

## **Federal Decree-Law No. (28) of 2022 on Tax Procedures**

**We Mohammed bin Zayed Al Nahyan, President of the United Arab Emirates,**

- Having reviewed the constitution;
- Federal Law No. (1) of 1972, on the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (11) of 1981, on the Imposition of a Federal Customs Tax on Imports of Tobacco and Tobacco Products, as amended;
- Federal Law No. (5) of 1985, Promulgating the Civil Transactions Law, 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 Code of Civil Procedure, as amended;
- Federal Law No. (35) of 1992, Promulgating the Code of Criminal Procedure, as amended;
- Federal Law No. (18) of 1993, Promulgating the Commercial Transactions Law, as amended;
- Federal Decree-Law No. (9) of 2016, on Bankruptcy, as amended;
- Federal Decree-Law No. (13) of 2016, on the Establishment of the Federal Tax Authority, as amended;
- Federal Decree-Law No. (7) of 2017, on Tax Procedures, as amended;
- Federal Decree-Law No. (7) of 2017, on the Excise Tax, as amended;
- Federal Decree-Law No. (8) of 2017, on the Value-Added Tax (VAT), as amended;
- Federal Decree-Law No. (15) of 2018, on the Collection of Revenues and Public Funds;
- Federal Decree-Law No. (26) of 2019, on Public Finance;
- Federal Decree-Law No. (31) of 2021, Promulgating the Law of Crimes and Penalties;
- Federal Decree-Law No. (32) of 2021, on Commercial Companies;
- Federal Decree-Law No. (37) of 2021, on the Commercial Registry;

- Federal Decree-Law No. (46) of 2021, on Electronic Transactions and Trust Services; and
- Based on the Proposal of the Minister of Finance and the Cabinet approval thereof,

**Hereby enact the following Law:**

## **Part One**

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

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

##### **Definitions**

For the purpose of applying the provisions of this Decree-Law, the following words and expressions shall have the meanings assigned thereto respectively, unless the context requires otherwise:

<b>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>Business Day</b>	: Any weekday, except for weekends and public holidays of the Federal Government.
<b>Committee</b>	: The 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>	: Any federal tax levied by virtue of the Tax Law where the management, collection and implementation thereof is entrusted to the FTA.
<b>Tax Law</b>	: Any federal law whereby the Tax is levied.
<b>Tax Domicile Certificate</b>	: A certificate issued by the FTA confirming the Tax domicile of a person in the State, pursuant to the provisions of Article (53) hereof.
<b>Tax Resident</b>	: A person residing in the State, pursuant to Article (53) hereof.

<b>Person</b>	: A natural or legal person.
<b>Business</b>	: Any activities carried out regularly, continuously and independently by any Person anywhere, such as industrial, commercial, agricultural, professional, craft, service or drilling activities, any activity related to the use of tangible or intangible property, or any other activity determined by the Tax Law.
<b>Taxable Person</b>	: Any Person registered or required to be registered for the purpose of the provisions of the Tax Law.
<b>Taxpayer</b>	: Any person required to pay the 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 and mechanism designated by FTA, including the relevant annexes and schedules
<b>Tax Period</b>	: The period of time specified in the Tax Law for which the Tax due is required to be calculated.
<b>Tax Registration</b>	: It is a procedure whereby a Person registers its name with the FTA or the latter registers the same with it, as the case may be, for Tax purposes.
<b>Tax Registration Number</b>	: It is a unique number issued by FTA for each Person for Tax purposes.
<b>Registered Person</b>	: The Taxable Person having a Tax Registration Number.
<b>Legal Representative</b>	: A guardian, trustee or curator with regard to incapacitated Persons or Persons with diminished capacity, or the court-appointed bankruptcy trustee with regard to a company undergoing bankruptcy, or any Person legally appointed to represent another Person.

<b>Due Tax</b>	: A Tax that is calculated and levied under the provisions of the Tax Law.
<b>Payable Tax</b>	: A Tax payable to FTA
<b>Administrative Fines</b>	: Sums imposed on the Person by FTA due to the violation of the provisions of this Decree-Law, the Tax Law or the cabinet resolutions issued in implementation thereof.
<b>Refundable Tax</b>	: Amounts refundable by FTA to the Taxpayer, in whole or in part, pursuant to the Tax Law and this Decree-Law.
<b>Tax Assessment</b>	: A decision made by FTA under Article (23) hereof.
<b>Assessment of Administrative Fines</b>	: A decision issued by FTA on the Administrative Fines.
<b>Notification</b>	: Notifying the Person of decisions issued by the FTA, as per the means set forth in this Decree-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 application, pursuant to the provisions of Article (10) hereof.
<b>Register</b>	: The Tax Agent Register.
<b>Tax Agent</b>	: Any Person registered with FTA authorized by another Person to represent it before FTA, help it to perform its tax obligations and exercise its relevant Tax rights.
<b>Tax Audit</b>	: It is a procedure carried out by FTA for auditing commercial records or any information, data or commodities related to a Person to verify the fulfillment of their obligations under this Decree-Law or the Tax Law.
<b>Tax Auditor</b>	: Any FTA employee appointed to carry out the Tax Audit.
<b>Tax Evasion</b>	: The Person's use of illegal means that result in reduced

amount of the Due Tax, non-payment of Tax or recovery of a Tax which the Taxpayer has no right to recover according to this Decree-Law or the Tax Law.

