

**This is not an official Translation:**

## **Tax Procedures**

**Federal Decree-Law No. 28 of 2022 – Issued 30 Sep 2022 (Effective 1 Mar 2023)**

**Federal Decree-Law No. 17 of 2024 – Issued 30 Sep 2024 (Effective 30 Oct 2024)**

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**His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates, has issued the following Decree-Law:**

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competencies of the Ministries and Powers of the Ministers, and its amendments,
- Federal Law No. 11 of 1981 on the Imposition of a Federal Customs Tax on Imports of Tobacco and its Derivatives, and its amendments,
- Federal Law No. 5 of 1985 promulgating the Civil Transactions Law, and its amendments,
- Federal Law No. 10 of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions, and its amendments,
- Federal Law No. 11 of 1992 promulgating the Civil Procedures Law, and its amendments,
- Federal Law No. 35 of 1992 promulgating the Penal Procedures Law, and its amendments,
- Federal Law No. 18 of 1993 promulgating the Commercial Transactions Law, and its amendments,
- Federal Decree-Law No. 9 of 2016 on Bankruptcy, and its amendments,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Law No. 7 of 2017 on Tax Procedures, and its amendments,
- Federal Decree-Law No. 7 of 2017 on Excise Tax, and its amendments,
- Federal Decree-Law No. 8 of 2017 on Value Added Tax, and its amendments,
- 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 Crimes and Penalties Law,
- Federal Decree-Law No. 32 of 2021 on Commercial Companies,
- Federal Decree-Law No. 37 of 2021 on the Commercial Register,

- Federal Decree-Law No. 46 of 2021 on Electronic Transactions and Trust Services, and
- Pursuant to the presentation of the Minister of Finance and the approval of the Cabinet,

## **Title One – Definitions and Scope of Application of this Decree-Law**

### **Article 1 - Definitions**

In the application of the provisions of this Decree-Law, the following words and expressions shall have meanings assigned against each, unless the context otherwise requires:

State	: United Arab Emirates.
Minister	: Minister of Finance.
Authority	: Federal Tax Authority.
Director General	: Director General of the Authority.
Business Day	: Any day of the week, except weekends and official holidays of the Federal Government.
Committee	: Tax Disputes Resolution Committee.
Competent Court	: The federal court within whose jurisdiction the Authority's Head Office or Branch is located.
Tax	: Every tax imposed under the Tax Law, that the Authority is mandated to administer, collect and enforce.
Tax Law	: Any federal law pursuant to which a Tax is imposed.
Tax Residency Certificate	: A certificate issued by the Authority confirming the Tax residency of a Person in the State, in accordance with Article 53 of this Decree-Law.
Tax Resident	: A Person resident in the State in accordance with Article 53 of this Decree-Law.
Person	: A natural or juridical person.
Business	: Any activity conducted regularly, on an ongoing and independent basis by any Person, such as industrial, commercial, agricultural, professional, vocational, service or excavation activities or anything related to the use of tangible or intangible properties, or any other activity as may be specified in the Tax Law.

Taxable Person	: Any Person registered or obligated to register for the purposes of the Tax Law.
Taxpayer	: Any Person who is obligated to pay Tax in the State under the Tax Law whether a Taxable Person or an end consumer.
Tax Return	: The information and data specified for Tax purposes and submitted by a Taxable Person to the Authority for Tax purposes in the form and manner as prescribed by the Authority, including the relevant attachments and schedules.
Tax Period	: The specified period of time determined in the Tax Law in respect of which Due Tax shall be calculated.
Tax Registration	: A procedure according to which a Person registers with the Authority or is registered for Tax purposes by the Authority, as applicable.
Tax Registration Number	: A unique number issued by the Authority to each Person who is registered for Tax purposes.
Registrant	: The Taxable Person who has been issued a Tax Registration Number.
Legal Representative	: The guardian or custodian of an incapacitated person or minor, or the bankruptcy trustee appointed by the court for a company that is in bankruptcy, or any other Person legally appointed to represent another Person.
Due Tax	: Tax that is calculated and imposed under the provisions of the Tax Law.
Payable Tax	: Tax that has become due for payment to the Authority.
Administrative Penalties	: Monetary amounts imposed upon the Person by the Authority for breaching the provisions of this Decree-Law, the Tax Law or decisions issued by the Cabinet for execution thereof.
Refundable Tax	: Amounts that the Authority may refund in whole or in part to the Taxpayer pursuant to the Tax Law and this Decree-Law.
Tax Assessment	: A decision issued by the Authority in accordance with Article 23 of this Decree-Law.
Administrative Penalties Assessment	: A decision issued by the Authority concerning Administrative Penalties.

Notification	: Notification to a Person of decisions issued by the Authority through the means stated in this Decree-Law and its Executive Regulation.
Voluntary Disclosure	: A form prepared by the Authority pursuant to which a Taxpayer notifies the Authority of an error or omission in the Tax Return, Tax Assessment or Tax refund application, in accordance with the provisions of Article 10 of this Decree-Law.
Register	: The Register of Tax Agents.
Tax Agent <sup>1</sup>	: Any Person registered with the Authority who is appointed on behalf of another Person to represent him before the Authority and assist him in the fulfilment of his obligations and the exercise of his associated Tax rights.
Tax Audit	: A procedure undertaken by the Authority to inspect the commercial records, information, data or goods related to a Person to determine whether the Person has fulfilled his obligations under this Decree-Law or the Tax Law.
Tax Auditor	: Any employee of the Authority appointed to conduct a Tax Audit.
Tax Evasion	: The Person's use of illegal means, resulting in the reduction of the amount of the Due Tax, non-payment thereof, or a refund of Tax that a Person did not have the right to have refunded under this Decree-Law or the Tax Law.
Executive Regulation	: The Executive Regulation of this Decree-Law.
Electronic Invoicing System <sup>2</sup>	: An electronic system designated for the issuance, transmission, exchange and sharing of invoice and credit note data in accordance with this Decree-Law.

