

## **Federal Law No. (7) of 2017 Concerning the Tax Procedures**

**We Khalifa Bin Zayed Al Nahyan,                      President of the United Arab Emirates**

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competences of the Ministries and the Powers of Ministers as amended;
- Federal Law No. (5) of 1975 Concerning the Commercial Register;
- Federal Law No. (11) of 1981 Regarding the Imposition of a Federal Customs Tax on Imports of Tobacco and its derivatives as amended;
- Federal Law No. (5) of 1985 Promulgating the Civil Transactions Law as amended;
- Federal Law No. (3) of 1987 Promulgating the Penal Code as amended;
- Federal Law No. (10) of 1992 Promulgating the Law of Evidence in Civil and Commercial Transactions, as amended;
- Federal Law No. (11) of 1992 Promulgating the Civil Procedures Law as amended;
- Federal Law No. (35) of 1992 Promulgating the Criminal Procedures Law as amended;
- Federal Law No. (18) of 1993 Promulgating the Commercial Transactions Law;
- Federal Law No. (17) of 2004 on Combating Commercial Fronting;
- Federal Law No. (1) of 2006 on Electronic Transactions and Commerce;
- Federal Decree Law No. (11) of 2008 Concerning the Human Resources in the Federal Government, as amended;
- Federal Decree Law No. (1) of 2011 Concerning the General Revenues of the State;
- Federal Decree Law No. (6) of 2012 on Regulating the Translation Profession;
- Federal Decree Law No. (12) of 2014 on Regulating the Auditor Profession;
- Federal Decree Law No. (2) of 2015 Concerning the Commercial Companies;
- Federal Decree Law No. (9) of 2016 Concerning Bankruptcy;

- Federal Decree Law No. (13) of 2016 Establishing the Federal Tax Authority; and
- In consideration of the proposal submitted by the Minister of Finance, as approved by the UAE Cabinet and Federal National Council and endorsed by the Federal Supreme Council

**Hereby enact the following law:**

## **Section One**

### **Definitions and Scope of Application**

#### **Article (1)**

#### **Definitions**

Upon applying the provisions hereof, the following words and phrases shall have the meanings assigned thereto respectively, unless otherwise required by the context:

<b>The State</b>	: The United Arab Emirates.
<b>Minister</b>	: The Minister of Finance.
<b>FTA</b>	: The Federal Tax Authority.
<b>Director General</b>	: The Director General of FTA
<b>Committee</b>	: Tax Dispute Settlement Committee
<b>Competent Court</b>	: The federal court within the jurisdiction of which the headquarters of FTA or any of its branches is located.
<b>Tax</b>	: Each federal tax the management, collection and implementation of which is the responsibility of FTA.
<b>Tax Law</b>	: Any federal law whereby a federal tax is levied.
<b>Person</b>	: The natural or legal person
<b>Business</b>	: Any activities carried out regularly, continuously and independently by any person anywhere, such as the industrial, commercial, agricultural, professional, craft, service or drilling activities or any activity related to the use of tangible or intangible property.
<b>Taxable Person</b>	: A person who is subject to taxation in accordance with the provisions

	of the concerned tax law.
<b>Taxpayer</b>	: Any person required to pay tax in the State under the tax law, whether a taxable person or end consumer.
<b>Tax Return</b>	: The information and data specified for taxation purposes and provided by the taxable person, according to the form designated by FTA.
<b>Tax Period</b>	: A specified time period for which the due tax is required to be assessed and paid.
<b>Tax Registration</b>	: It is a procedure whereby the taxable person or its legal representative registers its name in FTA for tax purposes.
<b>Tax Registration Number</b>	: It is a special number issued by FTA for each registered person for tax purposes.
<b>Registered Person</b>	: The taxable person who has a tax registration number.
<b>Legal Representative</b>	: The manager of a particular company, or the guardian, trustee or curator with regard to incapacitated persons, or the court-designated Receiver with regard to a company undergoing bankruptcy, or any person legally appointed to represent another person.
<b>Due Tax</b>	: A tax that is assessed and levied under the provisions of any tax law.
<b>Payable Tax</b>	: A tax that is due for payment to FTA.
<b>Administrative Fines</b>	: Sums of money imposed on the person by FTA due to violation of the provisions of this Law or the tax law.
<b>Recoverable Tax</b>	: The amounts already paid and which FTA may refund in whole or in part to the taxpayer based on the relevant tax law or required to be used for the payment of dues or administrative fines or be carried forward to next tax periods depending on the type of recovery according to the tax law.
<b>Tax Assessment</b>	: A decision made by FTA and is related to the payable or recoverable tax.