**Executive** : The Executive Regulations of this Decree-Law.

**Regulations**

## **Article (2)**

### **Objectives of this Decree-Law**

This Decree-Law is intended to:

1. Regulate rights and obligations of the FTA, Taxpayers and any other Person dealing with the FTA, in compliance with the provisions of this Decree-Law or the Tax Law.
2. Regulate common procedures and rules applicable to all tax laws in the State.

## **Article (3)**

### **Scope of Application**

The provisions of this Decree-Law shall apply to the procedures related to the management, collection and implementation of tax laws and Administrative Fines levied by FTA for violating the provisions of this Decree-Law or the Tax Law.

## **Part Two**

### **Tax Obligations**

#### **Chapter One**

#### **Keeping Accounting Records and Commercial Books**

### **Article (4)**

#### **Record-Keeping**

Any Person that carries out any business or is subject to a Tax obligation under the Tax Law shall keep records for their accounting activities and commercial books, as well as any tax-related information as determined by the Tax Law, in conformity with the controls laid

down by the Executive Regulations.

## **Article (5)**

### **Language**

1. Every Person shall submit the Tax Return as well as data, information, records and documents related to the Tax they are obligated or required to submit to the FTA in Arabic.
2. Notwithstanding the provisions of Clause (1) above, FTA may accept the Tax Return and the information, data, records 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 if required by the FTA, as stipulated by the Executive Regulations.
3. A Person that submits any translated copy of the data, information, records and any other documents related to any tax to FTA shall be liable for the accuracy and validity of such translated copies, and shall bear all relevant costs. The FTA may rely on the translation submitted thereto.

## **Chapter Two**

### **Tax Registration**

## **Article (6)**

### **Tax Registration, Deregistration and Amendment to Data**

1. The Taxable Person may submit the registration application to the FTA pursuant to the provisions set forth in the Tax Law.
2. The Registered Person shall:
  - a. Include its Tax Registration Number in all communications and transactions with FTA and third parties according to the provisions of the Tax Law.
  - b. Notify FTA according to the form and mechanism 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 in the Tax Law.
3. The Executive Regulations shall determine the Tax Registration and deregistration procedures as well as the amendment to its data.
4. Government bodies in charge of granting 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.

## **Article (7)**

### **Legal Representative**

The Legal Representative shall:

1. Notify FTA of his appointment, within twenty (20) Business Days from the appointment date, according to the procedures defined by the Executive Regulations;
2. Submit Tax Returns to FTA on behalf of the Taxable Person; and
3. Comply with any requirements under this Decree-Law and the Tax Law, as the case may be.

## **Chapter Three**

### **Tax Return and Payable Tax**

## **Article (8)**

### **Tax Return Preparation and Submission**

1. Every Taxable Person shall:
  - a. Prepare and submit the Tax Return to FTA pursuant to the provisions of this Decree-Law and the Tax Law; and
  - b. Pay any Payable Tax within the time limit set forth in this Decree-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. Any Taxable Person shall be responsible for the authenticity of information and data contained in the Tax Return and any communications with FTA.
4. Any Taxpayer shall pay the Payable Tax and the Administrative Fines within the time limit defined in this Decree-Law and the Tax Law.

## **Article (9)**

### **Determination of the Payable Tax**

1. The Taxable Person shall, upon the payment of any amount to FTA, determine the type of Tax and the Tax Period related to such amount, and FTA shall allocate the paid amount accordingly.
2. When the Taxable Person pays any amount without determining the type of Tax or Tax Period, FTA may allocate the amount or a part thereof for the payment of any Tax or amounts owed by the Taxable Person, as defined by the Executive Regulations.
3. If the Taxable Person pays an amount greater than the Payable Tax amount or has a credit balance with FTA, FTA may allocate the amount or the balance for the payment of any Tax or amounts owed by the Taxable Person, as defined by the Executive Regulations.
4. If the Taxable Person pays an amount less than the Payable Tax amount, the provisions set out in Chapter Four of Part Three and Chapter Two of Part Five hereof shall apply.

## **Chapter Four**

### **Voluntary Declaration**

## **Article (10)**

1. If the Taxable Person finds out that the Tax Return submitted to FTA or the Tax Assessment issued by FTA is incorrect in a way which causes the Payable Tax according to the Tax Law be calculated in an amount less than the correct amount, they shall submit a Voluntary Declaration.



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 them under the Tax Law be calculated at an amount higher than the correct amount, they shall submit a Voluntary Declaration.
3. If the Taxable Person finds out that the Tax Return submitted to FTA or the Tax Assessment issued by FTA is incorrect, in a way which causes the Payable Tax according to the Tax Law be calculated in an amount higher than the correct amount, they may submit 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 them under the Tax Law be calculated at an amount less than the correct amount, they may submit a Voluntary Declaration.
5. If the Taxpayer finds out an error or omission in the Tax Return submitted to FTA, without a difference in the Tax amount due, they shall correct such return by submitting a Voluntary Declaration.
6. The Executive Regulations shall define the detailed provisions related to the Voluntary Declaration to the FTA, and the mechanism of applying the Administrative Fines levied before the Voluntary Declaration.

