



This is not an official Translation:

## Tax Procedures

Federal Decree-Law No. 7 of 2017 – Issued 11 Jun 2017

Federal Decree-Law No. 28 of 2021 – Issued 16 Sep 2021 (Effective from 1 Nov 2021)

### His Highness Khalifa 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. 5 of 1975 on the Commercial Register;
- 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. 3 of 1987 promulgating the Penal 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 Procedure Law and its amendments;
- Federal Law No. 35 of 1992 promulgating the Penal Procedure Law and its amendments;
- Federal Law No. 18 of 1993 promulgating the Commercial Transactions Law;
- Federal Law No. 17 of 2004 on the Combat of Commercial Concealment;
- Federal Law No. 1 of 2006 on Electronic Commerce and Transactions;
- Federal Decree-Law No. 11 of 2008 on Human Resources in the Federal Government and its amendments;
- Federal Law No. 1 of 2011 on the State's Public Revenues;
- Federal Law No. 6 of 2012 on the Organisation of the Translation Profession;
- Federal Law No. 12 of 2014 on the Organisation of the Auditing Profession;
- Federal Law No. 2 of 2015 on Commercial Companies;
- Federal Decree-Law No. 9 of 2016 on Bankruptcy;
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority and its amendments;

- Federal Decree-Law No. 7 of 2017 on Excise Tax;
- Federal Decree-Law No. 8 of 2017 on Value Added Tax;
- 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;
- Pursuant to what was presented by the Minister of Finance and approved by the Cabinet, the Federal National Council and Federal Supreme Council,

## Title One – Definitions and Scope of Application of the Law

### Article 1 - Definitions

In the application of the provisions of this Law, the following words and expressions shall have the 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.
Committee	:	Tax Disputes Resolution Committee
Competent Court	:	The Federal court within whose jurisdiction the Authority's Head Office or Branch is located.
Tax	:	Any federal tax administered, collected and enforced by the Authority.
Tax Law	:	Any Federal Law pursuant to which a Federal Tax is imposed.
Person	:	A natural or legal person.
Business	:	Any activity conducted in an ongoing, regular and independent manner by any Person and in any location, such as an industrial, commercial, agricultural, professional, vocational or service activity, the drilling activities or anything related to the use of material or non-material property.
Taxable Person	:	A Person who is subject to Tax under the provisions of the relevant Tax Law.
Taxpayer	:	Any Person who is obligated to pay Tax in the State under the Tax Law, whether such person is a Taxable Person or an end consumer.
Tax Return	:	Information and data specified for Tax purposes and submitted by a Taxable Person in accordance with the



	form prepared by the Authority.
Tax Period	: A specified period of time for which the Payable Tax shall be calculated and paid.
Tax Registration	: A procedure by which a Taxable Person or his Legal Representative registers with the Authority for Tax purposes.
Tax Registration Number (TRN)	: A unique number issued by the Authority for each Person registered for Tax purposes.
Registrant	: A Taxable Person who has been granted a TRN.
Legal Representative	: The manager of a company or a guardian or custodian of a minor or an incapacitated person, 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 any Tax Law.
Payable Tax	: Tax that has become due for payment to the Authority.
Administrative Penalties	: Monetary amounts imposed upon a Person by the Authority for breaching the provisions of this Law or the Tax Law.
Refundable Tax	: Amounts that have been paid and that the Authority may return, in whole or in part, to the Taxpayer pursuant to the relevant Tax Law, require to use for the payment of amounts due or Administrative Penalties or require to carry forward to future Tax Periods depending on the nature of the refund, according to the Tax Law.
Tax Assessment	: A decision issued by the Authority in relation to the Payable Tax or Refundable Tax.
Administrative Penalties Assessment	: A decision issued by the Authority concerning any Administrative Penalties due.
Notification	: A notification sent to the concerned Person or his Tax Agent or Legal Representative of any decisions issued by the Authority through the means stated in this Law and its Executive Regulation.
Voluntary Disclosure	: A form prepared by the Authority pursuant to which the 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 the Tax Law.
Register	: The Register of Tax Agents.



- Tax Agent** : Any Person registered with the Authority in the Register, who is appointed on behalf of another Person to represent him before the Authority and assist him in the fulfilment of his Tax obligations and the exercise of his associated tax rights.
- Tax Audit** : A procedure undertaken by the Authority to inspect the commercial records or any information or data related to a Person conducting Business.
- Tax Auditor** : Any member of the Authority's staff appointed as a Tax Auditor.
- Tax Evasion** : Evasion: The use of illegal means resulting in the reduction of the amount of the Due Tax, non-payment thereof, or a refund of a tax that a person does not have the right to have refunded under any Tax Law.