## Article 2 – Objectives of this Decree-Law

This Decree-Law aims to achieve the following:

1. Regulation of the rights and obligations of the Authority, the Taxpayer and any other Person dealing with the Authority in the implementation of the provisions of

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<sup>1</sup> Definition amended as per Federal Decree-Law No. 17 of 2024

<sup>2</sup> Definition added as per Federal Decree-Law No. 17 of 2024.

this Decree-Law or the Tax Law.

2. Regulation of the common procedures and rules applicable to all Tax Laws in the State.

## **Article 3 – Scope of Application of this Decree-Law<sup>3</sup>**

The provisions of this Decree-Law shall apply to the procedures related to the administration and enforcement of the Tax Laws, and collection of Tax and the Administrative Penalties imposed under the provisions of this Decree-Law or the Tax Law.

## **Title Two – Obligations<sup>4</sup>**

### **Chapter One – Keeping of Accounting Records, Commercial Books and Electronic Invoicing System<sup>5</sup>**

#### **Article 4 – Record Keeping<sup>6</sup>**

Any Person conducting any Business or having an obligation under the Tax Law shall keep accounting records and commercial books of his Business and retain any Tax related information as determined by the Tax Law according to the controls specified in the Executive Regulation.

#### **Article 4 (bis) – Electronic Invoicing System<sup>7</sup>**

1. The Minister shall issue the necessary decisions to implement the Electronic Invoicing System and determine its effective dates, requirements and provisions required to implement the controls, rules and procedures related thereto.
2. Any Person determined by the Minister, shall be subject to the Electronic Invoicing System.

## **Article 5 – Language**

1. Every Person shall submit the Tax Return and any data, information, records and documents related to Tax that he is required to submit or otherwise requested

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<sup>3</sup> Article amended as per Federal Decree-Law No. 17 of 2024.

<sup>4</sup> Title amended as per Federal Decree-Law No. 17 of 2024.

<sup>5</sup> Chapter title amended as per Federal Decree-Law No. 17 of 2024.

<sup>6</sup> Article amended as per Federal Decree-Law No. 17 of 2024.

<sup>7</sup> Article added as per Federal Decree-Law No. 17 of 2024.

to submit to the Authority in Arabic.

2. Notwithstanding Clause 1 of this Article, the Authority may accept the Tax Return, data, information, records, and documents related to the Tax in any other language, provided that the Person provides the Authority with a translated copy of any of these in Arabic if requested by the Authority, as specified in the Executive Regulation.
3. The Person who submits any translated copies of data, information, records and any other documents related to any Tax to the Authority shall be responsible for the accuracy and correctness of such translated copies, and shall bear all the associated costs. The Authority shall be entitled to rely on the translation provided.

## **Chapter Two – Tax Registration**

### **Article 6 – Tax Registration, Deregistration and Amendment of Registration Data**

1. The Taxable Person must apply for registration with the Authority in accordance with the provisions of the Tax Law.
2. A Registrant must do the following:
  - a. Include his Tax Registration Number in all correspondence and transactions with the Authority and others in accordance with the provisions of the Tax Law.
  - b. Inform the Authority, in the form and manner prescribed by the Authority, of the occurrence of any event that might require the amendment of information related to his Tax record kept by the Authority, within (20) twenty Business Days from the occurrence of such event.
  - c. Apply for deregistration in accordance with the relevant conditions in the Tax Law.
3. The Executive Regulation will specify the procedures for Tax Registration, deregistration, and amendment of registration data.
4. The government bodies concerned with licensing a Person to conduct a Business shall notify the Authority within a maximum of (20) twenty Business Days of the issuance of any licence, in accordance with the provisions of the Executive Regulation.

## **Article 7 – The Legal Representative**

A Legal Representative shall do the following:

1. Inform the Authority within (20) twenty Business Days from the date of the appointment, according to the procedures specified in the Executive Regulation.
2. Submit the Tax Returns to the Authority on behalf of the Taxable Person.
3. Adhere to any requirements imposed by this Decree-Law and the Tax Law, as applicable.

## **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 the Authority in accordance with the provisions of this Decree-Law and the Tax Law.
  - b. Settle any Payable Tax within the timeframe specified in this Decree-Law and the Tax Law.
2. Any incomplete Tax Return submitted to the Authority shall be considered as not accepted by the Authority, if it does not include the minimum information required as specified in the Tax Law.
3. Every Taxable Person is responsible for the accuracy of the information and data in the Tax Return and any correspondence with the Authority.
4. Every Taxpayer shall settle any Payable Tax and Administrative Penalties within the time period specified in this Decree-Law and the Tax Law.

### **Article 9 – Determination of Payable Tax**

1. The Taxable Person shall, when paying any amount to the Authority, specify the type of Tax and the relevant Tax Period to which the amount relates and the Authority shall allocate the amount paid accordingly.
2. When a Taxable Person makes any payment without specifying the type of Tax or the Tax Period, the Authority shall have the right to allocate the full amount or part thereof for settlement of Tax or amounts due, as specified in the Executive Regulation.
3. If the Taxable Person pays an amount greater than the value of the Payable Tax, or

has a credit with the Authority, the Authority may allocate the amount or credit to settle any Tax or amounts due, as specified in the Executive Regulation.

4. If the Taxable Person pays an amount less than the value of the Payable Tax, the provisions of Chapter Four of Title Three and Chapter Two of Title Five of this Decree-Law shall apply.

## **Chapter Four – Voluntary Disclosure**

### **Article 10**

1. If a Taxable Person becomes aware that a Tax Return submitted to the Authority or a Tax Assessment issued by the Authority is incorrect, which resulted in a calculation of Payable Tax according to the Tax Law being less than it should have been, the Taxable Person shall submit a Voluntary Disclosure.
2. If a Taxpayer becomes aware that a Tax refund application submitted to the Authority is incorrect, which resulted in the calculation of a refund amount to which he is entitled according to the Tax Law being more than it should have been, the Taxpayer shall submit a Voluntary Disclosure.
3. If a Taxable Person becomes aware that a Tax Return submitted to the Authority or a Tax Assessment issued by the Authority is incorrect, which resulted in the calculation of Payable Tax according to the Tax Law being more than it should have been, the Taxable Person may submit a Voluntary Disclosure.
4. If a Taxpayer becomes aware that a Tax refund application submitted to the Authority is incorrect, which resulted in the calculation of a refund amount to which he is entitled according to the Tax Law being less than it should have been, the Taxpayer may submit a Voluntary Disclosure.
5. If the Taxpayer discovers an error or omission in the Tax Return submitted to the Authority, where there is no difference in the amount of Due Tax, the Taxpayer must correct such return by submitting a Voluntary Disclosure.
6. The Executive Regulation shall set out the detailed provisions relating to submitting a Voluntary Disclosure to the Authority and the method of application of Administrative Penalties imposed prior to the Voluntary Disclosure.