## **Part Three**

### **Tax Procedures**

#### **Chapter One**

#### **Notification**

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

#### **Methods of Notification**

1. FTA shall notify the Person of any decisions or procedures through their address registered with the FTA.
2. The Person shall be deemed to have been notified of any decision and has received any communications if the FTA has sent Notifications and communications according to

Clause (1) above.

3. The Executive Regulations shall define the means of Notification and communications.

## **Chapter Two**

### **Tax Agents**

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

##### **Tax Agent Registration**

1. FTA shall create a Tax Agent Register.
2. Any Person may operate as a Tax Agent in the State only after fulfilling the registration conditions, being registered in the Register and obtaining the license from the competent local authority.

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

##### **Requirements for Registration in the Register**

1. The Executive Regulations shall determine the conditions, controls and procedures for registration, suspension of registration and deregistration of the Tax Agent in the Register, as well as rights and obligations of the Tax Agent.
2. The Tax Agent shall notify FTA if they cease to operate as a Tax Agent, pursuant to the controls and procedures set out in the Executive Regulations.

#### **Article (14)**

##### **Appointment of Tax Agent**

1. The Person may appoint a Tax Agent to act on its behalf and in its name in respect of its obligations on Tax affairs under this Decree-Law or the Tax Law, without prejudice to the liability of such Person under this Decree-Law or the Tax Law.
2. Subject to Clause (2) of Article (15) above, FTA may not deal with the Tax Agent in

respect of any Person if the latter notifies FTA of expiration of the agency or dismissal of the Tax Agent, as described in the mechanism set by FTA.

## **Article (15)**

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

1. The Tax Agent shall retain the information, documents, records and data related to any Person represented or that had been represented by the Tax Agent, within the period and in such manner as described in the Executive Regulations.
2. The Tax Agent shall, upon FTA request, provide the same with all information, documents, records and data in their possession required in respect of any Person represented or that had been represented by the Tax Agent.

## **Chapter Three**

### **Tax Audit**

## **Article (16)**

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

1. FTA may conduct a Tax Audit of any Person in order to verify the compliance with the provisions set forth in this Decree-Law and the Tax Law.
2. FTA shall notify the Person of a Tax Audit at least (10) ten days prior to the Tax Audit.
3. FTA may conduct the Tax Audit at FTA's headquarters, the business place of the Person subject to audit or elsewhere at which such Person carries out their business, stores commodities or keeps records.
4. Notwithstanding the provisions of Clause (2) above, a tax auditor may access, without prior notice, to anywhere at which the Person subject to audit carries out its business, stores commodities or keeps records, and may close down the same temporarily for conducting the audit for a period not exceeding (72) seventy two hours in any of the following cases:
  - a. If FTA has serious reasons to believe that the Person subject to the Tax Audit is involved or implicated in Tax evasion in respect of the obligations of such Person or

- any other Person imposed by this Decree-Law or the Tax Law.
- b. If FTA has serious reasons to believe that failure to temporarily close down the place at which the tax audit is conducted may impede the audit.
  - c. If the Person that had been notified of the Tax audit under Clause (2) above attempts to prevent the Tax auditor's access to the place at which the Tax audit is to be conducted.
- 5. In all the cases set forth in Clause (4) above, the Tax auditor shall obtain prior written consent of the Director-General or his representative and permission from the Public Prosecution if the place required to be accessed is a housing place.
  - 6. Premises closed down under this Article shall be reopened after the lapse of the (72) seventy-two hours, unless FTA obtains permission from the Public Prosecution that permits the extension of the closure period for a similar period before the lapse of the mentioned seventy-two hours.
  - 7. The Executive Regulations shall determine the necessary procedures related to Tax audit.

## **Article (17)**

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

A Tax auditor may, while conducting the Tax Audit, access to original records or photocopies thereof and take samples of goods, devices or other assets from the business place of the Person subject to the Tax Audit or those in its possession or seize the same, in accordance with the controls defined by the Executive Regulations.

## **Article (19)**

### **Tax Audit Timing**

A Tax Audit shall be conducted during the normal business hours of FTA. If necessary, the audit may be conducted beyond such times under extraordinary circumstances by a decision of the Director-General or his representative.

## **Article (19)**

### **New Information Appears After Tax Audit**

Without prejudice to the provisions of Article (46) hereof, FTA may audit any matter that had already been audited if new information comes out that may affect the outcome of the Tax audit; provided that such audit shall be subject to the Tax audit procedures in accordance with the provisions of this Decree-Law and the Executive Regulations thereof.

### **Article (20)**

#### **Cooperation During Tax Audit**

Any Person subject to a Tax Audit or their 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 (21)**

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

A Person subject to a Tax audit shall have the right to:

1. Request Tax auditors to show their professional ID cards;
2. Obtain a copy of the Tax audit Notification;
3. Attend the Tax audit conducted outside FTA; and
4. Obtain copies of any original paper or digital documents that are seized or obtained by FTA upon the Tax audit, as defined by the Executive Regulations.

### **Article (22)**

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

1. FTA shall notify the Person subject to Tax Audit of the Tax Audit outcome within the time limit and according to the procedures determined by the Executive Regulations.
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.

