~ New gold import rules in Dubai and the UAE ~

UAE introduces new Gold Import Rules

With up to $1.36m in fines for businesses in breach.

As of January 1, 2023, Dubai and the UAE has import restrictions on gold. The new regulations are drawn up in accordance with the Organization for Economic Cooperation and Development's guidelines and the Gold Annex.

The UAE introduced a new set of regulations for gold imports in line with international standards designed to combat money laundering, terrorist financing, and illegal organizations.

According to the Observatory of Economic Complexity (OEC), the UAE imported $38.4 billion in gold in 2020, making it the world's fourth largest gold importer.

The Council for the Promotion of Exports of Gems and Jewelry in India reported that India's exports of plain gold jewelry to the UAE increased, after the UAE waived customs duties on imports from India. Imports grew by 72 percent from last year to 10.48 billion rupees ($131.16 million).

The guidelines, announced by the Ministry of Economy (MoE), are the latest in a series of initiatives launched by the UAE to strengthen control of gold trade and circulation in accordance with international standards.

GUIDING PRINCIPLES

The new policy, which governs the responsible supply of gold by precious metals importers and refiners, aims to solidify the UAE's position as a leading global bullion hub.

Infringers will face fines ranging from 50,000 dirhams to 5 million dirhams ($13,623,000 to $1.36 million).

The new provisions must be followed and implemented by regulated businesses. These include companies that operate refineries and recycle gold products both within and outside of countries.

The initiative includes the formation of the UAE Gold Bullion Committee to coordinate national efforts to strengthen control over the gold sector, with private sector participation, and to establish a federal platform for gold trade.

In November 2021, the UAE unveiled the "Emirates Standard for Good Delivery of Gold", which is a voluntary national standard for the gold sector that aims to provide a framework that favors the best specifications in gold delivery and circulation mechanisms.

The gold import regulations went into effect in January 2023. They are drafted in accordance with the Organization for Economic Cooperation and Development's Gold Annex.

According to the Ministry of Economy, the regulations are expected to boost the competitiveness of the UAE's business and investment environment.

Safeya Al Safi, Director of the Anti-Money Laundering Department at the Ministry of Economy, said "Adherence to these guidelines is mandatory for all gold refineries operating in the country, taking into account international best practices and the findings and recommendations of the Financial Action Task Force (FATF), and consolidating the UAE's position as a major player in supply chains and global trade routes for the gold sector."

During a media briefing organized by the ministry, she added that the new regulations support the legislative system to combat money laundering and terrorism, in accordance with the guidelines of the Organization for Economic Cooperation and Development and its gold annex, which would improve the commercial and investment environment's competitiveness and raise it to pioneering levels, enhancing the national economy's reputation on regional and global levels.

The regulations for due diligence in gold supply specify the facilities subject to control, and they include companies operating in the field of gold refining and refineries, as well as the recycling of gold products both inside and outside the country, which fall under the precious metals and gemstones trade sector, which is further classified as specific non-financial businesses and professions.

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