## **Title Three – Tax Procedures**

### **Chapter One – Notification**

#### **Article 11 – Methods of Notification**

1. The Authority shall notify the Person of any decisions or procedures through his address registered with the Authority.
2. A Person shall be deemed as having been notified of any decision and as having received any correspondence if the Authority has sent the Notifications and correspondence in accordance with Clause 1 of this Article.
3. The Executive Regulation shall specify the means used for Notification and correspondence.

## **Chapter Two – Tax Agents**

### **Article 12 – Registration of Tax Agent**

1. A Register of Tax Agents shall be established at the Authority.
2. It is not permitted for any Person to practise the profession of a Tax Agent in the State unless he meets the conditions of registration and is listed in the Register and has obtained a licence from the competent local authority.

### **Article 13 – Conditions of Registration of the Tax Agent, Suspension of Registration and Deregistration**

1. The Executive Regulation shall determine the conditions, controls and procedures for registration of the Tax Agent, suspension of registration and deregistration, and the rights and obligations of the Tax Agent.
2. The Tax Agent shall notify the Authority if he ceases to practise his profession as a Tax Agent in accordance with the controls and procedures set out in the Executive Regulation.

### **Article 14 - Appointment of the Tax Agent**

1. A Person may appoint a Tax Agent to act in his name and on his behalf with regard to his Tax affairs under this Decree-Law or the Tax Law without prejudice to that Person's responsibility under this Decree-Law or the Tax Law.
2. Subject to Clause 2 of Article 15 of this Decree-Law, the Authority may not deal with a Tax Agent in relation to any Person if such Person informs the Authority of the end of the appointment of the Tax Agent or his dismissal in accordance with the mechanism specified by the Authority.

## **Article 15 - Person's Records with the Tax Agent**

1. The Tax Agent must keep the information, documents, records and data related to any Person that is or was represented by the Tax Agent for the period and manner specified in the Executive Regulation.
2. The Tax Agent shall, upon the Authority's request, provide it with all the information, documents, records and data in his possession in respect of any Person that is or was represented by the Tax Agent.

## **Chapter Three – Tax Audit**

### **Article 16 – The Right of the Authority to Perform a Tax Audit**

1. The Authority may perform a Tax Audit on any Person to verify the extent of that Person's compliance with the provisions of this Decree-Law and the Tax Law.
2. The Authority shall notify the Person of a Tax Audit at least (10) ten Business Days prior to conducting the Tax Audit.
3. The Authority may perform the Tax Audit at its premises or the place of Business of the Person subject to the Tax Audit or any other place where such Person conducts Business, stores goods or keeps records.
4. By way of exception to Clause 2 of this Article, the Tax Auditor may enter, without prior Notification, any place where the Person subject to the Tax Audit conducts his Business, stores goods or keeps records, and may temporarily close such place in order to perform the Tax Audit for a period not exceeding (72) seventy-two hours in any of the following cases:
  - a. If the Authority has serious grounds to believe that the Person subject to the Tax Audit is participating or involved in Tax Evasion in respect of any of his or any other Person's obligations imposed under this Decree-Law or the Tax Law;
  - b. If the Authority has serious grounds to believe that not temporarily closing the place where the Tax Audit is conducted will hinder the conduct of the Tax Audit;
  - c. If the Person who has been given advance notice of the Tax Audit under Clause 2 of this Article attempts to stop the Tax Auditor from entering the place where the Tax Audit is to be performed.
5. In all cases stipulated in Clause 4 of this Article, the Tax Auditor must obtain the prior written consent of the Director General or person acting on his behalf, and if the place to be accessed is a place of residence then a permit from the Public Prosecution must also be obtained.

6. Places closed under this Article shall be reopened upon the expiration of (72) seventy-two hours, unless the Authority obtains a permit from the Public Prosecution to extend the closure period for a similar period prior to the expiry of the period mentioned in this Article.
7. The Executive Regulation shall determine the necessary procedures related to the Tax Audit.

## **Article 17 – The Right of the Authority to Obtain the Original Records or Copies Thereof During the Tax Audit**

While conducting the Tax Audit, the Tax Auditor may obtain original records or copies thereof, and take samples of the goods, devices or other assets from the place at which the Person subject to the Tax Audit conducts his Business or which are in his possession, and may attach or keep these in accordance with the controls specified in the Executive Regulation.

## **Article 18 – Timing of the Tax Audit**

The Tax Audit shall be conducted during the official working hours of the Authority. In cases of necessity, a Tax Audit may be exceptionally conducted outside such hours by a decision of the Director General or person acting on his behalf.

## **Article 19 – New Information Surfacing after the Tax Audit**

Without prejudice to the provisions of Article 46 of this Decree-Law, the Authority may audit any matter previously audited if new information surfaces that might impact the outcome of the Tax Audit, provided that the Tax Audit procedures shall apply in accordance with the provisions of this Decree-Law and the Executive Regulation.

## **Article 20 – Cooperation during the Tax Audit**

A Person subject to a Tax Audit, his Tax Agent or Legal Representative shall facilitate and provide assistance to the Tax Auditor to enable him to perform his duties.

## **Article 21 – The Rights of Persons subject to Tax Audit**

A Person subject to Tax Audit has the right to:

1. Request the Tax Auditor to show his job identification card;
2. Obtain a copy of the Notification of the Tax Audit;
3. Attend the Tax Audit which takes place outside the Authority;
4. Obtain copies of any original paper or digital documents seized or obtained by the Authority during the Tax Audit, in accordance with the Executive Regulation.