**Chapter Four**  
**Tax Assessment and Assessment of Administrative Fines**  
**Article (23)**

**Tax Assessment**

1. FTA shall issue a Tax Assessment to determine the value of the Payable Tax, Refundable Tax or any other matters specified by the Tax Law or the Executive Regulations, and shall notify the Taxpayer of the same within (10) ten Business Days from the issuance date thereof in any of the following cases:
  - a. The Taxable Person fails to apply for the Tax 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 by the Tax Law.
  - c. The Registered Person's failure to pay the Tax indicated as a Payable Tax in the Tax Return submitted within the time limit prescribed in the Tax Law.
  - d. The Taxable Person has submitted an 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.
  - g. Any other cases under the Tax Law.
2. FTA may issue an estimated Tax Assessment of the Payable Tax and the Refundable Tax if it is not possible to determine the actual amount of the Payable Tax or the authenticity of the Tax Return. In this case, FTA shall:
  - a. Amend the estimated Tax Assessment issued under this Article based on new information that may affect the subject of the Tax Assessment.
  - b. Notify the Person concerned of such amendments within (10) ten Business Days following the amendment date.
3. The Executive Regulations 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 Administrative Fines and inform the Person of same within (5) five Business Days in respect of any of the following violations:
  - a. The Person that carries out business or is subject to a Tax obligation under this Decree-Law or the Tax Law fails to keep the required records and other information specified both in this Decree-Law and the Tax Law.
  - b. The Person that carries out business or is subject to a Tax obligation under this Decree-Law or the Tax Law fails to submit the data, records and documents related to the Tax in Arabic to FTA upon request.
  - c. The Taxable Person fails to submit the Tax 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 to 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 within the specified time limits. In such a case, fines shall be collected from the funds of the Legal Representative.
1. 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 Due Tax within the time limit specified in the Tax Law.
- j. The Registered Person has submitted an incorrect Tax Return.
- k. A Voluntary Declaration submitted by the Taxable Person or Taxpayer on 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) above.

- I. The Taxable Person or Taxpayer fails to make a Voluntary Declaration of errors in the Tax Return, Tax Assessment or tax recovery application, in accordance with Clauses (1) and (2) of Article (10) of this Decree-Law before being notified that FTA conducted a Tax Audit on it.
  - m. The Person that is subject to the Tax Audit or their Tax Agent or Legal Representative fails to provide facilities for the Tax auditor, in violation of the provisions of Article (20) of this Decree-Law. In such a case, fines shall be collected from the funds of the Person or their legal representative or Tax Agent, as the case may be.
  - 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 in the Tax Law or under a resolution of the Cabinet.
2. The Executive Regulations shall specify the information and data to be included in the assessment of Administrative Fines.
3. The Cabinet shall issue a Resolution setting out the Administrative Fines for each of the violations mentioned in Clause (1) above, with regard to this Decree-Law, the Tax Law or any other violation specified under a Cabinet resolution.
4. The amount of any Administrative Fine shall not exceed twice the Tax amount on which the Assessment of Administrative Fines has been issued.
5. The imposition of any Administrative Fine under the provisions of this Decree-Law or any other law shall not relieve any Person from their liability to pay the Due Tax, in accordance with the provisions of this Decree-law or the Tax Law.

**Chapter Five**  
**Penalties, Procedures and Measures**  
**Article (25)**  
**Tax Crimes and Penalties**



1. The penalties set forth herein shall not prejudice to any severer penalty stipulated in any other law.
2. A prison sentence and/or a fine not less than the evaded Tax amount and not more than (3) three times the amount of evaded Tax shall be inflicted on any Person committed the Tax Evasion by one of the following act:
  - a. Deliberately refrains from paying any Payable Tax;
  - b. Deliberately reduces the actual value of its business or revenues or does not include its associates business in order not to reach the required registration limit, Tax rate or other Tax threshold, as specified in the Tax Law;
  - c. Deliberately levies or collects amounts as a Tax without being registered;
  - d. Deliberately reduces the Tax due or engages, in any manner, in the Tax Evasion;
  - e. Deliberately performs or fails to perform any other act that would constitute a Tax Evasion under this Decree-Law or the Tax Law.
3. A prison sentence and/or a fine not less than the amount of the Administrative Fine and not more than (3) three times the amount thereof shall be inflicted on any Person that abstains from paying the payable Administrative Fine, unless it is decided to be exempted.
4. A prison sentence and/or a fine not exceeding (AED 1,000,000) one million dirhams shall be inflicted on any Person committing any of the following acts:
  - a. A Person that intentionally provides false information, data and documents to FTA;
  - b. A Person who intentionally hides or destroys documents, data, information or other materials that are required to be kept and provided to FTA;
  - c. A Person who has stolen, abused or caused damage to documents or other materials kept by FTA; and
  - d. A Person who prevents or impedes employees of FTA from carrying out their duties.
5. If any of the above acts takes place and cause Tax Evasion or its facilitation or concealment, the penalty set forth in Clause (2) above shall be applicable.
6. Any Person who is proven to have been involved directly in or caused one of the crimes set forth in this Decree-Law or the Tax Law shall be penalized by the penalty prescribed therefor in this Decree-Law, pursuant to the provisions of criminal involvement set forth

in Decree-Law No. (31) of 2021, referred to hereinabove.