<b>Assessment of Administrative Fines</b>	: A decision issued by FTA on the due administrative fines.
<b>Notification</b>	: The process of keeping the concerned person or his tax agent or legal representative informed of the decisions made by FTA according to the means set forth in this Law and the executive regulations hereof.
<b>Voluntary Declaration</b>	: It is a form designated by FTA whereby the taxpayer notifies FTA of any error or omission in the tax return, tax assessment or tax recovery in conformity with the provisions of the tax law.
<b>Register</b>	: The Tax Agent Register
<b>Tax Agent</b>	: Any person registered at FTA in the Register and authorizes another person to represent it before FTA, help it perform its tax obligations and exercise its relevant tax rights.
<b>Tax Audit</b>	: It is a procedure carried out by FTA for auditing the commercial books or any information or data related to a person who carries out business.
<b>Tax Auditor</b>	: Any FTA employee appointed as a tax auditor.
<b>Tax Evasion</b>	: Using illegal means that results in reduced amount of the due tax, non-payment of a tax or recovery of a tax which the taxpayer has no right to recover according to any tax law.

## Article (2)

### Scope of Application

The provisions of this Law shall apply to the tax procedures related to the management, collection and implementation of taxes by FTA.

## **Article (3)**

### **Objectives of Law**

This Law aims to achieve the following objectives:

1. Regulating the mutual rights and obligations among the FTA, taxpayer and any other person dealing with FTA.
2. Regulating the common procedures and rules that are applicable to all tax laws in the State.

## **Section Two**

### **Tax Obligations**

#### **Chapter One**

#### **Keeping Accounting Registers and Commercial Books**

### **Article (4)**

#### **Bookkeeping**

Any person, who carries out business, shall be required to keep books for its accounting activities, commercial records as well as any tax-related information as determined by the tax law, and shall keep the same in conformity with the controls laid down under the executive regulations of this Law.

### **Article (5)**

#### **Language**

1. Each person shall submit the tax return as well as the information, data, books and documents related to the tax to FTA in Arabic as stipulated by the provisions of the tax law.
2. FTA may accept the information, data, books and documents related to the tax in any other language, provided that the person provides FTA with a translated copy of any of the same into Arabic at its own expense and responsibility if required as stipulated by the executive regulations of this Law.

**Chapter Two**  
**Tax Registration**

**Article (6)**

**Tax Registration, Deregistration and Amendment of Data**

1. The unregistered taxable person, or any other person having the right to register its name, may submit a registration application in accordance with the relevant provisions of the tax law.
2. The registered person shall:
  - a. Include its tax registration number in all communications and dealings with FTA or third parties according to the provisions of the tax law.
  - b. Notify FTA according to the form designated by FTA of the occurrence of any case that may require amendment to the information related to its tax register kept at FTA, within twenty (20) business days from the occurrence date of such case.
  - c. Submit a deregistration application in accordance with the relevant provisions of the tax law.
3. The executive regulations of this Law shall determine the tax registration and deregistration procedures as well as amendment of its data at FTA.
4. The government bodies in charge of granting the business licenses shall notify FTA upon granting any license, no later than twenty (20) business days from the issuance date of the license as stipulated in the executive regulations of this Law.

**Article (7)**

**Legal Representative**

Any person appointed as a legal representative for the taxable person or its property or estate shall notify FTA within twenty (20) business days from the appointment date according to the procedures set forth in the Executive Regulations of this Law.

**Chapter Three**  
**Tax Obligations**

**Article (8)**

**Tax Return Preparation and Submission**

1. Each taxable person shall:
  - a. Prepare the tax return for each tax period in respect of each tax during the period of registration in accordance with the tax law.
  - b. Submit the tax return to FTA in accordance with the provisions of this Law and the tax law.
  - c. Pay any payable tax as defined in the tax return or any tax assessment within the time limit defined in this Law and the tax law.
2. Any incomplete tax return delivered to FTA shall not be admitted if the same fails to contain the basic data defined by the tax law.
3. Each taxable person shall be responsible for the authenticity of information and data contained in the relayed tax return and any communications with FTA.
4. Each taxpayer shall pay any prescribed administrative fines within the time limit defined in this Law and the tax law.

