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## **Client Alert: New customs rates to be applied in Iraq as of 1 January 2018**

**By Ahmed Al-Janabi**

*The Iraq General Commission of Customs (“IGCC”) has issued a statement announcing the amendment of customs duties payable on different goods, based on the Council of Ministers Resolution No. 393/2017, which provides for the unification of the different customs duty rates into smaller groups of categories.*

A copy of the IGCC statement is available in Arabic at the link below: <http://www.customs.mof.gov.iq/node/523>

An English translation of the revised customs chart is set out below.

The decision provides that there shall only be four customs duty rates 0.5%, 10%, 15% and 30% for 21 main categories provided for in Law No. 22 of 2011 promulgating the Customs Duty Law. The classification is the Harmonized Commodity Description and Coding System maintained by the World Customs Organization

These changes have resulted in an increase of the customs duties for specific items and a decrease in others.

The IGCC statement was issued on or around 8 January, applying the new rates as of 1 January 2018, but the rates will not be applied retroactively and only for new goods entering Iraq after the announcement date.

The Council of Ministers and the IGCC do not have the legislative authority to effectively amend the 2010 Customs Duty Law which should be amended by the Iraqi parliament. The new rates are also inconsistent with article 28 of the Iraqi constitution which prohibits levying, amending, or collecting taxes or other “fees” except with a law promulgated by the Iraqi parliament. Even so, it is not uncommon for the Iraqi Council of Ministers to amend the application of certain laws and it remains to be seen whether the new customs rates will be challenged and what position the Iraqi courts will take in such case.

No.	Classification	Product	Unit	Customs Duty
1.	Section 1: Live animals and animal products	Live animals	Kg.	10%
2.		Edible meat and offal	Kg.	10%
3.		Fish, crustaceans, mollusks and other aquatic invertebrates	Kg.	10%
4.		Dairy and dairy products, eggs of birds, natural honey, edible products of animal origin not elsewhere specified or included	Kg.	10%
5.		Other products of animal origin not elsewhere specified or included	Kg.	10%
6.	Section 2: Plant Kingdom Products	Other living trees and plants, bulbs, roots and the like, cut flowers and ornamental foliage	Kg.	10%
7.		Edible vegetables, plants, roots and tubers	Kg.	10%
8.		Edible fruits, citrus peel and melon or melon husks	Kg.	10%
9.		Coffee, tea, mint, spices and condiments	Kg.	10%
10.		Grains	Kg.	10%
11.		Products of the milling industry, malt, starches of seeds, root tubers, insulin (amyloid), wheat gluten	Kg.	10%
12.		Oleaginous grains, seeds and fruits, miscellaneous grain, seeds and fruit, industrial and medicinal plants, straw and fodder	Kg.	10%
13.		Lac, gum, resins and other plant extracts and juices	Kg.	10%
14.	Other products of plant origin not elsewhere specified or included	Kg.	10%	
15.	Section 3: Animal and vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable wax	Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable wax	Kg.	10%
16.	Section 4: Food industry products, beverages liquid alcohol, vinegar, tobacco and manufactured tobacco substitutes	Preparations of meat, fish, crustaceans, mollusks or other aquatic invertebrates	Kg.	10%
17.		Sugar and sugar confectionery	Kg.	10%
18.		Cocoa and its preparations	Kg.	10%
19.		Preparations based on grain, flour or starch or milk, pies	Kg.	10%
20.		Preparations of vegetables, fruit and other parts or preparations of other parts of plants	Kg.	10%
21.		Miscellaneous food preparations	Kg.	10%
22.		Miscellaneous edible preparations, beverages, spirits and vinegar	Kg.	30%
23.		Residues and waste from food industries, prepared animal fodder	Kg.	10%
24.	Tobacco and manufactured tobacco substitutes	Kg.	30%	
25.	Section 5: Mineral Products	Salt, sulfur, earths and stones, plaster, lime and cement	Kg.	15%
26.		Ores, slag and ash	Kg.	15%
27.		Mineral fuels, mineral oils and products of their distillation, bituminous substances; mineral waxes	Kg / ton / liter	15%
28.		Section 6: Products of the chemical industry or related industries	Inorganic chemical products, organic or inorganic compounds of precious metals, of rare earth metals, of radioactive elements or of isotopes	Kg.
29.	Organic chemical products		Kg.	10%
30.	Pharmaceutical products		Kg.	10%
31.	Fertilizers		Kg.	10%