7. If multiple convicts are fined by one judgment in one crime, whether they are the perpetrators or accomplices, they shall be jointly liable to pay the same.
8. Recidivism shall constitute an aggravating circumstance. For the purpose of this Decree-Law or the Tax Law, a recidivist is any Person who is convicted by a final judgment in one of the crimes set forth in this Article, whatsoever the penalty, then commits one of such crimes before the lapse of (5) five years from the date on which the said final judgment is rendered.
9. Without prejudice to the provisions of Clause (11) hereunder, any Person involved in a Tax Evasion crime shall be severally and jointly liable with the involved Person for paying the Payable Tax and the Administrative Fines.
10. When the Court renders a judgment on conviction, it shall order to publish the judgment or a summary thereof with the appropriate means at the expense of the convict, at the request by FTA to the Public Prosecution.
11. The judgment on any penalty under the provisions of this Decree-Law or any other law shall not exempt any Person from the liability for paying the Payable Tax or the Administrative Fines.

## Article (26)

### Procedures and Measures

1. A criminal action may be instituted against the crimes set forth in this Decree-Law or the Tax Law only based on a written application from the Director-General.
2. Without prejudice to the cases in which the Law requires the confiscation ruling, the Court may, when a judgment of conviction is rendered in respect of any crime set forth in this Decree-Law or the Tax Law, order that the detected items and property be confiscated, without prejudice to **bona fide** third parties' rights.
3. Notwithstanding the provisions of Clause (2) above, FTA shall have the right to carry out the procedures of storage, transfer, retention, disposition, destroy, recycling or sale of seized perishable, diminishable or leakable items, or would otherwise affect the safety of other goods and facilities in the same, along with disposing of left goods.

4. Any actions taken by FTA on the seized items shall not prejudice the liability for paying the Payable Tax or the Administrative Fines, pursuant to the provisions of this Decree-Law or the Tax Law.
5. The holder of right to seized items may request to recover the same after paying the full Tax, Administrative Fines and expenses due thereon, as the case may be.
6. Neither FTA nor its employees may be held liable for malfunction or damage to the items seized as a result of FTA's disposition thereof under this Article.
7. The Executive Regulations shall define the procedures and controls related to the application of Clauses (3), (4) and (5) above.

## **Article (27)**

### **Reconciliation on Tax Evasion Crimes**

1. Before a criminal action is instituted, FTA may enter into reconciliation on Tax Evasion crimes and the deliberate abstention from the payment of the Administrative Fines set forth in this Decree-Law or the Tax Law against the payment of the full Payable Tax and Administrative Fines. FTA may, before instituting a criminal action, reconcile the crimes set forth in Clause (4) of Article (25) above after the amounts defined by the Executive Regulations are paid.
2. The Public Prosecution may, after the criminal action is instituted and before a judgment on conviction is rendered, order reconciliation on the crimes referred to in Clause (1) above against the payment of the full Payable Tax and Administrative Fines, plus an amount equivalent to a percentage of the evaded Tax, as defined by the Executive Regulations, or the amounts defined by the Executive Regulations for the crimes set forth in Clause (4) of Article (25) above.
3. The Public Prosecution may, after a judgment on conviction is rendered, order reconciliation on the crimes referred to in Clause (1) above against the payment of the full Payable Tax and the Administrative Fines, plus an amount equivalent to a percentage of the evaded Tax, as defined by the Executive Regulations, or the amounts defined by the Executive Regulations for the crimes set forth in Clause (4) of Article (25) above.

4. The reconciliation under Clauses (2) and (3) above shall be after consulting FTA.
5. The reconciliation shall entail the lapse of criminal proceedings and the revocation of effects arising therefrom. The Public Prosecution shall order a stay of execution of the penalties imposed where the reconciliation is made during the execution thereof, even if the judgment has become final.
6. The Executive Regulations shall define the conditions, controls and procedures of reconciliation set forth in this Article.

## **Part Four**

### **Tax Assessment Review, Objection and Challenge**

#### **Chapter One**

#### **Application for Tax Assessment Review**

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

#### **Application for Tax Assessment Review**

1. Without prejudice to the provisions of Article (29) hereunder, any Person may submit an application to FTA for reviewing the Tax Assessment or part thereof issued against the same and any associated Administrative Fines.
2. The application submitted under Clause (1) shall be reasoned, and shall be submitted within (40) forty Business Days from the date on which the Person is notified of the Tax Assessment and the associated Administrative Fines.
3. FTA shall review the application submitted under Clause (1) above and shall be decided on within (40) forty Business Days from the date of receiving the said application. The applicant shall be notified of the decision within (5) five Business Days from the date of issuance.
3. The Person may submit an application for reconsideration, pursuant to Article (29) hereunder, against the decision issued under Clause (3) above, within (40) forty Business Days from the date of notifying the Person of the decision, pursuant to Clause (3) above, or expiry of the time limit within which FTA shall issue a decision on the application and so notify the applicant.

5. No application for reviewing a Tax Assessment may be submitted or continued if a reconsideration application for which has been submitted.
6. The application under Clause (1) above shall be submitted according to the form and mechanism identified by FTA.