## **Article 22 – Notification of the Tax Audit Results**

1. The Authority shall inform the Person subject to Tax Audit of the result of the Tax Audit within the timeframe and according to the procedures specified in the Executive Regulation.
2. The Person subject to the Tax Audit may view or obtain the documents and data on which the Authority based its assessment of Due Tax and Administrative Penalties according to the provisions specified in the Executive Regulation.

## **Chapter Four – Tax Assessment and Administrative Penalties Assessment**

### **Article 23 – Tax Assessment**

1. The Authority shall issue a Tax Assessment to determine the value of Payable Tax, Refundable Tax or any other matters as prescribed by the Tax Law or the Executive Regulation and notify the Taxpayer within (10) ten Business Days of its issuance in any of the following cases:
  - a. The Taxable Person failing to apply for registration within the timeframe specified by the Tax Law;
  - b. The Registrant failing to submit a Tax Return within the timeframe specified by the Tax Law;
  - c. The Registrant failing to pay the Tax stated as Payable Tax on the Tax Return that was submitted within the period specified by the Tax Law;
  - d. The Taxable Person submitting an incorrect Tax Return;
  - e. The Registrant failing to calculate Tax on behalf of another Person when he is obligated to do so under the Tax Law;
  - f. There being a shortfall in Payable Tax as a result of a Person evading Tax, or as a result of a Tax Evasion in which such Person was involved;

- g. Any other cases in accordance with the Tax Law.
2. If it is not possible to determine the actual amount of Due Tax or correctness of the Tax Return, the Authority may issue an estimated Tax Assessment to assess the Payable Tax and the Refundable Tax, and in which case the Authority shall:
  - a. Amend the estimated Tax Assessment issued pursuant to this Article, where new relevant information surfaces which affects the Tax Assessment, and
  - b. Notify the concerned Person of such amendments within (10) ten Business Days from the date of amendment.
3. The Executive Regulation shall specify the information or data that must be included in the Tax Assessment.

## **Article 24 – Administrative Penalties Assessment<sup>8</sup>**

1. The Authority shall issue an Administrative Penalties Assessment for the Person and notify him of the Administrative Penalties Assessment within (5) five Business Days for any of the following violations:
  - a. The Person conducting Business or having an obligation under this Decree-Law or the Tax Law failing to keep the required records and other information specified in this Decree-Law and the Tax Law.
  - b. The Person conducting Business or having an obligation under this Decree-Law or the Tax Law failing to submit the data, records and documents related to Tax in Arabic to the Authority when requested.
  - c. The Taxable Person failing to submit a Tax Registration application within the timeframe specified in the Tax Law.
  - d. The Registrant failing to submit a deregistration application within the timeframe specified in the Tax Law.
  - e. The Registrant failing to inform the Authority of any case that requires the amendment of the information pertaining to his Tax record kept by the Authority.
  - f. The Legal Representative failing to inform the Authority of his appointment within the specified timeframe, in which case the penalties will be due from the Legal Representative's own funds.
  - g. The Legal Representative failing to file a Tax Return within the specified

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<sup>8</sup> Article Amended as per Federal Decree-Law No. 17 of 2024.

timeframe, in which case the penalties will be due from the Legal Representative's own funds.

- h. The Registrant failing to submit the Tax Return within the timeframe specified in the Tax Law.
  - i. The Taxable Person failing to settle the Payable Tax within the timeframe specified in the Tax Law.
  - j. The Registrant submitting an incorrect Tax Return.
  - k. The Taxable Person or the Taxpayer submits a Voluntary Disclosure in relation to errors in the Tax Return or the Tax Assessment or refund application pursuant to Clauses 1 and 2 of Article 10 of this Decree-Law.
  - l. The Taxable Person or the Taxpayer fails to submit a Voluntary Disclosure in relation to errors in the Tax Return or the Tax Assessment or refund application pursuant to Clauses 1 and 2 of Article 10 of this Decree-Law before being notified that he will be subject to a Tax Audit.
  - m. The Person subject to Tax Audit, his Tax Agent or Legal Representative failing to offer facilitation to the Tax Auditor in violation of the provisions of Article 20 of this Decree-Law, in which case the penalties will be due from the Person's, Tax Agent's or Legal Representative's own funds as applicable.
  - n. The Registrant failing to account for Tax on behalf of another Person when the registered Taxable Person is obligated to do so under the Tax Law.
  - o. Any other violation specified under the Tax Law or a Cabinet decision.
2. The Executive Regulation shall specify the information and data that must be included in the Administrative Penalties Assessment.
  3. The Cabinet shall issue a decision that specifies the Administrative Penalties for each of the violations listed in Clause 1 of this Article in respect of this Decree-Law, the Tax Law or any other violation specified under a Cabinet decision.
  4. The amount of any Administrative Penalty shall not exceed two times the amount of Tax in respect of which the Administrative Penalties Assessment was issued.
  5. The imposition of any Administrative Penalty pursuant to the provisions of this Decree-Law or any other law shall not exempt any Person from the responsibility of settling the Payable 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 their Penalties**

1. The penalties set out in this Decree-Law shall not prejudice any more severe penalty applicable under any other law.
2. A prison sentence and a monetary penalty not less than the amount of evaded Tax and not exceeding (3) three times of it, or either of the two, shall be imposed on any Person who has committed Tax Evasion by any of the following acts:
  - a. Deliberately failing to settle any Payable Tax.
  - b. Deliberately understating the actual value of his Business or his revenues or failing to consolidate his related Businesses, with the intent of remaining below the relevant registration threshold, Tax rate or other Tax thresholds, as specified in the Tax Law.
  - c. Deliberately imposing and collecting amounts as Tax without being registered.
  - d. Deliberately decreasing the Due Tax or participating in any form of Tax Evasion.
  - e. Deliberately committing or omitting any other act which may constitute Tax Evasion under this Decree-Law or the Tax Law.
3. A prison sentence and a monetary penalty not less than the amount of the Administrative Penalty and not exceeding (3) three times of it, or either of the two, shall be imposed on any Person who deliberately does not settle a due Administrative Penalty, unless a decision is issued waiving thereof.
4. A prison sentence and a monetary penalty not exceeding (1,000,000) one million Dirhams, or either of the two, shall be imposed on anyone who commits any of the following acts:
  - a. Deliberately providing false information, data and incorrect documents to the Authority.
  - b. Deliberately concealing or destroying documents, information and data or other material that he is required to keep and provide to the Authority.
  - c. Stealing documents or other materials that are in the possession of the Authority or deliberately misusing or destroying them.
  - d. Deliberately preventing or hindering the Authority's employees' from performing their duties.
5. If any of the acts in the previous Clause has occurred which resulted in Tax Evasion or facilitating or concealing Tax Evasion, the penalty set out in Clause 2 of this Article shall apply.