**Article (9)**

**Determination of Payable Tax upon Payment**

1. The taxable person shall, upon payment of any amount to FTA, determine the type of tax and tax period related to such amount, and FTA shall allocate the paid amount accordingly.
2. If the taxable person pays any amount without determining the type of tax or tax period, FTA may allocate the amount or a part thereof according to the mechanism defined by the Executive Regulations of this Law.
3. If the taxpayer pays an amount greater than the payable tax amount, FTA may allocate the difference to a subsequent tax period, unless the taxable person requests recovery of such amount in accordance with the provisions hereof.

4. If the taxpayer pays an amount less than the payable tax amount, the provisions set out in Chapter Four of Section Three hereof shall apply.

**Chapter Four**  
**Voluntary Declaration**  
**Article (10)**

1. If the taxable person finds out that the tax return submitted to FTA or that the tax assessment sent thereto from FTA is incorrect in a way which causes the payable tax according to the tax law be assessed at an amount less than the correct amount, in such a case, they shall request rectification of such return through making a voluntary declaration within the time limit defined by the Executive Regulations of this Law.
2. If the taxpayer finds out that the tax recovery application submitted to FTA is incorrect, in a way which causes the recovery amount due to him under the law be calculated at an amount higher than the correct amount, they shall request rectification of the tax recovery application through making a voluntary declaration within the time limit defined by the Executive Regulations of this Law.
3. If the taxable person finds out that the tax return submitted to FTA or that the tax assessment sent thereto from FTA is incorrect in a way which causes the payable tax according to the tax law be assessed at an amount higher than the correct amount, in such a case, they shall request rectification of such return through making a voluntary declaration.
4. If the taxpayer finds out that the tax recovery application submitted to FTA is incorrect, in a way which causes the recovery amount due to him under the law be calculated at an amount less than the correct amount, they shall request rectification of the tax recovery application through making a voluntary declaration.



## **Section Three**

### **Tax procedures**

#### **Chapter One**

##### **Notification**

###### **Article (11)**

###### **Methods of Notification**

1. FTA shall notify the person of any decisions or procedures through the address shown in the communications between FTA and such person.
2. FTA shall notify the taxable person through the address shown in the tax return unless FTA is notified that such address has been changed by the taxable person, his legal representative or attorney.
3. In all cases, the person shall be deemed to have been notified of any decision and has received any communications if it is found out that FTA has sent a notice and communications according to the clauses 1 and 2 of this Article.
4. The executive regulations of this Law shall define the means of notification and communications.

## **Chapter Two**

### **Tax Agent**

#### **Article (12)**

##### **Tax Agent Register**

FTA shall create a tax agent register; each tax agent shall have a file that contains all data related to the practice of profession.

#### **Article (13)**

##### **Registration of Tax Agents**

Any person may engage in the tax agent profession in the State only after their name is enrolled in the register and a relevant license is obtained from the Ministry of Economy and competent local authority.

## **Article (14)**

### **Requirements for Enrollment in the Register**

1. The following serves as a prerequisite for any person whose name is enrolled on the Register:
  - a. To be known for his good manners and conduct, and has never been convicted for a felony or a misdemeanor involving moral turpitude or breach of trust, even if rehabilitated.
  - b. To be holder of a certified qualification from a recognized university or institute certifying his specialty and experience as defined by the executive regulations of this Law.
  - c. To be medically fit to perform the duties of his profession.
  - d. To have an insurance contract against the liability for professional errors.
2. The tax agent shall notify FTA of the period of suspension from carrying out his profession as a tax agent if any impediment precludes him, and he shall have the right to apply for re-practice of such profession when the impediment no longer exists.
3. The executive regulations of this Law shall determine the procedures for registration of the tax agent in the register as well as his rights and obligations towards both FTA and the person.

## **Article (15)**

### **Appointment of Tax Agent**

1. The person may appoint a tax agent to act on its behalf and in its name towards FTA in respect of its tax affairs without prejudice to the liability of such person towards FTA.
2. FTA may not deal with any tax agent in respect of any person if the latter notifies FTA of expiration of the agency or dismissal of the tax agent.

## **Article (16)**

### **Registers of the Person with the Tax Agent**

1. The tax agent shall, upon FTA request, provide the same with all information,

documents, registers and data required in respect of any represented person.

2. FTA may access to the registers of any person that are kept by its tax agent, and may depend on the same for tax audit purposes even after the agency expires or the tax agent is removed.