## **Chapter Two**

### **Application for Reconsideration**

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

### **Application for Reconsideration**

1. Any Person may submit an application to FTA for reconsideration of any decision or part thereof issued by FTA against such Person. The application shall be reasoned, and shall be submitted within (40) forty Business Days from the date on which the Person is notified of the respective decision.
2. FTA shall consider and decide on the application by a reasoned decision within (40) forty Business Days from the date of receiving the said application. The applicant shall be notified of FTA decision within (5) five Business Days from the date of issuance.
3. An application for reconsideration on a Tax Assessment for which an application for review had been submitted to FTA may be submitted only after FTA issues a decision or expiry of the time limit within which FTA shall issue a decision on the application and so notify the applicant, pursuant to the provisions of Article (28) and (35) above.
4. The application under Clause (1) above shall be submitted according to the form and mechanism identified by FTA.

## **Chapter Three**

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

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

## **Tax Dispute Settlement Committee**

1. One or more standing committees to called "Tax Dispute Settlement Committee" shall be formed under the chairmanship of a member of the Judiciary and the membership of two experts from those enrolled in the Tax Experts Roll, who shall be appointed by a decision of the Minister of Justice in coordination with the Minister.
2. The Cabinet shall issue a resolution on the Committee's rules of procedure, remunerations of its members and the applicable procedures.

## **Article (31)**

### **Competences of the Committee**

The Committee shall have the following competences:

1. To decide on objections filed against FTA's decisions on reconsideration applications.
2. To decide on reconsideration applications submitted to FTA and no decision has been taken thereon, pursuant to the provisions of this Decree-Law.
3. Any other competences assigned to the Committee by the Cabinet.

## **Article (32)**

### **Objection Submission Procedures and Cases of Objection Rejection**

1. An objection to the decision of FTA with regard to an application for reconsideration shall be submitted within (40) forty Business Days from the date of Notification of FTA decision.
2. The objection submitted to the Committee shall not be accepted in the following cases:
  - a. If the application for reconsideration has not been submitted to FTA beforehand;
  - b. If the full tax subject of the objection is not paid; and
  - c. If the objection has not been submitted within the time limit set out in Clause (1) above.
3. The Cabinet may, at the proposal of the Minister, issue a resolution for introducing any modifications to the amount of Payable Tax, pursuant to Paragraph (b) of Clause (2) above, for the purpose of submitting an objection under this Article.

## **Article (33)**

### **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 shall notify the objecting Person and FTA of its decision within (5) five Business Days from the issuance date thereof.
3. 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.
4. In all cases, claims of tax disputes shall not be accepted before the Competent Court if the objection is not filed with the Committee beforehand.

## **Article (34)**

### **Enforcement of the Committee's Decisions**

1. Final decisions made by the Committee on disputes not exceeding AED (100,000) one hundred thousand dirhams shall be considered a writ of execution.
2. Decisions made on disputes exceeding AED (100,000) one hundred thousand dirhams shall be considered a writ of execution if they are not challenged before the Competent Court within a period of (40) forty Business Days from the date of the objection result Notification.
3. The Committee's final decisions having the force of the writ of execution shall be enforced by the enforcement judge of the Competent Court.

## **Article (35)**

### **Extension of Time Limits**

1. FTA or the Committee, as the case may be, for any reason whatsoever, may extend any of the time limits set out in Clause (3) of Article (28), Clause (2) of Article (29) and Clause (1) of Article (33) above for a period specified by the Executive Regulations.

2. FTA or the Committee, as the case may be, at the request of any Person for any of the reasons specified in the Executive Regulations, may grant such Person an extension for any of the time limits set out in Clause (2) of Article (28), Clause (1) of Article (29) and Clause (1) of Article (32) above.
3. If the extension application submitted under Clause (2) above is rejected, pursuant to the provisions of Article (32) or (36) of this Decree-Law, the decision of FTA or the Committee shall be final and irrevocable or non-appealable, as the case may be.

## **Article (36)**

### **Appeal Proceedings Before Courts**

1. Without prejudice to the provisions of Article (34) and (37) above, FTA and the Person, as the case may be, may appeal against the decision of the Committee before the Competent Court within (40) forty Business Days from the date of notifying FTA or the Person, as the case may be, of the decision of the Committee in any of the following cases:
  - a. Objection to the committee's decision in whole or in part.
  - b. No decision has been made by the Committee on an objection already submitted thereto in accordance with the provisions of this Decree-Law.
2. The Competent Court shall adjudicate the inadmissibility of the appeal against FTA in the following cases:
  - a. In the cases of objection rejection by the Committee, as set out in Clause (2) of Article (32) above.
  - b. The Person's failure to provide a document proving the full payment of Tax to FTA.
  - c. The Person's failure to provide a document proving the payment of a percentage not less than (50%) of the Administrative Fines prescribed according to the Committee's decision or the court judgment, as the case may be, through the cash payment to FTA or by providing an accredited bank guarantee in favour of FTA.
3. The Cabinet may, at the proposal of the Minister, introduce any modifications to the amount set out in Paragraph (b) and the percentage set out in Paragraph (c) of Article (2) above.



## **Article (37)**

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

Notwithstanding the provisions of Articles (31), (32), (33), (34) and (36) above, the Cabinet shall issue, at the proposal of the Minister, a resolution approving an alternative mechanism for objection and appeal if parties to a dispute are any of the federal or local government authorities set out in this Resolution. Until the said Cabinet resolution is issued and entered into force, the provisions set forth in this Decree-Law shall apply to objections or appeals filed by federal and local government authorities related to Tax disputes.