6. Any Person proven to have directly participated or caused any of the crimes set out in this Decree-Law or the Tax Law shall be penalised with the penalty prescribed in this Decree-Law in accordance with the provisions on criminal participation stated in Federal Law No. 31 of 2021 referred to.
7. If a monetary penalty has been imposed on several accused in one judgement and for one crime, whether they are perpetrators or accomplices, the accused shall be jointly liable for such monetary penalty.
8. Reoffending is considered an aggravating circumstance, and in the application of the provisions of this Decree-Law or the Tax Law, everyone that has been sentenced by a final judgment in one of the crimes stipulated in this Article, whatever the imposed penalty is, and then committed any of these crimes before the expiration of (5) five years from the date of the issuance of the final judgment referred to, shall be considered to be a reoffender.
9. Without prejudice to Clause 11 of this Article, everyone who has participated in a Tax Evasion crime, shall be jointly and severally liable with the Person with whom he participated, to settle the Payable Tax and Administrative Penalties.
10. The court may upon conviction publish the judgement or its summary by a suitable means and the convicted Person shall bear the cost, on the condition that such publication is upon request by the Authority to the Public Prosecution.
11. The judgement to impose a penalty under the provisions of this Decree-Law or any other law shall not exempt any Person from the liability to settle any Payable Tax or Administrative Penalties.

## **Article 26 – Procedures and Measures**

1. A criminal case in respect of the crimes set out in this Decree-Law or the Tax Law may only be initiated by a written request of the Director General.
2. Without prejudice to the cases in which the law requires confiscation, the court may, upon conviction of one of the crimes stipulated in this Decree-Law or the Tax Law, order the confiscation of the seized items and funds, without prejudice to the rights of bona fide third parties.
3. Notwithstanding Clause 2 of this Article, the Authority may conduct procedures for storing, moving, attaching, disposing of, destroying, recycling or selling of seized items where such items are perishable or subject to shortage or leakage or are in a condition that might endanger the safety of the other goods or facilities they are in, and deal with abandoned goods.

4. Any procedures taken by the Authority in respect of the seized items shall not prejudice the responsibility to settle the Payable Tax or Administrative Penalties in accordance with the provisions of this Decree-Law or the Tax Law.
5. The owner of the seized items has the right to request them back, provided that he has settled the full Tax, Administrative Penalties and expenses incurred on the items, as applicable.
6. The Authority and its employees shall not assume any responsibility for any damage caused to seized items as a result of the Authority dealing with such seized items under this Article.
7. The Executive Regulation shall specify the procedures and controls for implementing the provisions of Clauses 3, 4 and 5 of this Article.

## **Article 27 – Reconciliation in Tax Evasion Crimes**

1. Prior to initiating a criminal case, the Authority may reconcile in Tax Evasion crimes and deliberate failure to settle the Administrative Penalties stipulated in this Decree-Law or the Tax Law, in return for full settlement of Payable Tax and Administrative Penalties. The Authority may, before initiating a criminal case, reconcile in the crimes stipulated in Clause 4 of Article 25 of this Decree-Law after settlement of the amounts specified in the Executive Regulation.
2. The Public Prosecution, after initiating a criminal case and before a conviction judgment is issued, may reconcile in the crimes stipulated in Clause 1 of this Article in return for full settlement of Payable Tax and Administrative Penalties, in addition to an amount equal to a percentage of the Tax evaded specified in the Executive Regulation, or the amounts that are specified in the Executive Regulation in relation to the crimes stipulated in Clause 4 of Article 25 of this Decree-Law.
3. The Public Prosecution, after a conviction judgement is issued, may reconcile in the crimes stipulated in Clause 1 of this Article in return for full settlement of Payable Tax and Administrative Penalties, in addition to an amount equal to a percentage of the evaded Tax specified in the Executive Regulation, or the amounts specified in the Executive Regulation with regard to the crimes stipulated in Clause 4 of Article 25 of this Decree-Law.
4. Reconciliation in accordance with Clauses 2 and 3 of this Article shall be after seeking the opinion of the Authority.
5. Reconciliation shall result in the termination of the criminal case and the annulment of the consequences thereof, and the Public Prosecution shall order the

suspension of the execution of the penalties imposed by court if the reconciliation is made during its execution, even after the judgement has become final.

6. The Executive Regulation shall specify the conditions, controls and procedures for reconciliation stipulated in this Article.

## **Title Four – Review of Assessment, Objection and Appeal**

### **Chapter One – Tax Assessment Review Request**

#### **Article 28 – Tax Assessment Review Request**

1. Without prejudice to the provisions of Article 29 of this Decree-Law, a Person may submit a request to the Authority to review a Tax Assessment or part thereof and any related Administrative Penalties.
2. The request made under Clause 1 of this Article shall specify the reasons for the request and be made within (40) forty Business Days from the date the Person is notified of the Tax Assessment and the related Administrative Penalties.
3. The Authority shall review the request made under Clause 1 of this Article and issue a decision within (40) forty Business Days from the date of receiving such request, and inform the applicant of the decision within (5) five Business Days from the date of issuance of the decision.
4. The Person may submit a reconsideration request pursuant to Article 29 of this Decree-Law in respect of the decision issued under Clause 3 of this Article within (40) forty Business Days from the date the Person is notified of the decision in accordance with Clause 3 of this Article or the expiration of the timeframe within which the Authority is required to issue and notify the applicant of the decision.
5. It shall not be permissible to submit a request for a Tax Assessment Review or continue to consider it in respect of which a reconsideration request has already been filed.
6. The request submitted under Clause 1 of this Article shall be made in the form and manner specified by the Authority.