No.	Classification	Product	Unit	Customs Duty
32.		Tanning and dyeing extracts, tanning materials and their by-products, dyes and pigments; other coloring material, paint and varnishes, plasters and ink	Kg.	10%
33.		Aromatic oils and extracts of resinous substances, perfumery, cosmetic and toiletry preparations	Kg.	10%
34.	Section 6: Products of the chemical industry or related industries ( <i>repeat, sic</i> )	Soap, organic surface agents (organic laundries) washing preparations, lubricating preparations, artificial wax, prepared waxes, polishing and scouring preparations, light candles and similar items, modeling pastes, dental waxes and dental preparations based on plaster	Kg.	10%
35.		Albuminoidal substances, materials based on modified starch, glues, enzymes	Kg.	10%
36.		Gunpowder and explosives, Pyrotechnic products, Matches, Metal alloys for ignition, Certain flammable materials	Kg.	10%
37.		Photographic or cinematographic products	Kg.	10%
38.		Miscellaneous chemical products	Kg.	10%
39.	Section 7: Plastics and articles thereof, rubber and articles thereof	Plastics and plastic products	Kg.	10%
40.		Rubber and rubber products	Kg.	10%
41.	Section 8: Raw hides, skins and tanned skins, skins with fur and articles thereof, animal equipment and saddles, travel accessories, handbags and similar articles of animal gut (other than silkworms)	Raw hides and skins (other than fur skins) and tanned leather	Kg.	15%
42.		Articles of animal or wild animal leather, travel supplies (luggage), handbags and similar articles of animal gut (other than silkworm)	Kg.	15%
43.		Natural fur, artificial fur (furskins) and articles thereof	Kg.	15%
44.	Class 9: Wood and articles thereof, wood charcoal, cork and articles thereof, articles of straw esparto, and other braiding materials, and wicker and basketware	Wood and wood products, wood charcoal	m <sup>3</sup>	15%
45.		Cork and articles thereof	-	15%
46.		Articles of straw, esparto and other braiding materials, articles of the wicker and basket ware industry	Kg.	15%
47.	Section 10: Pulp of wood or other fibrous cellulosic material Paper and paperboard (waste and scrap) for reprocessing Paper, paperboard and articles thereof	Pulp of wood or other fibrous cellulosic material Paper and paperboard (waste and scrap) for reprocessing	Kg.	15%
48.		Paper and paperboard (cardboard) Articles of cellulose pulp and paper or paperboard	Kg.	15%
49.		Books, newspapers, photographs, and other printing and publishing products, hand-printed manuscripts and designs	Kg.	15%

No.	Classification	Product	Unit	Customs Duty
50.	Section 11: Textile articles and articles thereof	Natural Silk	Kg.	15%
51.		Wool, fine and course animal hair, woven yarn of horse hair	Kg.	15%
52.		Cotton	Kg.	15%
53.		Other plant textile fibers, paper yarn and woven fabrics thereof	Kg.	15%
54.		Synthetic or artificial filaments	Kg.	15%
55.		Synthetic or artificial staple fibers	Kg.	15%
56.		Wadding, felt and nonwovens, special yarns, twine, ropes, and articles thereof	Kg.	15%
57.		Carpets and other floor coverings of textile materials	m <sup>2</sup>	15%
58.		Special woven fabrics, velvet textile fabrics, lace, trimmings, embroideries	m	15%
59.		Woven, coated, covered or table woven fabrics, textile articles for technical and industrial use	Kg.	15%
60.		Knitted or crocheted fabrics	m	15%
61.		Clothes and accessories of clothing, knitted or crocheted	dozen	15%
62.		Clothes and accessories, not knitted or crocheted	dozen	15%
63.		Other readymade textile articles, sets, used clothing and other used textiles, rags	Number / Kg.	15%
64.	Section 12: Footwear, headgear, rain umbrellas and sun umbrellas,	Shoes, gaiters and the like, parts of these items	Pair	15%
65.	walking sticks, seat sticks, whips, riding crops whips and parts thereof, prepared feathers and articles thereof, artificial flowers, articles of human hair	Head coverings and parts thereof	Number/d ozen	15%
66.		Rain umbrellas and sun umbrellas, walking sticks, seat sticks, whips and riding crops, and their parts	Number	15%
67.		Feathers and articles thereof, artificial flowers, articles of human hair	Kg.	15%
68.	Section 13: Articles of stone, plaster, cement, asbestos (asbestos, ammonia), mica or similar materials, articles of ceramics, glass and articles thereof	Articles of stone, plaster, cement, asbestos (asbestos, ammonia), mica or similar materials	Ton	15%
69.		Ceramic products	Ton	15%
70.		Glass and articles thereof	Number / m <sup>2</sup> / Kg.	15%
71.	Section 14: Natural or cultured pearls, precious or semi- precious stones, precious metals, base metal clad with precious metal, articles of this material, imitation jewelry, coins	Natural or cultured pearls, precious or semi-precious stones, precious metals, base metal clad with precious metal, articles of this material, imitation jewelry, coins	Gram / Kg.	0.5%