## **Chapter Three**

### **Tax Audit**

#### **Article (17)**

##### **FTA's Right to Conduct Tax Audit**

1. FTA may conduct tax audit of any person in order to verify compliance with the provisions set forth in this Law and the tax law.
2. FTA may conduct tax audit at FTA's headquarters or the business place of the person subject to audit or elsewhere at which such person carries out its business, stores the commodities or keeps the registers.
3. If FTA decides to conduct tax audit at the business place of the person subject to audit or elsewhere at which such person carries out its business, stores the commodities or keeps the registers, FTA shall notify such person at least five (5) days before conducting the audit process.
4. By way of exception from the provisions of Clause (3) of this Article, the tax auditor may access to anywhere at which the person subject to audit carries out its business, stores the commodities or keeps the registers, as the case may be, and close down the same temporarily for conducting audit process for a period not exceeding seventy two (72) hours without prior notice in any of the following cases:
  - a. If FTA has serious reasons to believe that the person subject to tax audit is involved or implicated in tax evasion in respect of the same person or any other person.
  - b. If FTA has serious reasons to believe that failure to temporarily close down the place at which tax audit is conducted may impede the audit process.
  - c. If the person, who is notified in advance of the tax audit under clause (3) of this Article, attempts to prevent the tax auditor's access to the place at which the tax audit is to be conducted.

5. In all cases set forth in clause (3) of this Article, the tax auditor shall obtain prior written consent of the Director General and a permission from the Public Prosecution if the place required to be accessed in a housing place.
6. The places closed down under this Article must be reopened after the lapse of seventy-two hours unless FTA obtains a permission from the Public Prosecution that permits extension of the closure period for a similar period before the lapse of the mentioned seventy-two hours.
7. The criminal case may be instituted only at the request of the Director General.
8. The executive regulations of this Law shall determine the necessary procedures related to the tax audit.

## **Article (18)**

### **FTA's Right to Access to Original Records or Photocopies during Tax Audit**

The tax auditor may, while conducting the tax audit, access to original registers or photocopies thereof and take samples of the goods, devices or other assets from the business place of the person subject to tax or those in its possession or seize the same in accordance with the controls defined by the executive regulations of this Law.

## **Article (19)**

### **Tax Audit Timing**

Tax audit process shall be conducted during the formal business hours of FTA, and, if necessary, the audit may be conducted beyond such times under extraordinary circumstances by a Decision of the Director General.

## **Article (20)**

### **New Information Appears after Tax Audit**

FTA may audit any matter that has already been audited if new information comes out that may affect the outcome of the tax audit process, provided that such audit shall be subject to the tax audit procedures in accordance with the provisions of this Law and the executive

regulations hereof.

### **Article (21)**

#### **Cooperation during Tax Audit**

Any person subject to tax audit, its tax agent or legal representative, shall be required to provide all facilities and possible assistance to the tax auditor in order to enable him to perform his job.

### **Article (22)**

#### **Rights of Person Subject to Tax Audit**

The person subject to tax audit shall have the right to:

1. Request the tax auditors to show their professional ID cards.
2. Obtain a copy of the tax audit notification.
3. Attend the tax audit process conducted outside FTA.
4. Obtain copies of any original paper or digital documents that are seized or obtained by FTA upon tax audit, as determined by the Executive Regulations of this Law.

### **Article (23)**

#### **Notification of Tax Audit Findings**

1. FTA shall notify the person subject to tax audit of the final outcome within the time limit and according to the procedures determined by the Executive Regulations of this Law.
2. The person subject to tax audit may access to and obtain the documents and information relied upon by FTA for assessment of the due tax according to the controls set by the Executive Regulations of this Law.

## **Chapter Four**

### **Tax Assessment and Assessment of Administrative Fines**

#### **Article (24)**

##### **Tax assessment**

1. FTA shall issue a tax assessment to determine the value of payable tax and notify to taxable person of the same within five business days from the issuance date thereof, in any of the following cases:
  - a. The taxable person fails to apply for registration within the time limit prescribed in the tax law.
  - b. Failure of the Registered Person to submit the tax return within the time limit prescribed in the tax law..
  - c. The Registered Person's failure to pay the tax indicated as payable tax in the tax return submitted within the time limit prescribed in the tax law..
  - d. The taxable person has submitted incorrect tax return.
  - e. The Registered Person's failure to calculate the tax on behalf of another person when he is obliged to do the same in accordance with the tax law.
  - f. If the payable tax is incomplete as a result of tax evasion by the person or due to tax evasion in which he was involved.
2. FTA may issue an estimated tax assessment if it is not possible to determine the tax that is considered payable or recoverable tax and has not been recoverable under normal circumstances.
3. FTA shall amend the estimated tax assessment based on new information that appears after its issuance, and FTA shall inform the concerned person of such amendments within (5) five business days from the date of the amendment.
4. The Executive Regulations of this law shall specify the information or data to be included in the tax assessment.