## Article 2 - Scope of Application of the Law

The provisions of this Law shall apply to the tax procedures related to the administration, collection and enforcement of taxes by the Authority.

## Article 3 - Objectives of the Law

This Law aims to achieve the following:

1. Regulation of the mutual rights and obligations between the Authority and the Taxpayer and any other Person dealing with the Authority;
2. Regulation of the common procedures and rules applicable to all Tax Laws in the State.

## Title Two – Tax Obligations

### Chapter One - Keeping Accounting Records and Commercial Books

#### Article 4 - Record Keeping

Any Person conducting any Business shall keep Accounting Records and Commercial Books of his Business and any Tax-related information as determined by the Tax Law and maintain the same according to the controls that will be specified by the Executive Regulation of this Law.



## Article 5 - Language

1. Each Person shall submit the Tax Return, data, information, records and documents related to the Tax and that he is required to submit to the Authority in Arabic as determined by the provisions of the Tax Law.
2. The Authority may accept data, information, records, and documents related to Tax in any other language, provided that the Person provides the Authority with a translated copy of any of them into Arabic at his expense and responsibility, if so requested, and in accordance with the Executive Regulation of this Law.

## Chapter Two – Tax Registration

### Article 6 - Tax Registration, Tax De-registration and Amendment of Data related Thereto

1. A non-registered Taxable Person or any other Person who has the right to register shall apply for registration under the relevant provisions of the Tax Law.
2. A Registrant shall:
  - a. Include his TRN in all correspondence and transactions with the Authority or with others in accordance with the provisions of the Tax Law.
  - b. Inform the Authority, as per the form prepared by the latter, of the occurrence of any circumstance that might require the amendment of information related to his Tax record kept by the Authority, within 20 business days from the occurrence of such circumstance.
  - c. Apply for de-registration in accordance with the relevant provisions of the Tax Law.
3. The Executive Regulation of this Law will specify the procedures for Tax Registration, de-registration, and amendment of the Tax registration data with the Authority.
4. The governmental entities concerned with licensing businesses shall notify the Authority within a time limit of a maximum 20 business days from the date of issuance of any licence of the fact and according to the provisions of the Executive Regulation of this Law.

### Article 7 - The Legal Representative

Any Person appointed as a Legal Representative of a Taxable Person or his funds or his inheritance shall inform the Authority within 20 business days from the date of his appointment, and according to the procedures that will be specified in the Executive Regulation of this Law.



## Chapter Three - Tax Obligations

### Article 8 - Tax Return Preparation and Submission

1. Each Taxable Person shall:
  - a. Prepare the Tax Return for each Tax Period for each Tax within the time limit of registration in accordance with the Tax Law.
  - b. Submit the Tax Return to the Authority in accordance with the provisions of this Law and the Tax Law.
  - c. Settle any Payable Tax as specified in the Tax Return or any Tax Assessment within the timeframe specified in this Law and the Tax Law.
2. Any incomplete Tax Return submitted to the Authority shall be treated as not having been accepted by it if it does not include the basic information determined by the Tax Law.
3. Each Taxable Person is responsible for the accuracy of the information and data in the Tax Return and in all his correspondence with the Authority.
4. Each Taxpayer shall settle any Administrative Penalties prescribed within the period of time specified in this Law and the Tax Law.

### Article 9 - Allocating Payable Tax Upon Settlement

1. A 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; the Authority shall allocate the payment accordingly.
2. If 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 according to the mechanism that will be determined in the Executive Regulation of this Law.
3. If a Taxable Person pays more than the Payable Tax amount, the Authority shall have the right to allocate the difference to a subsequent Tax Period, unless such Taxable Person submits a refund application in accordance with the provisions of this Law.
4. If a Taxable Person pays less than the Payable Tax amount, the provisions of Title Three, Chapter Four of this Law shall apply.

