Shj Customs -

<u>www.eportal.sharjahcustoms.gov.ae/sspc/default.aspx</u> (Processing of customs declarations)

Federal tax Authority - www.tax.gov.ae

Customers must register with the below authorities to obtain import permits or duty exemption

Telecommunications Regulatory Authority - <u>www.tra.gov.ae</u>

Dubai Municipality - www.dm.gov.ae

Ministry of Health - www.mohap.gov.ae/en/Pages/default.aspx

Federal Nuclear Authority - <u>www.fanr.gov.ae</u> / <u>www.elicense.fanr.gov.ae</u>

National Media Council - www.nmc.gov.ae

Ministry of Foreign Affairs - www.mofa.gov.ae

Industrial Exemption -

https://services.economy.ae/m/Pages/ServiceCard.aspx?WFID=5 (For industrial license holders)

#### **UPS Cost Definitions**

UPS offers a variety of billing options to fit your business:

#### **Options**

Charges can be billed to the shipper, receiver or a thirdparty payor. Charges for international shipping typically include freight, duties and taxes.

Customers using UPS's automated shipping systems can choose to have the shipping charges billed to one party and duties and taxes to another. Or, via the "Split Duty VAT" (SDV) option, customers can bill the freight and duty to one party and the tax/VAT to another.\*

Here are just some of the many UPS international billing options you may choose from.

Shipper pays shipping costs; receiver pays duties and taxes.

Receiver pays all charges (also referred to as "Freight Collect").

Shipper pays all charges (also referred to as "Delivery Duty Paid" or "Free Domicile").

Shipper pays shipping charges; a third party (could be in another country) pays the duties and taxes.

Unless otherwise indicated, shipping charges are billed to the shipper's UPS account number and the consignee or receiver pays duties and taxes.

Note: A "Duties and Tax Forwarding Surcharge"\* is applied whenever the shipper requests that the duties and taxes be billed to a payor outside the destination country. The third party's UPS Account Number is required. \*The UPS paper waybill does not support the SDV billing option

Short Form	Full form and description
Importer/ Export Code	A code issued by the customs authorities for the purpose of processing customs declarations
VAT	Value Added Tax (Effective 1st Jan 2018)
TRN	Tax Registration Number
LV	Low Value (Courier shipments with a value below AED 1000 / USD270
HV	High Value (Courier shipments with a value above AED1000 / USD 270
IOR/EOR	Importer of Record / Exporter of Record
Free Zone	Customs controlled zone whereby shipments can be imported and stored without paying customs duties
Bill of Entry (BOE)	Also known as a customs declaration that is prepared when importing a shipment
Export Declarati on (BOE)	A customs declaration that is processed prior to export of a shipment. Known as Bill of Export
Returns Process	Goods being returned to the point of origin
Customs Duty	Applicable on shipments being imported into the mainland excluding free zones