### **Chapter Two – Request for Reconsideration**

#### **Article 29 – Request for Reconsideration**

1. A Person may submit a request to the Authority to reconsider any decision, or part thereof, issued by the Authority in connection to the Person, provided that the

request specifies reasons, within (40) forty Business Days from the date he was notified of the decision.

2. The Authority shall review the reconsideration request and issue a decision including reasons within (40) forty Business Days from the date of receiving the application, and inform the applicant of its decision within (5) five Business Days from the date of issuing the decision.
3. It shall not be permissible to submit a request for reconsideration of a Tax Assessment if a request for review is submitted to the Authority in this regard until a decision is issued by the Authority or the expiry of the period during which the Authority must issue a decision on the request and inform the applicant of it, in accordance with Articles 28 and 35 of this Decree-Law.
4. The request submitted under Clause 1 of this Article shall be made in the form and manner specified by the Authority.

## **Chapter Three – Objection Made to the Committee**

### **Article 30 – Tax Disputes Resolution Committee**

1. One or more permanent committees shall be formed known as the “Tax Disputes Resolution Committee”, chaired by a member of the judicial authority and two expert members registered in the register of tax experts to be appointed by a decision by the Minister of Justice in coordination with the Minister.
2. A Cabinet decision shall be issued regarding the Committee's bylaws, the remuneration of its members, and the procedures it shall follow.

### **Article 31 - Jurisdictions of the Committee**

The Committee shall have jurisdiction to:

1. Decide in respect of objections submitted regarding the Authority's decisions on reconsiderations requests.
2. Decide in respect of reconsideration requests submitted to the Authority where the Authority has not made a decision on them according to the provisions of this Decree-Law.
3. Any other jurisdictions entrusted to the Committee by the Cabinet.

### **Article 32 – Procedures for Submitting the Objection and Cases**

## **of Non-Acceptance**

1. An objection to the Authority's decision in respect of a reconsideration request shall be submitted within (40) forty Business Days from the date of being notified of the Authority's decision.
2. An objection submitted to the Committee shall not be accepted in any of the following instances:
  - 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 paid in full.
  - c. If the objection is not submitted within the period specified in Clause 1 of this Article.
3. The Cabinet may, at a suggestion by the Minister, issue a decision amending the amount of Tax to be settled under Paragraph (b) of Clause 2 of this Article for the purpose of submitting an objection under this Article.

## **Article 33 – Procedures of the Committee**

1. The Committee shall review the objection submitted to it and make a decision within (20) twenty Business Days from the receipt of the objection.
2. The Committee shall inform the Person submitting the objection and the Authority of its decision within (5) five Business Days of its issuance.
3. The Committee's decision on the objection shall be deemed final if the total amount of Due Tax and Administrative Penalties in respect of the decision does not exceed (100,000) one hundred thousand Dirhams.
4. In all cases, Tax disputes will not be accepted before the Competent Court if an objection has not been previously submitted to the Committee.

## **Article 34 – Enforcement of the Committee's Decisions**

1. The final decisions issued by the Committee regarding disputes that do not exceed (100,000) one hundred thousand Dirhams shall be deemed as executory instruments.
2. The decisions issued in disputes exceeding (100,000) one hundred thousand Dirhams shall be deemed as executory instruments if they were not appealed

before the Competent Court within (40) forty Business Days from the date of Notification of the outcome of the objection.

3. The final decisions of the Committee which have the power of executory instruments shall be enforced through the execution judge at the Competent Court.

## **Article 35 – Extension of Deadlines**

1. The Authority or the Committee, as the case may be, may for any of the reasons specified in the Executive Regulation extend any of the periods specified in Clause 3 of Article 28, Clause 2 of Article 29 and Clause 1 of Article 33 of this Decree-Law for a period specified in Executive Regulation.
2. The Authority or the Committee, as the case may be, may at a request of a Person for any of the reasons specified in the Executive Regulation grant that Person an extension of any of the periods specified in Clause 2 of Article 28, Clause 1 of Article 29 and Clause 1 of Article 32 of this Decree-Law.
3. A decision by the Authority or Committee, refusing the request for extension made under Clause 2 of this Article pursuant to Article 32 or 36 of this Decree-Law, shall be final and not subject to an objection or appeal, as the case may be.

## **Article 36 – Procedures of Appeal before Courts**

1. Without prejudice to the provisions of Article 34 and 37 of this Decree-Law, the Authority and the Person, as the case may be, may appeal the Committee's decision before the Competent Court within (40) forty Business Days from the date the Authority or the Person, as the case may be, was notified of the Committee's decision, in any of the two following cases:
  - a. Objecting to the Committee's decision in whole or in part.
  - b. Non-issuance of a decision by the Committee regarding an objection submitted to it in accordance with the provisions of this Decree-Law.
2. The Competent Court shall rule the appeal against the Authority as inadmissible in the following instances:
  - a. Existence of a case of non-acceptance of an objection by the Committee, as mentioned in Clause 2 of Article 32 of this Decree-Law.
  - b. If the Person does not present a proof of settlement of full Tax to the Authority.

- c. If the Person does not present a proof of settling at least (50%) fifty percent of the Administrative Penalties determined pursuant to the Committee's decision or the court's ruling, as the case may be, through cash settlement to the Authority or by providing an approved bank guarantee in favour of the Authority.
- 3. The Cabinet may, at a suggestion by the Minister, make amendments to the amount set forth in Paragraph (b) and the percentage set forth in Paragraph (c) of Clause 2 of this Article.

## **Article 37 – Special Procedures for Objection and Appeal**

As an exception to the provisions of Articles 31, 32, 33, 34 and 36 of this Decree-Law, the Cabinet shall, at a suggestion by the Minister, issue a decision adopting an alternative mechanism for objection and appeal if the parties to the dispute are any of the federal or local government entities specified in that decision. Pending the Cabinet's decision and its enforcement, the provisions of this Decree-Law shall apply to the objection or appeal of federal and local government entities concerning Tax disputes.