## Chapter Four – Voluntary Disclosure

### Article 10 - Voluntary Disclosure

1. If a Taxable Person becomes aware that a Tax Return submitted by him to the



- Authority or a Tax Assessment sent to him by the Authority is incorrect, which resulted in calculating the Payable Tax according to the Tax Law at a value that is less than it should have been, the Taxable Person shall, in this case, apply to correct such Tax Return by submitting a Voluntary Disclosure within the time limit specified in the Executive Regulation of this Law.
2. If a Taxpayer becomes aware that a Tax refund application that he has submitted to the Authority is incorrect, which resulted in calculating the refund to which he is entitled according to the Tax Law, at a value that is more than it should have been, he shall, in this case, apply to rectify the Tax refund application by submitting a Voluntary Disclosure within the time limit specified in the Executive Regulation of this Law.
  3. If a Taxable Person becomes aware that a Tax Return submitted by him to the Authority or a Tax Assessment sent to him by the Authority are incorrect, which resulted in calculating the Payable Tax according to the Tax Law at a value that is more than it should have been, he may, in this case, apply to rectify such a Tax Return by submitting a Voluntary Disclosure.
  4. If a Taxpayer becomes aware that a Tax refund application that he has submitted to the Authority is incorrect, which resulted in calculating a refund amount to which he is entitled according to the Tax Law at a value that is less than the it should have been, he may, in this case, apply to rectify the Tax refund application by submitting a Voluntary Disclosure.

## **Title Three – Tax Procedures**

### **Chapter One - Notification**

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

1. The Authority shall notify a Person of any decisions or procedures through the address stated in the correspondence between the Authority and that Person.
2. The Authority shall notify a Taxable Person through the address stated in the Tax Return, unless the Authority is informed of an address change by the Taxable Person, his Legal Representative or his Agent.
3. In all cases, a Person shall be treated as having been notified of any decision and as having received any correspondence if it appears that the Authority has sent the notification and correspondence according to the provisions of Clauses 1 and 2 of this Article.
4. The Executive Regulation of this Law shall specify the means used for Notifications and correspondence.



## Chapter Two - Tax Agent

### Article 12 – Register of Tax Agents

A Register of Tax Agents shall be established at the Authority. For each Tax Agent there will be a file containing everything related to his professional conduct.

### Article 13 - Tax Agents Registration

It is not permitted for any Person to practise the profession of a Tax Agent in the State unless he is listed in the Register and licensed for this purpose by the Ministry of Economy and the competent local authority.

### Article 14 - Conditions of Registration in the Register

1. Whoever wishes to be listed in the Register shall fulfil the following conditions:
  - a. To be of good conduct and behaviour and have never been convicted of a crime or misdemeanour prejudicial to honour or honesty, notwithstanding that he may have been rehabilitated.
  - b. To hold an accredited qualification from a recognised university or institute showing his specialisation and practical experience as specified in the Executive Regulation of this Law.
  - c. To be medically fit to perform the duties of the profession.
  - d. To hold a professional indemnity insurance contract.
2. A Tax Agent shall notify the Authority of any period during which he ceases to practise his profession as a Tax Agent in case of any impediment, and he can request to resume his practice when such impediment ceases to exist.
3. The Executive Regulation of this Law shall specify the procedures for listing a Tax Agent in the Register and the rights and obligations of the Tax Agent before the Authority and the Person.

### Article 15 - Appointment of a 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 before the Authority, without prejudice to that Person's responsibility before the Authority.
2. The Authority may not deal with any Tax Agent regarding any Person if such Person informs the Authority that his agency engagement has ended or that the Tax Agent has been dismissed.





## Article 16 - Person's Records with the Tax Agent

1. The Tax Agent shall, upon the Authority's request, provide it with all the information, documents, records and data required for any Person represented thereby.
2. The Authority may view the records of any Person available with his Tax Agent and may rely on them for the purposes of Tax Audit, even after the expiry of the agency engagement or the dismissal of the Tax Agent.

## Chapter Three – Tax Audits

### Article 17 - 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 Law and the Tax Law.
2. The Authority may perform the Tax Audit at its office 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.
3. If the Authority decides to perform a Tax Audit at the place of Business of the Person subject to the Tax Audit or any other place where such Person conducts his Business, stores goods or keeps records, the Authority shall inform him at least five business days prior to the Tax Audit.
4. By way of exception to Clause 3 of this Article, the Tax Auditor has the right of entry to any place where the Person subject to the Tax Audit conducts his Business, stores goods, or keeps records, and as the case may be, it will be temporarily closed in order to perform the Tax Audit for a period not exceeding 72 hours without prior notice 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 to this Person or another Person;
  - 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;
5. If the Person who has been given advance notice of the Tax Audit under Clause 3 of this Article attempts to hinder the Tax Auditor's access to the place where the Tax Audit is to be performed. In all cases provided for in Clause 4 of this Article, the Tax Auditor shall obtain the prior written consent of the Director-General; and if the place to be accessed is a place of residence, then a permit from the Public Prosecutor shall also be obtained.
6. Places closed under this Article shall be reopened after the lapse of 72 hours, unless the Authority obtains a permit from the Public Prosecutor to extend the closure period for a similar period prior to the expiry of the preceding 72 hours.