## **Article (25)**

### **Assessment of Administrative Fines**

1. FTA shall issue an assessment of the administrative fines and inform the person of same within (5) five business days in respect of any of the following violations:
  - a. The person, who carries out business, fails to keep the required records and other information specified both in this law and in the tax law.
  - b. The person, who carries out business, fails to submit the data, records and

- documents related to the tax in Arabic to FTA upon demand.
- c. The taxable person fails to submit the registration application within the time limit specified in the tax law.
  - d. Failure of the Registered Person to submit a deregistration application within the time limit specified in the tax law.
  - e. Failure of the Registered Person to inform FTA of any situation that may require amendment of the information related to its tax register kept by FTA.
  - f. The legal representative of the taxable person fails to report his appointment as a legal representative him within the specified time limits. In such a case, fines shall be collected from the funds of the legal representative.
  - g. The legal representative of the taxable person fails to submit the tax return within the specified time limits. In such a case, fines shall be collected from the funds of the legal representative.
  - h. Failure of the Registered Person to submit the tax return within the time limit specified in the tax law.
  - i. The taxable person fails to pay the tax indicated as payable in the tax return submitted or the tax assessment notified to him within the time limit specified in the tax law.
  - j. The Registered Person has submitted an incorrect tax return.
  - k. Voluntary declaration by the person of errors in the tax return, tax assessment or the application for recovery of the tax in accordance with clauses (1) and (2) of Article (10) of this law.
  - l. The taxpayer fails to make voluntary declaration of an error in the tax return, tax assessment, or tax recovery application in accordance with clauses (1) and (2) of Article (10) of this Law before being notified that FTA conducted a tax audit on it.
  - m. The person, who carries out business, fails to provide facilities for the tax auditor in violation of the provisions of Article (21) of this law.
  - n. The Registered Person fails to calculate the tax for another person when the registered taxable person is obligated to do the same in accordance with the tax law.
  - o. Any other violation included under a decision of the Cabinet.

2. The Executive Regulations of this law shall specify the information and data to be included in the assessment of administrative fines.
3. The Cabinet shall issue a decision setting out the administrative fines for each of the violations mentioned in clause (1) of this Article, provided that the administrative fine is not less than AED (500) five hundred dirhams for any violation and not more than three times the amount of tax in respect of which an assessment of administrative fines has been issued.
4. The imposition of any administrative fine under the provisions of this law or any other law shall not relieve any person from its responsibility for payment of the due tax in accordance with the provisions of this law or the tax law.

## **Chapter Five**

### **Penalties**

#### **Article (26)**

##### **Tax Evasion Penalties**

1. Without prejudice to any more severe penalty stipulated in any other law, prison sentence and/or a fine not exceeding (5) five times the amount of evaded tax or one of these penalties shall be inflicted on:
  - a. The taxable person who has deliberately refrained from paying any payable taxes or administrative fines.
  - b. The taxable person who deliberately reduces the actual value of its business or does not include its associate business in order not to reach the required registration limit.
  - c. The person who levies and collects amounts from his clients claiming that it is a tax without being registered.
  - d. A person who intentionally provides false information, data and documents to FTA.
  - e. A person who intentionally hides or destroys documents or other materials that are required to be kept and provided to FTA.
  - f. A person who has stolen, abused or caused damage to documents or other materials kept by FTA.
  - g. The person who prevents or impedes the employees of FTA from carrying out their



duties.

- h. A person who intentionally reduces the payable through tax evasion or involvement in tax evasion.
2. The imposition of any penalty under the provisions of this law or any other law shall not relieve any person from the liability for payment of the payable tax or administrative fines in accordance with the provisions of this law or any tax law.
3. The competent court shall apply the penalties of tax evasion to any person who is proven to have been involved directly in or caused the tax evasion in accordance with Federal Law No. 3 of 1987 referred to above.
4. Without prejudice to the provisions of clause 2 of this Article, if a person is proven to be directly involved in or caused tax evasion in accordance with clause 3 of this Article, such person shall be severally and jointly liable with the person who assisted him not to pay the payable tax and administrative fines in accordance with the provisions of this Law and any other tax law.

