

Cabinet Resolution No. (75) of 2023
Concerning the Administrative Penalties for Violations Related to the
Application of Federal Decree- Law No. (47) of 2022
Concerning the Corporate Tax

The Cabinet,

- Having reviewed the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and the Capacities of Ministers, and its amendments thereof; and
- Federal Decree-Law No. (13) of 2016, Establishing the Federal Tax Authority, and its amendments; and
- Federal Law No. (14) of 2016, Concerning the Violations and Administrative Penalties in the Federal Government; and
- Federal Decree-Law No. (28) of 2022, Concerning Tax Procedures; and
- Federal Decree-Law No. (47) of 2022, Concerning the Corporate Tax; and
- Cabinet Resolution No. (40) of 2017, Concerning the Administrative Penalties for the Violation of the Tax Laws in the State, and its amendments; and
- Based upon the proposal submit by the Minister of Finance and the Cabinet’s approval,

Hereby resolves as follows:

Article (1)

Definitions

The definitions set forth in Federal Decree-Law No. (28) of 2022 Concerning Tax Procedures and in Federal Decree-Law No. (47) of 2022 Concerning the Corporate Tax shall apply to this Resolution. Otherwise, the following words and expressions shall have the meanings assigned thereto respectively, unless the context otherwise requires:

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|---------------------------|---|
| Tax | : The Corporate Tax. |
| Tax Procedures Law | : Federal Decree-Law No. (28) of 2022, Concerning Tax Procedures. |

Corporate Tax Law	: Federal Decree-Law No. (28) of 2022, Concerning the Corporate Tax.
Due Tax	: The Tax that is calculated and levied under the provisions of the Corporate Tax Law.
Administrative Penalties	: Amounts imposed on the Person by the Authority for violating the provisions of the Tax Procedures Law, the Corporate Tax Law or the resolutions issued by the Cabinet for the implementation thereof.
Tax Audit	: A procedure undertaken by the Authority to examine the commercial records, information, data or goods related to a person to determine whether or not such person fulfills its obligations under the Tax Procedures Law or the Corporate Tax Law.
Declaration	: A declaration to be submitted pursuant to the provisions of Clauses (5) and (6) of Article (53) or Clause (1) of Article (55) of the Corporate Tax Law.
Tax Difference	: The difference between the due tax as calculated and the due tax as it should have been calculated.

Article (2)

Applicability

Notwithstanding the provisions of Cabinet Resolution No. (40) of 2017, referred to above, the administrative penalties included in the table annexed to this Resolution shall apply to the violations related to the application of the Corporate Tax Law.

Article (3)

Date of Application of Monthly Administrative Penalties

For the purposes of Clauses (3), (6), (7), (8) and (13) of the table annexed to this Resolution, if any penalty is imposed on the same date on a monthly basis, the date for any month, that does not have a corresponding date for that date, shall be considered the last day of that

month, provided that the penalty for all other months applies on the same date on which the monthly penalty was first imposed.

Article (4)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall enter into force as of 1 August 2023.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: 22 Dhu Al Hijjah 1444 A.H.

Corresponding to: 10 July 2023 AD

Table of Violations and Administrative Penalties Annexed to Cabinet Resolution No. (75) of 2023 Concerning the Administrative Penalties for Violations Related to the Application of Federal Decree- Law No. (47) of 2022 Concerning the Corporate Tax

S.N.	Description of the Violation	Amount of the Administrative Penalty in AED
1.	Failure of the Person conducting a Business or Business Activity or having a Tax obligation under the Tax Procedures Law or the Corporate Tax Law to keep the required records and other information specified in the Tax Procedures Law and the Corporate Tax Law.	One of the following penalties shall apply: 1. (10,000) per violation. 2. (20,000) in case of a repeated violation within (24) months from the date of the last violation.
2.	Failure of the Person conducting Business or Business Activity or having a Tax obligation under the Tax Procedures Law or the Corporate Tax Law to submit the data, records and documents related to the Tax in Arabic to the Authority when requested.	(5,000)
3.	Failure of the Registrant to submit a deregistration application within the time limit specified in the Corporate Tax Law and its implementing resolutions.	(1,000) in case of late submission of the application and on the same date on a monthly basis, up to (10,000).

