KPMG

Tax update!

New excise tax regime for sugary sweetened beverages

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Dear All,

Qatar's new Excise Tax regime for Sugary Sweetened Beverages (SSBs) has been in effect since **6 July 2026**

affected businesses.

Key Compliance Requirements:

Businesses should assess their exposure and take the following actions:

- Identify products that fall within the scope of SSBs, including concentrates, powders, extracts, and similar products intended to be converted into beverages.
- Determine the applicable sugar tier and obtain supporting laboratory reports where required.
- Register relevant products through the Dhareeba portal.
- Review ERP, inventory, finance, and reporting processes to ensure compliance readiness.
- Perform an inventory analysis and reconcile inventory held as of the implementation date.

Important: Transitional Declaration Obligations

A key requirement under the new regime is the submission of a **Transitional Declaration** that businesses holding in-scope SSBs for commercial purposes as of **5 July 2026** are required to submit a Transitional Declaration through the Dhareeba portal.

Key considerations include:

- Businesses holding **less than 200,000 liters** of in-scope inventory may still be required to submit a declaration, although no tax may ultimately be payable depending on the products held.

- Businesses holding **200,000 liters or more** must submit a Transitional Declaration together with an **audited inventory report and pay tax (if any).**
- Tax liability is determined based on the sugar or sweetener content of products rather than inventory volume alone. As a result, businesses may exceed the threshold while still having limited or no tax exposure for certain products.

The Transitional Declaration should be submitted within **90 days from 6 July 2026**, with any tax due payable within **30 days from the date of filing**.

HS Codes and Customs Considerations

The GTA has also emphasized the use of **Harmonized System (HS) Codes** as part of the implementation of the new regime. The General Authority of Customs (GAC) has enhanced its integration with the GTA and activated new HS codes for excise goods, including SSBs.

Businesses should therefore review their customs classifications, product master data, and import processes to ensure that products captured under relevant HS Codes are appropriately assessed for Excise Tax purposes. This review should be undertaken alongside product registration, inventory assessments, and transitional declaration obligations.

Our indirect tax, tax technology, and audit teams can support businesses with:

- Excise tax impact assessments and readiness reviews.
- Product classification, sugar tier analysis, and registration requirements.
- Transitional declaration and inventory verification support.
- ERP, POS, reporting, and process readiness reviews.
- Preparation for upcoming quarterly excise tax reporting.
- Development of audit-ready documentation and ongoing compliance support.

If you have any questions or would like to discuss this further, please contact us.

Best regards,

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