## **Section Four**

### **Objection**

#### **Chapter One**

#### **Request for Reconsideration**

#### **Article (27)**

#### **Procedures for the Reconsideration Application**

1. Any individual may submit to a request to the Authority to reconsider any decision, or part of it thereof, issued by it and related to him, provided that the request be justified and meeting the prescribed conditions within (40) forty business days from the date of notifying the decision to the applicant.
2. The Authority shall review the reconsideration request and shall issue a reasoned decision within (40) forty business days from the date of receiving the request; and it shall notify the applicant of its decision within (5) five business days from the decision's issuance date.

## **Chapter Two**

### **Objection Submitted to the Committee**

#### **Article (28)**

##### **Tax Dispute Settlement Committee**

1. One or more standing committees to be known as "Tax Dispute Settlement Committee" shall be formed under chairmanship of a member of the Judiciary and with membership of two experts from those enrolled in the Tax Experts Roll, to be appointed under a decision of the Minister of Justice in coordination with the Minister.
2. The Cabinet shall issue a decision regulating the work of the Committee, remunerations of its members and the applicable procedures.

#### **Article (29)**

##### **Competences of the Committee**

The Committee shall have the following competences:

1. Decide on the objections to FTA's decisions through requests for reconsideration.
2. Decide on the requests of reconsideration submitted to FTA and no decision has been made with regard thereto in accordance with the provisions of this law.
3. Any other competences assigned to the Committee by the Cabinet.

#### **Article (30)**

##### **Procedures for Submitting Objections and the Events of its Inadmissibility**

1. The objection to the Authority's decision with respect to the reconsideration request shall be submitted within (40) business days from the date of being notified of the Authority's decision.
2. The objection submitted to the Committee shall be inadmissible in the following events:
  - a. If a reconsideration request has not been previously submitted to the Authority.
  - b. If the Tax in connection with the objection has not been settled.
  - c. If the objection was not submitted within the period stipulated in clause (1) of this article.

## **Article (31)**

### **Procedures of the Committee**

1. The Committee shall consider the objection submitted thereto and decide thereupon within (20) twenty business days from the date of receipt of the objection.
2. The Committee may extend the time limit for deciding upon the objection for a period not exceeding (20) twenty business days after expiration of the period specified in clause (1) of this article if it has reasonable grounds for the purpose of deciding upon the objection.
3. The Committee shall inform the objecting person of its decision within (5) five business days from the issuance date thereof.
4. The decision of the Committee shall be final in respect of the objection if the total amount of the due tax and the administrative fines specified therein does not exceed AED (100,000) one hundred thousand dirhams.
5. In all cases, claims of tax disputes shall not be accepted before the competent courts if the objection is not filed with the Committee beforehand.

## **Article (32)**

### **Executing the Committee's Decisions**

1. The final decisions issued by the Committee in disputes whose value does not exceed (100,000) One Hundred Thousand Dirhams shall be deemed as executory instruments.
2. The final decisions issued in disputes whose value exceed (100,000) One Hundred Thousand Dirhams shall be deemed as executory instruments if they were not subject of an appeal submitted to the competent court within (40) forty business days from the date of notifying the outcome of the objection.
3. The committee's final decisions deemed as executory instruments shall be enforced by the Execution Judge at the competent court in accordance with the provisions of Federal Law No. (11) of 1992 referred to herein.

## **Article 32 (BIS)**

### **Special Procedures for Objection and Appeal**

With exception to the provisions of Articles (29), (30), (31), (32) and (33) of this Law, the Cabinet shall issue – based upon the Minister's proposal – a resolution approving an alternative mechanism for objection and appeal if the parties to the dispute were any of the federal or local government authorities determined in the resolution; and until the issuance of the cabinet's resolution and its enforcement, the objection or appeal of federal and local government authorities related to tax disputes shall be subject to the provisions stipulated in this law.

## **Chapter Three**

### **Appeal Before Courts**

#### **Article (33)**

##### **Procedures of Appeal before Courts**

1. Without prejudice to the provisions of Articles (32) and (32 BIS) of this Law, the Authority and individual, as the case may be, may appeal the committee's decision before the competent court within (40) forty business days from the date of notifying the committee's decision to the authority or individual – as the case may be, in the following two cases:
  - a. Appealing the committee's decision wholly or partially.
  - b. If the Committee does not issue a decision concerning an objection submitted to it pursuant to the provisions of this Law.
2. The Competent Court shall rule the appeal against the Authority as inadmissible in the following events:
  - a. If a condition of the objection's inadmissibility conditions before the committee exists, which are stipulated in clause (2) of Article (30) of this Law.
  - b. If the individual does not present a proof of tax settlement to the Authority pursuant to the committee's decision or the court's ruling, as the case may be.
  - c. If the individual does not present a proof of settling at least (50%) of the

administrative penalties determined pursuant the committee's decision or the court's ruling, as the case may be, through the cash settlement to the Authority or providing a bank guarantee approved by the Authority.