4.	Failure of the Registrant to inform the Authority of any case that may require the modification of the information pertaining to its tax record kept by the Authority.	One of the following penalties shall apply: 1. (1,000) per violation. 2. (5,000) in case of a repeated violation within (24) months from the date of the last violation.
5.	Failure of the legal representative to give notice of his appointment within the specified time limits, in which case the penalties shall be due from the legal representative's own funds.	(1,000)
6.	Failure of the legal representative to file a Tax Return within the specified time limits, in which case the penalties will be due from the legal representative's own funds.	1. (500) per month, or part thereof, for the first twelve months. 2. (1,000) per month, or part thereof, from the thirteenth month onwards. This penalty shall be imposed from the day following the expiry of the time limit within which the Tax Return shall be submitted, and on the same date on a monthly basis thereafter.
7.	Failure of the Registrant to submit a Tax Return within the time limit specified in the Corporate Tax Law.	1. (500) per month, or part thereof, for the first twelve months. 2. (1,000) per month, or part thereof, from the thirteenth month onwards. This penalty shall be imposed from the day following the expiry of the time limit within which the Tax Return shall be submitted, and on the same date on a monthly basis thereafter.

8.	Failure of the Taxable Person to pay the Payable Tax.	<ol style="list-style-type: none"> 1. A monthly penalty of (14%) per annum, for each month or part thereof, to be imposed on the Payable Tax amount not paid from the day following the due date of payment and on the same date on a monthly basis thereafter. 2. For the purposes of this penalty, the due date of payment in the case of the Voluntary Disclosure and Tax Assessment, shall be as follows: <ol style="list-style-type: none"> a. (20) business days from the date of submission, in the case of a Voluntary Disclosure. b. (20) business days from the date of receipt, in the case of a Tax Assessment.
9.	The Registrant submits an incorrect Tax Return.	(500), unless the Person corrects its Tax Return before the expiry of the deadline for the submission of Tax Returns according to the Corporate Tax Law.
10.	The Taxable Person submits a Voluntary Disclosure in relation to errors in the Tax Return, Tax Assessment or Tax refund application pursuant to Clauses (1) and (2) of Article (10) of the Tax Procedures Law.	A monthly penalty at (1%) on the Tax Difference, per month or part thereof, to be applied as of the date following the due date of the relevant Tax Return, the date of submission of the Tax refund application, or the date of notification of the Tax Assessment and until the date of submission of the Voluntary Disclosure.
11.	Failure of the Taxable Person to submit a Voluntary Disclosure in relation to errors in the Tax Return,	<p>The following penalties shall apply:</p> <ol style="list-style-type: none"> 1. A fixed penalty at (15%) on the Tax Difference.

	<p>Tax Assessment or Tax refund application pursuant to Clauses (1) and (2) of Article (10) of the Tax Procedures Law, before being notified by the Authority that it will be subject to a Tax Audit.</p>	<p>2. A monthly penalty at (1%) on the Tax Difference, per month or part thereof, to be applied as follows:</p> <p>a. Where the Taxable Person submits a Voluntary Disclosure after being notified that it will be subject to a Tax Audit by the Authority, the penalty shall be imposed for the period from the day following the due date of the relevant Tax Return, the date of submission of the Tax refund application or date of notification of the Tax Assessment and until the date of submission of the Voluntary Disclosure.</p> <p>b. Where the Taxable Person fails to submit a Voluntary Disclosure, the penalty shall be imposed as of the date following the due date of the relevant Tax Return, or the date of submission of the Tax refund application or date of notification of the Tax Assessment and until the date of issuance of the Tax Assessment.</p>
<p>12.</p>	<p>Failure of a Person subject to Tax Audit, his Tax Agent or Legal Representative to offer facilitation to the Tax Auditor in violation of the provisions of Article (20) of the Tax Procedures Law, in which case the penalties will be due from the Person's, Legal Representative's or Tax Agent's own funds, as applicable.</p>	<p>(20,000)</p>

<p>13.</p>	<p>Failure of a Person to submit or delays the submission of a Declaration to the Authority, as required in accordance with the provisions of the Corporate Tax Law.</p>	<p>1. (500) per month, or part thereof, for the first twelve months. 2. (1,000) per month, or part thereof, from the thirteenth month onwards. This penalty shall be imposed from the day following the expiry of the time limit within which the Declaration shall be submitted, and on the same date on a monthly basis thereafter.</p>
<p>14.</p>	<p>Taxable person's failure to submit a tax registration application within the timeframe determined by the Authority in accordance with the Corporate Tax Law.</p>	<p>(10,000)</p>