## **Title Five – Refund and Collection of Tax**

### **Chapter One – Refund of Tax**

#### **Article 38 – Application for Tax Refunds**

- 1. A Taxpayer may apply for a refund of any Tax he has paid if he is entitled to a refund under the Tax Law and it appears that the amount he has paid is in excess of the Payable Tax and Administrative Penalties, pursuant to the procedures specified in the Executive Regulation.
- 2. The Authority shall review the application submitted under Clause 1 of this Article and notify the Taxpayer of its decision as to whether it has accepted or rejected the application.

#### **Article 39 – Tax Refund Procedures**

- 1. The Authority shall set-off the amount requested to be refunded against any non-disputed Payable Tax or Administrative Penalties from the Taxpayer who has applied for the refund pursuant to the Tax Return or the Tax Assessment issued by the Authority before refunding any amount relating to a specific Tax.

2. The Authority may decline to refund any residual amounts under Clause 1 of this Article in any of the following cases:
  - a. The Authority finds that there are other disputed Tax amounts in relation to that Taxpayer;
  - b. If the Person is subject to a Tax Audit, and in this case the Authority shall not decline to refund the residual amount unless the conditions set out in a decision of Authority's board of directors have been met;
  - c. According to an order from the Competent Court.
3. The Authority shall refund the Tax under this Article pursuant to the procedures and controls specified in the Executive Regulation.

## **Chapter Two – Collection of Tax**

### **Article 40 – Collection of Payable Tax and Administrative Penalties**

1. If a Person fails to settle any Payable Tax within the specified timeframes under this Decree-Law and the Tax Law or Administrative Penalties, the following measures shall be taken:
  - a. The Authority shall send the Person a notice to settle outstanding Payable Tax and Administrative Penalties within (20) twenty Business Days of the date of Notification.
  - b. If the Person fails to settle after being notified pursuant to Paragraph (a) of Clause 1 of this Article, the Director General shall issue a decision obligating the Person to pay the Payable Tax and Administrative Penalties which shall be communicated within (5) five Business Days from the date of issuance of the decision with the Tax Assessment and Administrative Penalties Assessment attached thereto.
  - c. The decision of the Director General regarding the Tax Assessment and Administrative Penalties Assessment shall be deemed as an executory instrument for the purposes of enforcement through the execution judge at the Competent Court.
2. If it appears to the Authority that the Payable Tax may be at risk of being lost, the Director General may request the Urgent Matters Judge in the Competent Court to issue an order on a petition to seize the assets of the Person that are sufficient to satisfy these amounts under control of any Person whatsoever, such assets shall

be temporarily seized and cannot be dealt with unless the seizure is lifted by a judgement of the Competent Court at the request of the Director General.

3. Tax and other amounts due to the Authority in accordance with the Tax Law shall have precedence over all the funds of the debtors or Persons who are obligated to remit them to the Authority by virtue of the law, such priority shall be over all other debts except for judicial expenses.
4. Any Person who receives any amount as a Tax must pay the amount to the Authority and it shall be treated as a Payable Tax.

## **Chapter Three – Settlement and Collection of Tax and Administrative Penalties in Special Cases**

### **Article 41 – Responsibility of Settlement of Tax and Administrative Penalties in the Case of a Partnership**

Without prejudice to any provisions set out in the Tax Law, if multiple Persons participate in a Business that does not have independent legal personality, each of them shall be jointly and severally liable towards the Authority for any Payable Tax and Administrative Penalties related to such Business.

### **Article 42 – Settlement of Tax and Administrative Penalties in Special Cases**

1. In cases of death, Payable Tax shall be settled as follows:
  - a. For Payable Tax due from a natural Person prior to the date of death, settlement shall be made from the value of the elements of the estate or income arising thereof prior to distribution among the heirs or legatees.
  - b. If it transpires after the distribution of the estate that there is Payable Tax still outstanding, recourse shall be had against the heirs and legatees for settlement of such outstanding Tax each to the extent of their share in the estate, unless a clearance certificate has been obtained from the Authority for the estate representative or any of the heirs.
2. Payable Tax and Administrative Penalties due from a Taxable Person lacking capacity, incapacitated or who is absent or missing, or of unknown place of residence, or the like, shall be settled by their Legal Representative from the funds and assets of the Taxable Person, taking into account the applicable legislations.

## **Article 43 – Settlement of Tax and Administrative Penalties in Case of Bankruptcy**

1. The appointed bankruptcy trustee shall communicate with the Authority to be informed of the Due Tax or of its intention to perform a Tax Audit for a specific Tax Period or periods.
2. The Authority shall notify the bankruptcy trustee of the amount of the Due Tax or of the Tax Audit within (20) twenty Business Days after being notified by the bankruptcy trustee.
3. The bankruptcy trustee may object or appeal against the estimate of the Authority or settlement of the Due Tax.
4. The Executive Regulation shall specify the procedures of communication with the Authority, grievance, objection and settlement of Due Tax.

## **Title Six – General Provisions**

### **Chapter One – Confidentiality and Conflict of Interest**

#### **Article 44 – Professional Confidentiality**

1. Employees of the Authority shall not disclose information that they have obtained or to which they have had access to in their capacity as employees or by reason of such capacity during their employment, except as specified or defined in accordance with the Executive Regulation.
2. In all cases provided for in Clause 1 of this Article, disclosure may be made only with the approval of employees authorised by the Authority's board of directors, as specified in the Executive Regulation.
3. Employees of the Authority shall, after cessation of their employment, continue to maintain professional confidentiality, and shall not disclose information that they have obtained or to which they have had access to in their capacity as employees or by reason of such capacity, unless otherwise requested by the judicial authorities and as specified in the Executive Regulation.
4. Every Person who has obtained information pursuant to the provisions of this Decree-Law shall not disclose or use the information for any purposes other than those for which the information was obtained, without prejudice to the liability resulting therefrom where necessary.

5. The Authority's board of directors shall issue the regulations and instructions regulating internal procedures to protect confidentiality of information within the Authority, and the obligations of the Tax Agent in this regard.