3. The Cabinet, based upon the Minister's proposal, make any amendments to the percentage stipulated in sub-clause (c) of clause (2) of this article.

## **Section Five**

### **Tax Recovery and Collection**

#### **Chapter One**

#### **Recovery of Tax**

#### **Article (34)**

#### **Application for Tax Recovery**

The taxpayer may submit an application for recovery of any tax he has paid if the same is entitled to recover such tax in accordance with the tax law and it is found out the amount already paid exceeds the payable tax and the administrative fines, according to the procedures specified by the executive regulations of this law.

#### **Article (35)**

#### **Tax Refund Procedures**

1. FTA shall make a set-off between the amount required to be refunded and any other payable tax or administrative fines of the taxpayer applying for the recovery in accordance with the tax return or tax assessment issued by FTA before the refund of any amount related to a particular tax.
2. FTA may abstain from refunding the amounts mentioned in clause (1) of this Article if it finds out that there are other disputed tax amounts that are payable in relation to that person or under a decision of the competent court.
3. FTA shall refund the tax under this Article in accordance with the procedures and controls specified by the Executive Regulations of this Law.

**Chapter Two**  
**Tax Collection**  
**Article (36)**

**Collection of Payable Tax and Administrative Fines**

If the taxable person fails to pay the payable tax or the administrative fines within the time limits specified in this law and the tax law, the following actions shall be taken:

1. FTA shall send to the taxable person a notice for payment of the payable tax and the administrative fines within twenty business days from the date of notification.
2. In case the taxable person fails to make payment after being notified in accordance with clause (1) of this Article, the Director General shall issue a decision obligating the taxable person to pay the payable tax and administrative fines, and such decision shall be notified within (5) five business days from the date of the decision, accompanied by a tax assessment and assessment of administrative fines.
3. The decision of the Director General on tax assessment and assessment of administrative fines shall be considered as a writ of execution for the purposes of enforcement by the execution judge of the competent court.

**Chapter Three**

**Payment and Collection of Tax and Administrative Fines in Special Cases**

**Article (37)**

**Obligations of the Legal Representative**

The legal representative shall continue to submit the necessary tax returns to FTA for the taxable person.

**Article (38)**

**Liability for Tax Payment in case of Partnership**

If multiple persons participate in business that do not have an independent legal personality, each of them shall be held liable before FTA severally and jointly for the payable tax and the administrative fines for such business.

## **Article (39)**

### **Payment of Tax and Administrative Fines in Special Cases**

1. The amount of payable tax shall be paid in cases of death as follows:
  - a. For the payable tax of the natural person prior to the date of his death, the tax amount shall be paid from the elements of the estate or of the income generated from such estate before payout to the heirs or legatees.
  - b. If, after the estate is apportioned, it is found out there is an outstanding payable tax, the heirs and the legatees shall be held liable within their respective shares for payment of the payable tax, unless a certificate of discharge has been obtained from FTA for the estate representative or any heir.
2. The payable tax and the administrative fines of the taxable person who is incapacitated, missing, lost or of unknown domicile and the like shall be paid by his legal representative, from the assets and property of the taxable person.
3. The payable tax and the administrative fines of the incapacitated taxable person shall be paid by his legal representative from the taxable person's assets and property.

## **Article (40)**

### **Payment of tax in case of bankruptcy**

1. The appointed Bankruptcy Receiver shall address FTA to inform him of the tax due or FTA's desire to conduct a tax audit for the specified tax period or periods.
2. FTA shall inform the Bankruptcy Receiver of the amount of the payable tax or the tax audit within (20) twenty business days following the receipt of the notification of the bankruptcy Receiver.
3. The Bankruptcy Receiver has the right to appeal, object and challenge the assessment of FTA or the payment of the due tax.
4. The Executive Regulations shall specify the procedures for addressing FTA, grievance, objection and payment of the due tax.