## **Part Five**

### **Tax Recovery and Collection**

#### **Chapter One**

#### **Recovery of Tax**

### **Article (38)**

#### **Tax Recovery Application**

1. 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, in accordance with the procedures specified by the Executive Regulations.
2. FTA shall review the application submitted under Clause (1) and shall notify the Taxpayer of its decision approving rejecting the application.

## **Article (39)**

### **Tax Refund Procedures**

1. FTA shall make a set-off between the amount required to be refunded and any other undisputed 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 any amount mentioned in Clause (1) of this Article in any of the following cases:
  - a. If it finds out that there are other disputed Tax amounts related to such Taxpayer.
  - b. If the Person is subject to Tax Audit. In such a case, FTA may not abstain from refunding the outstanding amount following the fulfillment of the conditions identified by FTA Board resolution.
  - c. By virtue of a decision by the Competent Court.
3. FTA shall refund the Tax under this Article in accordance with the procedures and controls specified by the Executive Regulations.

## **Chapter Two**

### **Tax Collection**

#### **Article (40)**

##### **Collection of Payable Tax and Administrative Fines**

1. If the Person fails to pay the Payable Tax within the time limits specified in this Decree-Law and the Tax Law, the following actions shall be taken:
  - a. FTA shall serve a Notification to the Person for payment of the Payable Tax and the Administrative Fines within (20) twenty Business Days from the date of notification.
  - b. In case the Person fails to make the payment after being notified in accordance with Paragraph (a) of Clause (1) of this Article, the Director-General shall issue a decision obligating the Person to pay the Payable Tax and the Administrative Fines, and such decision shall be notified within (5) five Business Days from the date of the decision, accompanied by the Tax Assessment and the assessment of Administrative Fines.
  - c. The decision of the Director-General on the Tax Assessment and assessment of Administrative Fines shall be considered as a writ of execution for the purpose of enforcement by the enforcement judge of the Competent Court.
2. If FTA finds out that the Payable Tax amounts could be lost, the Director-General may ask an interim relief judge of the Competent Court to issue an order on petition to attach at the Person's property, at the possession of any one, adequate to collect such amounts. Such amounts shall be under a precautionary attachment and may be disposed of only if

the attachment is lifted by a judgment by the Competent Court at the request of the Director-General.

3. The Tax and other amounts payable to FTA under the Tax Law shall take precedence over all funds of debtors thereof or Persons bound to pay the same to FTA under the Law, based on the priority over all other debts, other than legal expenses.
4. Any Person who receives any amount as Tax, shall pay the same to FTA, and shall be treated with the same treatment of the Payable Tax.

### **Chapter Three**

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

##### **Article (41)**

##### **Liability for Payment of Tax and Administrative Fines in Case of Partnership**

Without prejudice to any provisions in the Tax Law, if multiple Persons participate in business that do not have an autonomous 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 (42)**

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

Without prejudice to any provisions in the Tax Law, if multiple Persons participate in business that do not have an autonomous 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 (42)**

##### **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 a 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 or with reduced capacity, missing, lost or of unknown domicile and the like shall be paid by his legal representative from assets and property of the Taxable Person, subject to the legislation in force in this regard.

## **Article (43)**

### **Payment and Administrative Fines of Tax in Case of Bankruptcy**

1. An appointed bankruptcy trustee shall communicate with FTA to inform him of the Due Tax or FTA's desire to conduct a tax audit for the specified Tax Period(s).
2. FTA shall inform the bankruptcy trustee 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 trustee.
3. The bankruptcy trustee has the right to appeal, object to and challenge the assessment of FTA or payment of the Due Tax.
4. The Executive Regulations shall specify the procedures for communication with FTA, grievance, objection and payment of the Due Tax.

## **Part Six**

### **General Provisions**

#### **Chapter One**

### **Confidentiality and Conflict of Interest**

## **Article (44)**

### **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.

2. In all the cases referred to in Clause (1) above, disclosure may only be made after the approval of the employees authorized by the Board of Directors of FTA, as defined by the Executive Regulations.
3. Employees of FTA shall, upon completion of their services, maintain their professional confidentiality and not to disclose the information they obtained or accessed thereto due to their job capacity only at the request of judicial authorities and in accordance with the Executive Regulations.
4. Any Person who has obtained information in accordance with the provisions of the Decree-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, where necessary.
5. The Board of Directors of FTA shall issue the 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.

## **Article (45)**

### **Conflict of Interests**

Any employee of FTA may not perform or engage in any tax procedures related to any Person in the following cases:

1. In case of a kinship up to the fourth degree between the employee and such natural Person;
2. In case of a common interest between the employee and such natural Person or one of their relatives up to the third degree;
3. In case of a personal or financial interest or any other relationship between the employee and such Person influencing the employee's ability to take an independent decision; and
4. In case the Director-General decides not to carry out any Tax procedures related to such Person for the presence of any other case of conflict of interest.