## **Article 45 – Conflict of Interest**

Every Authority employee is prohibited from performing or participating in any tax procedures related to any Person in the following cases:

1. The employee and the natural Person being related up to the fourth degree.
2. There being a common interest between the employee and the Person or between any of their relatives up to the third degree.
3. There being a personal or financial interest or any other relationship between the employee and the Person which affects him taking an independent decision.
4. If the Director General decides that the employee should not perform any tax procedures related to that Person due to any other case of conflict of interest.

## **Chapter Two – Time Periods and Lapse of Time**

### **Article 46 – Statute of Limitation**

1. Except in cases under Clauses 2, 3, 6 and 7 of this Article, the Authority may not conduct a Tax Audit or issue a Tax Assessment to a Taxable Person after the expiration of (5) five years from the end of the relevant Tax Period.
2. The Authority may conduct a Tax Audit or issue a Tax Assessment to the Taxable Person after (5) five years from end of the relevant Tax Period, if he has been notified of the commencement of such Tax Audit's procedures before the expiration of the (5) five year period, provided that the Tax Audit is completed or the Tax Assessment is issued, as the case may be, within (4) four years from the date of Notification of the Tax Audit.
3. The Authority may conduct a Tax Audit or issue a Tax Assessment after the expiration of (5) five years from the end of the relevant Tax Period if such Tax Audit or Tax Assessment issuance relates to a Voluntary Disclosure submitted in the fifth year from the end of the Tax Period, provided that the Tax Audit is completed or the Tax Assessment is issued, as the case may be, within (1) one year from the date of submission of the Voluntary Disclosure.
4. The Cabinet may, according to a suggestion by the Minister, issue a decision to amend the period specified for the completion of the Tax Audit or the issuance of

the Tax Assessment as per Clauses 2 or 3 of this Article.

5. No Voluntary Disclosure may be submitted after the expiration of (5) five years from the end of the relevant Tax Period.
6. In the case of Tax Evasion, the Authority may conduct a Tax Audit or issue a Tax Assessment within (15) fifteen years from the end of the Tax Period in which the Tax Evasion occurred.
7. In case of Tax Registration failure, the Authority may conduct a Tax Audit or issue a Tax Assessment within (15) fifteen years from the date on which the Taxable Person should have registered for Tax.
8. The statute of limitation set forth in this Article shall be interrupted for any of the reasons provided for in the Federal Law No. 5 of 1985 promulgating the Civil Transactions Law, or any federal law replacing it.

## **Article 47 – The Authority's Right to Claim**

Payable Tax and Administrative Penalties of which the Taxable Person has been notified of do not lapse with time and the Authority may claim them at any time.

## **Article 48 – Period for Obligations<sup>9</sup>**

In case a period of time is not specified for the performance of any obligations or other procedure in this Decree-Law or the Tax Law, the Authority shall grant the Taxable Person a period appropriate to the nature of the obligation or procedure of not less than (5) five Business Days and not exceeding (40) forty Business Days from the date of the event giving rise to the obligation or the conduct of the procedure, and the Authority may extend this period.

## **Article 49 – Calculation of Time Periods**

In all events, the following rules shall be considered when calculating time periods:

1. The day of Notification or the day of occurrence of the event by reason of which the time period began shall not be included therein.
2. If the last day of the time period is not a Business Day, the time period shall be extended to the next Business Day.
3. Time periods and due dates provided for in this Decree-Law and the Tax Law shall

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<sup>9</sup> Article title amended as per Federal Decree-Law No. 17 of 2024.

be calculated according to the Gregorian calendar.

## **Article 50 – Controls for Paying by Instalment, Waiving, or Refunding of Administrative Penalties**

1. If the Authority imposes or collects an Administrative Penalty from any Person for violating the provisions of this Decree-Law or the Tax Law, the Committee provided for in Clause 2 of this Article may, according to the presentation of the Director General, issue a decision approving the payment by instalments of the penalty amount or totally or partially waiving or refunding it, pursuant to the controls and procedures issued in a decision by Cabinet according to a suggestion by the Minister.
2. The Chairman of the Board of the Authority shall issue a decision forming the Committee provided for in Clause 1 of this Article, to be chaired by him or his deputy, and the membership of two Board members. The decision issued forming the Committee shall set out its bylaws and the manner of holding its meetings.

## **Chapter Three – Miscellaneous Provisions**

### **Article 51 – Proving Accuracy of Data**

The burden of proving the accuracy of the Tax Return falls upon the Taxable Person, and the burden of proof in cases of Tax Evasion falls upon the Authority.

### **Article 52 – Judicial Officers**

The Director General and those who are appointed by a decision of the Minister of Justice in agreement with the Minister shall have the capacity of judicial officers in proving crimes and violations of the provisions of this Decree-Law, the Tax Law or the decisions issued in implementation thereof.

### **Article 53 – Tax Resident**

1. The Cabinet shall, according to a suggestion by the Minister, issue a decision setting out the conditions based on which a Person may be considered a Tax Resident, for the purposes of the Tax Law or any agreement or arrangements to which the State is a party.
2. The Authority shall issue the Tax Residency Certificate to the Tax Resident in

accordance with the provisions set out in a decision by the Cabinet.

## **Article 54 – Authority's Fees**

The Cabinet shall, according to a suggestion by the Minister, issue a decision specifying the fees due to the Authority in implementation of the provisions of this Decree-Law and its Executive Regulation.

## **Article 55 – Abrogation**

1. Federal Law No. 7 of 2017 on Tax Procedures and its amendments shall be repealed.
2. All provisions contrary to or inconsistent with the provisions of this Decree-Law shall be abrogated.
3. The Executive Regulation of Federal Law No. 7 of 2017 on Tax Procedures and its amendments and any decisions issued in implementation thereof shall remain in force insofar as they do not contradict with the provisions of this Decree-Law until the issuance an Executive Regulation and decisions replacing them in accordance with the provisions of this Decree-Law.

## **Article 56 – Executive Regulation**

The Cabinet shall, according to a suggestion by the Minister, issue the Executive Regulation of this Decree-Law.

## **Article 57 – Publication and Application of this Decree-Law**

This Decree-Law shall be published in the Official Gazette and come into effect on 1 March 2023.