**Section Six**  
**General Provisions**

**Chapter One**  
**Confidentiality**

**Article (41)**

**Professional Confidentiality**

1. Employees of FTA shall not disclose the information obtained or accessed to in their professional capacity or on account thereof during their work, except as determined or defined in accordance with the executive regulations of this law.
2. In all cases referred to in clause (1) of this Article, disclosure may only be made after the approval of the employees who are authorized by the Board of Directors of FTA in accordance with the executive regulations of this law.
3. The employees of FTA shall, upon completion of their services, maintain their professional confidentiality and not disclose the information they obtained or have been informed of in their professional capacity or because of them only at the request of the judicial authorities and in accordance with the executive regulations of this law.
4. Any person who has obtained information in accordance with the provisions of the law shall not disclose or use the information except for the very purpose for which it was obtained, without prejudice to the liability resulting therefrom when necessary.
5. The Board of Directors of FTA shall issue regulations and instructions concerning the organization of internal procedures to protect the confidentiality of information in FTA and the obligations of the tax agent in this regard.

**Chapter Two**

**Time Limits & Prescription**

**Article (42)**

**Prescription**

1. Except for cases of proven tax evasion or non-tax registration, FTA may not conduct a tax assessment after (5) five years from the end of the relevant tax period.



2. In case of proven tax evasion, FTA may conduct a tax assessment within 15 years from the end of the tax period during which the tax evasion occurred.
3. In case of non-tax registration, FTA may conduct a tax assessment within 15 years from the date on which the taxable person was required to make the tax registration.

### **Article (43)**

#### **FTA's Right to Claim Payment**

The payable tax and administrative fines which have been notified to the taxable shall not prescribe, and may be claimed by FTA at any time.

### **Article (44)**

#### **Time Limit for Tax Obligations**

Unless a specific time limit is set for the performance of any obligation or any other action in this law or tax law, FTA shall grant the taxable person a time limit for this purpose compatible with the nature of the obligation or the procedure of not less than (5) five business days and not more than (40) forty business days from the date of the incident leading to the establishment of obligation or action.

### **Article (45)**

#### **Calculating the Time Limits**

In all cases, the following rules shall apply upon calculating the time limits:

1. The notification day or the day on which the incident occurred is not included in the time limit.
2. If the last day of the time limit coincides with an official holiday, the time limit shall be extended to the first business day.

### **Article (46)**

Conditions for the Payment of the Administrative Penalties in Installments or its Exemption or Refund

If the Authority imposed or collected an administrative penalty from any individual for violating the provisions of this Law or the Tax Law, it shall be permissible for the committee stipulated in the second paragraph of this article, and based upon a suggestion from the director general, to issue a decision approving the payment of the penalty in installments or exempting it in full or partially or to refund it in full or partially, in accordance with the controls and procedures issued by the Cabinet based upon the Minister's proposal.

The Chairman of the Authority's board of directors shall issue a decision forming the committee stipulated in the first paragraph of this article, chaired by him or his deputy and the membership of two board members; and the decision forming the committee shall determine its bylaws and the manner in which its meetings are held.

## **Article (47)**

### **Calendar**

The time limits and dates stipulated in this law and the tax law shall be calculated in the Gregorian calendar.

## **Chapter Three**

### **Final Provisions**

## **Article (48)**

### **Proving Authenticity of Data**

The burden of proving authenticity of the tax return shall fall on the taxable person, and the burden of proof in cases of tax evasion falls on FTA.

## **Article (49)**

### **Conflict of Interests**

It is prohibited for any employee of FTA to carry out or be involved in any tax procedures relating to any person in the following cases:

1. Relationship up to the fourth degree exists between the employee and that person.
2. There is a joint interest between the employee and that person or between one of their

relatives up to the third degree.

3. If the Director General decides that the employee may not perform any tax procedures related to that person for the existence of any case of conflict of interests.

### **Article (50)**

#### **Law Enforcement Capacity**

The Director General and the tax auditors designated under a decision of the Minister of Justice, in agreement with the Minister, shall have the capacity of law enforcement officers for detecting violations of the provisions of this law or the tax law or the decisions issued in implementation thereof.

### **Article (51)**

#### **FTA Fees**

The fees payable in accordance with the provisions of this law and its executive regulations shall be determined under a decision of the Cabinet upon the proposal of the Minister.

### **Article (52)**

#### **Repeal**

Any provision contrary to or conflicting with the provisions of this Law shall be repealed.

### **Article (53)**

#### **Executive Regulations**

The Cabinet shall, issue upon the proposal of the Minister, issue the executive regulations of this law within six months from the date of enactment hereof.

## **Article (54)**

### **Publication & Entry into Force**

This Law shall be published in the Official Gazette and shall enter into force (30) thirty days following the date of its publication.

**Khalifa bin Zayed Al Nahyan**

**President of the United Arab Emirates**

Issued at the Presidential Palace in Abu Dhabi

On 16 Ramadan 1438 AH

Corresponding to 11 June 2017 AD