**Chapter Two**  
**Time Limits & Prescription**  
**Article (46)**  
**Prescription**

1. Except for the cases set out in Clauses (2), (3), (6) and (7) hereunder, FTA may not conduct a Tax audit or issue a Tax Assessment on the Taxable Person after (5) five years from the end of the relevant Tax Period.
2. FTA may conduct a Tax Audit or issue a Tax Assessment on the Taxable Person after (5) five years from the end of the relevant Tax Period if they are notified of the commencement of such Tax Audit prior to the lapse of the (5) five-year period; provided that the Tax Audit or the Tax Assessment issuance, as the case may be, within (4) four years from the date of the Tax Audit Notification.
3. FTA may conduct a Tax Audit or issue a Tax Assessment after (5) five years from the end of the relevant Tax Period if such Tax Audit or the Tax Assessment issuance is related to a Voluntary Declaration that had been submitted in the fifth year of the end of the Tax Period; provided that the Tax Audit is made or the Tax Assessment is issued, as the case may be, within one year from the date of submitting the Voluntary Declaration.
4. The Cabinet, at the proposal of the Minister, may issue a resolution amending the time limit set for the completion of the Tax Audit or the issuance of the Tax Assessment, pursuant to Clauses (2) or (3) above.
5. No Voluntary Declaration may be submitted following the lapse of (5) five years from the end of the relevant Tax Period.
6. In case of Tax Evasion, FTA may conduct a Tax Audit within (15) fifteen years from the end of the Tax Period during which the Tax Evasion occurred.
7. In case of non-tax registration, FTA may conduct a Tax Audit or issue a Tax Assessment within (15) fifteen years from the date on which the Taxable Person was required to make the tax registration.
8. The prescription set forth in this Article shall cease for any of the reasons set forth in Federal Law No. (5) of 1985, Enacting the Law of Civil Transactions or any superseding

federal law.

## **Article (47)**

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

The Payable Tax and Administrative Fines, which have been notified to the Taxable Person, shall not lapse by prescription and may be claimed by FTA at any time.

## **Article (48)**

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

Unless a specific time limit is set for the performance of any obligation or any other action in this Decree-Law or the 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 occurrence of the obligation or action. FTA may extend such time limit.

## **Article (49)**

### **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 for which the time limit occurred is not included in the time limit.
2. If the last day of the time limit is not a Business Day, the time limit shall be extended to the subsequent first Business Day.
3. The time limits and dates set forth in this Decree-Law and the Tax Law shall be calculated according to the Gregorian calendar.

## **Article (50)**

### **Controls of Administrative Fines Payment in Installments, Exemption and Refund**

1. If FTA levies or collects an Administrative Fine from any Person for violating the provisions of this Decree-Law or the Tax Law, the Committee set out in Clause (2) hereunder may, at the proposal of the Director-General, issue a decision approving the payment of the Administrative Fine amount in installments or exemption from or refunding, in whole or in part, such amount, in accordance with the controls and procedures issued by virtue of a Cabinet resolution, at the proposal of the Minister.
2. FTA Board Chairman shall issue a resolution forming the Committee set forth in Clause (1) above under his chairmanship or his deputy and membership of two members of the Board. The resolution forming the Committee shall provide for the Committee's working system and the method of holding its meetings.

## **Chapter Three**

### **Miscellaneous Provisions**

#### **Article (51)**

#### **Proving the Authenticity of Data**

The burden of proving the Tax Return authenticity shall lie with the Taxable Person. In cases of Tax Evasion, the burden of proof shall lie with FTA.

#### **Article (52)**

#### **Judicial Police**

The Director-General and Persons designated under a resolution of the Minister of Justice, in agreement with the Minister, shall have the capacity of judicial officers for detecting crimes or violations against the provisions of this Decree-Law, the Tax Law or resolutions issued in implementation thereof.

#### **Article (53)**

#### **Tax Resident**

1. For the purpose of the Tax Law or any convention or arrangement to which the State is a party, the Cabinet shall issue a resolution, at the proposal of the Minister, establishing



the conditions whereby a Person can be deemed a Tax Resident.

2. FTA shall issue the Tax Domicile Certificate for the Tax Resident pursuant to the provisions established by the Cabinet resolution.

## **Article (54)**

### **FTA Fees**

By virtue of a Cabinet resolution, at the proposal of the Minister, the fees payable to FTA shall be identified, pursuant to the provisions of this Decree-Law and the Executive Resolution thereof.

## **Article (55)**

### **Repeals**

1. Federal Law No. (7) of 2017, on Tax Procedures, as amended, shall hereby be repealed.
2. Any provision contradicting or repugnant to the provisions of this Decree-Law shall hereby be repealed.
3. The Executive Regulations of Federal Law No. (7) of 2017, on Tax Procedures, as amended, and any other resolutions issued in implementation thereof shall hereby be repealed, in so far as they do not contradict the provisions of this Decree-Law, until the superseding Executive Regulations and resolutions are issued, pursuant to the provisions of this Decree-Law.

## **Article (56)**

### **Executive Regulations**

The Cabinet shall issue, at the proposal of the Minister, the Executive Regulations of this Decree-Law.

## **Article (57)**

### **Publication and Entry into Force of the Decree-Law**

This Decree-Law shall be published in the Official Gazette, and shall enter into force as of 1st

March 2023.

**Mohammed bin Zayed Al Nahyan**  
**President of the United Arab Emirates**

Issued at the Presidential Palace – Abu Dhabi  
**Dated: 4 th Rabi' al-Awwal 1444 AH,**  
**Corresponding to: 30 th September 2022 AD**