7. A criminal case may be initiated only upon an application from the Director-General.
8. The Executive Regulation of this Law shall determine the necessary procedures related to the Tax Audit.

## **Article 18 - The Right of the Authority to Access the Original Records or Copies Thereof During a Tax Audit**

While conducting a Tax Audit, the Tax Auditor may obtain the original records or copies thereof, or take samples of the stock, equipment or other assets from the place at which the Person subject to the Tax Audit conducts his business or which are in his possession, or may seize them in accordance with the rules that shall be specified in the Executive Regulation of this Law.

## **Article 19 - Timing of the Tax Audit**

A Tax Audit will be conducted during the official working hours of the Authority. In cases of necessity, a Tax Audit may be exceptionally conducted outside of these times by a decision of the Director-General.

## **Article 20 - New Information Surfacing after a Tax Audit**

The Authority may audit any issue previously audited if new information that might impact the outcome of the Tax Audit surfaces, provided that the Tax Audit procedures apply in accordance with the provisions of this Law and its Executive Regulation.

## **Article 21 - Cooperation during the Tax Audit**

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

## **Article 22 - The Rights of The Person who is Subject to Tax Audit**

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

1. Request the Tax Auditors to show their job identification cards.
2. Obtain a copy of the Tax Audit Notification.
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, according to what is specified in the Executive Regulation of this Law.

## Article 23 - Notification of the Tax Audit Results

1. The Authority shall inform the Person subject to Tax Audit of the final results of the Tax Audit within the time limit and according to the procedures specified in the Executive Regulation of this Law.
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 according to the provisions specified in the Executive Regulation of this Law.

## Chapter Four - Tax Assessment and Administrative Penalties Assessment

### Article 24 - Tax Assessments

1. The Authority shall issue a Tax Assessment to determine the Payable Tax and notify the Taxable Person within five business days of its issuance, in any of the following cases:
  - a. The failure of the Taxable Person to apply for registration within the timeframe specified by the Tax Law.
  - b. The failure of the Registrant to submit a Tax Return within the timeframe specified by the Tax Law.
  - c. The failure of the Registrant to settle the Payable Tax stated as such on the Tax Return that was submitted within the time limit specified by the Tax Law.
  - d. The submittal of an incorrect Tax Return by the Taxable Person.
  - e. The failure of the Registrant to account for Tax on behalf of another Person when he is obligated to do so under the Tax Law.
  - f. In case of a shortfall in the Payable Tax as a result of a Person's Tax Evasion, or as a result of a Tax Evasion in which such Person was involved.
2. The Authority may issue an estimated Tax Assessment if it has not been possible to determine the amount of Tax deemed to be a Payable Tax or the Refundable Tax that has not been due to be refunded, as the case may be.
3. The Authority may amend a Tax Assessment that was estimated, based on new information that surface after the issuance of said estimation. It shall notify the concerned Person of these amendments within 5 business days from the date of amendment.
4. The Executive Regulation of this Law shall specify the information or data that shall be included in the Tax Assessment.