No.	Classification	Product	Unit	Customs Duty
72.	Section 15: Ordinary metals and articles thereof	Cast iron (cast iron), iron and steel (steel)	Ton	10%
73.		Articles made of cast iron (cast iron)	Number / Ton / Kg.	10%
74.		Copper and articles thereof	Number / Ton / Kg.	10%
75.		Nickel and articles thereof	Ton / Kg.	10%
76.		Aluminum and articles thereof	Number / Ton / Kg.	10%
77.		<i>A reserve chapter for possible future use of the Harmonized System</i>	-	10%
78.		Lead and articles thereof	Ton	10%
79.		Zinc and articles thereof	Kg. / Ton	10%
80.		Tin and articles thereof	Ton	10%
81.		Other base metals, cements, and articles thereof	Kg.	10%
82.		Cutlery, tableware, spoons & forks, of base metal, of base metal parts	Number	10%
83.		Miscellaneous metals	Number	10%
84.		Section 16: Machinery and mechanical equipment, electrical equipment and parts thereof, sound recording and broadcasting apparatus, sound and video recording and broadcasting apparatus for television and radio (parts and accessories)	Nuclear reactors, boilers, machinery, mechanical machinery and tools, parts thereof	Number
85.		Machines, electrical equipment, parts thereof, sound recording and broadcasting apparatus, recording and broadcasting apparatus for image and image in television and parts and accessories thereof	Number	30%
86.	Section 17: Transportation Equipment	Railway locomotives, rolling-stock, railway equipment and similar items and parts thereof, automatic signaling or electromechanical signaling equipment transport routes	Number	15%
87.		Cars, tractors, bicycles, vehicles and other vehicles, parts and accessories thereof	Number	15%
88.		Air vehicles, spacecraft and parts thereof	Number	15%
89.		Ships, boats and floating structures	Number	15%
90.	Section 18: Optical, photographic, cinematographic measuring, or	Optical, photographic, cinematographic measuring, or inspection, monitoring precision measuring and setting, medical and surgical tools and parts and accessories of these instruments and apparatus	Number	15%
91.		Watches and parts thereof	Number	15%

No.	Classification	Product	Unit	Customs Duty
92.	inspection, monitoring precision measuring and setting, medical and surgical tools and instruments, clockwork materials, musical instruments, parts and accessories of these instruments and apparatus	Musical instruments, parts and accessories thereof	Number	15%
93.	Section 19: Weapons and ammunition, parts and accessories thereof	Weapons and ammunition, parts and accessories thereof	Number	30%
94.	Section 20: Miscellaneous Goods and Products	Furniture, medical and surgical furniture, bedding items (mattresses, mattress-holders, cushions and similar stuffed articles), lighting fixtures not elsewhere specified or included, illuminated signs, illuminated billboards or guides, and articles, prefabricated buildings	Number	15%
95.		Toys, games and social games, entertainments or sporting goods, parts and accessories thereof	Number	15%
96.		Miscellaneous products	Number	15%
97.	Section 21: Artwork, collectible items and antiques	Artwork, collectible items and antiques	Number	30%

**If you would like more information about this topic then please contact us.**

Ahmed Al-Janabi  
Partner  
Baghdad / Basra  
[aj@amereller.com](mailto:aj@amereller.com)

**BAGHDAD** | MENA Associates in association with Amereller | Kawakeb Building (opposite Rabat Hall) | Maghreb Street | Baghdad | Iraq | t: +964 743 530 1761

**BASRA** | MENA Associates in association with Amereller | Sayid Ameen Street | Bradeya | Basra | Iraq  
t: +964 780 000 8383 | t: +1 801 839 2403

**ERBIL** | MENA Associates in association with Amereller | Gulan Street English Village House No. 56 | Erbil | Kurdistan Region of Iraq | t: +964.750.346.0444

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