## Article 25 - Administrative Penalties Assessment

1. The Authority shall issue an Administrative Penalties Assessment for a Person and notify him within 5 business days for any of the following violations:
  - a. The failure of the Person conducting Business to keep the required records and other information specified in this Law and the Tax Law.
  - b. The failure of the Person conducting Business to submit the data, records and documents related to Tax in Arabic to the Authority when requested.
  - c. The failure of the Taxable Person to submit a registration application within the timeframe specified in the Tax Law.
  - d. The failure of the Registrant to submit a deregistration application within the timeframe specified in the Tax Law.
  - e. The failure of the Registrant to inform the Authority of any circumstance that requires the amendment of the information pertaining to his tax record kept by the Authority.
  - f. The failure of the Person appointed as a Legal Representative for the Taxable Person 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 failure of the Person appointed as a Legal Representative for the Taxable Person to file a Tax Return within the specified timeframe, in which case the penalties will be due from the Legal Representative's own funds.
  - h. The failure of the Registrant to submit the Tax Return within the timeframe specified in the Tax Law.
  - i. The failure of the Taxable Person to settle the Payable Tax stated in the submitted Tax Return or Tax Assessment he was notified of, within the timeframe specified in the Tax Law.
  - j. The submittal of an incorrect Tax Return by the Registrant.
  - k. The voluntarily disclosure by the Person of errors occurring in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of this Law.
  - l. The failure of the Taxable Person to voluntarily disclose errors in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of this Law before being notified that he will be subject to a Tax Audit.
  - m. The failure of the Person conducting Business to facilitate the work of the Tax Auditor in violation of the provisions of Article 21 of this Law.
  - n. The failure of the Registrant to calculate Tax on behalf of another Person when the registered Taxable Person is obligated to do so under the Tax Law.
  - o. Any other violation for which a Cabinet Decision is issued.

2. The Executive Regulation of this Law shall specify the information and data that must be included in the Administrative Penalties Assessment.
3. The Cabinet shall issue a resolution that specifies the Administrative Penalties for each of the violations listed in Clause 1 of this Article. Such Administrative Penalties shall be no less than 500 Dirhams for any violation and shall not exceed three times the amount of Tax in respect of which the Administrative Penalty was levied.
4. The imposition of any Administrative Penalty pursuant to the provisions of this Law or any other law shall not exempt any Person of his liability to settle the Due Tax in accordance with the provisions of this Law or the Tax Law.

## Chapter Five - Penalties

### Article 26 - Tax Evasion Penalties

1. Without prejudice to any more severe penalty applicable under any other law, a prison sentence and monetary penalty not exceeding five times the amount of evaded Tax or either of the two, shall be imposed on:
  - a. a Taxable Person who deliberately fails to settle any Payable Tax or Administrative Penalties.
  - b. a Taxable Person who deliberately understates the actual value of his Business or fails to consolidate his related Businesses with the intent of remaining below the required registration threshold.
  - c. a Person who charges and collects amounts from his clients claiming them to be Tax without being registered.
  - d. a Person who deliberately provides false information and data and incorrect documents to the Authority.
  - e. a Person who deliberately conceals or destroys documents or other material that he is required to keep and provide to the Authority.
  - f. a Person who deliberately steals, mis-uses or causes the destruction of documents or other materials that are in the possession of the Authority.
  - g. a Person who prevents or hinders the Authority's employees from performing their duties.
  - h. a Person who deliberately decreases the Payable Tax through Tax Evasion or conspiring to evade Tax.
2. The imposition of a penalty under the provisions of this Law or any other Law shall not exempt any Person from the liability to pay any Payable Tax or Administrative Penalties under the provisions of this Law or any Tax Law.

3. The competent court shall impose Tax Evasion penalties against any Person who is proven to have been directly involved or instrumental in Tax Evasion pursuant to said Federal Law No. 3 of 1987.
4. Without prejudice to Clause 2 of this Article, any Person who is proven to have been directly involved or instrumental in Tax Evasion pursuant to Clause 3 of this Article shall be jointly and severally liable with the Person whom he has assisted, to pay the Payable Tax and Administrative Penalties pursuant to this Law or any other Tax Law.

## **Title Four - Objections**

### **Chapter One - Application for Reconsideration**

#### **Article 27 - Procedures for Application for Reconsideration<sup>1</sup>**

1. Any Person may submit a request to the Authority to reconsider any decision, or part thereof, it issued in connection to him, provided that the request includes reasons and meets the prescribed conditions, within 40 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 business days from the date of receiving the application, and inform the applicant of its decision within 5 business days from the date of issuance of the decision.

### **Chapter Two - Objections to the Committee**

#### **Article 28 - Tax Disputes Resolution Committee**

1. One or more permanent committee 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 followed thereby.

#### **Article 29 - Jurisdictions of the Committee**

The Committee shall have jurisdiction to:

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<sup>1</sup> Article amended as per Federal Decree-Law No. 28 of 2021



1. decide in respect of objections submitted regarding the Authority's decisions on applications for reconsideration.
2. decide in respect of applications for reconsideration that were submitted to the Authority and yet, the Authority has not made a decision in their regard according to the provisions of this Law.
3. any other jurisdictions entrusted to the Committee by the Cabinet.

## **Article 30 - Procedures for Submitting Objections and Cases of Inadmissibility<sup>2</sup>**

1. An objection to the Authority's decision in respect to a reconsideration request shall be submitted within 40 business days from the date of being notified of the Authority's decision.
2. An objection submitted to the Committee shall not be admissible in 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 settled.
  - c. If the objection is not submitted within the period specified in Clause 1 of this Article.

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

1. The Committee shall review the objection submitted thereto and make a decision within 20 business days from receipt of the objection.
2. The Committee may extend the period for deciding on the objection for no more than 20 additional business days after the end of the time limit specified in Clause 1 of this Article if it sees that there are reasonable grounds for the purpose of deciding on the objection.
3. The Authority shall inform the Person submitting the objection of its decision within five business days as of its issuance.
4. The Committee's decision on the objection shall be deemed as final if the total amount of the Due Tax and Administrative Penalties determined accordingly does not exceed 100,000 Dirhams.
5. In no case may Tax disputes be brought before the Competent Court if an objection has not been first submitted to the Committee.

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<sup>2</sup> Article amended as per Federal Decree-Law No. 28 of 2021

## Article 32 - Enforcement of the Committee's Decisions<sup>3</sup>

1. The final decisions issued by the Committee regarding disputes which do not exceed 100,000 Dirhams shall be deemed as executory instruments.
2. The final decisions of disputes exceeding 100,000 Dirhams shall be deemed as executory instruments if they were not appealed before the Competent Court within 40 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 pursuant to the provisions of the Federal Law No. 11 of 1992 referred to.

## Article 32 (bis) - Special Procedures for Objection and Appeal<sup>4</sup>

As an exception to the provisions of Articles 29, 30, 31, 32 and 33 of this Law, the Cabinet shall – according to a suggestion by the Minister – issue a decision adopting an alternative mechanism of 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 Law shall apply to the objection or appeal of federal and local government entities concerning tax disputes.

## Chapter Three – Challenge before Courts

### Article 33 - Challenge Procedures before Courts<sup>5</sup>

1. Without prejudice to the provisions of Article 32 and Article 32 (bis) of this Law, the Authority and the Person, as the case may be, may appeal the Committee's decision before the Competent Court within 40 business days from the date the Authority or the Person, as the case may be, was notified of the Committee's decision, in the following two cases:
  - a. Appealing 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 Law.
2. The Competent Court shall rule the appeal against the Authority as inadmissible in the following instances:

<sup>3</sup> Article amended as per Federal Decree-Law No. 28 of 2021

<sup>4</sup> Article added as per Federal Decree-Law No. 28 of 2021

<sup>5</sup> Article amended as per Federal Decree-Law No. 28 of 2021





- a. Existence of a case of inadmissibility of an objection by the Committee, as mentioned in Clause 2 of Article 30 of this Law.
  - b. Failure of the Person to provide proof of payment of Tax to the Authority in accordance with the decision of the Committee, or as ruled by the courts, as the case may be.
  - c. Failure of the Person to provide proof of payment of no less than 50% of the amount of the administrative penalties as decided by the Committee, or as ruled by the court, as the case may be, either through cash payment to the Authority or by providing an approved bank guarantee in favor of the Authority.
3. The Cabinet may – according to a suggestion by the Minister – make amendments to the percentage set forth in Paragraph (c) of Clause 2 of this Article.

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

### **Chapter One - Refund of Tax**

#### **Article 34 - Application for Tax Refund**

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 of this Law.

#### **Article 35 - Tax Refund Procedures**

1. The Authority shall offset the amount applied to be returned against any other Payable Tax or Administrative Penalties due from the Taxpayer who has applied for the refund pursuant to the Tax Return or Tax Assessment issued by the Authority before refunding any amount relating to a particular tax.
2. The Authority may decline to refund the amounts mentioned in Clause 1 of this Article if it finds that there are other disputed Tax amounts that are due in relation to that Person or according to a decision of the Competent Court.
3. The Authority shall issue a Tax refund under this Article pursuant to the procedures and provisions specified in the Executive Regulation of this Law.

### **Chapter Two - Tax Collection**

#### **Article 36 - Collection of Payable Tax and Administrative Penalties**

If a Taxable Person fails to settle any Payable Tax or Administrative Penalties within the specified timeframe under this Law and the Tax Law, the following measures shall



be taken:

1. The Authority shall send the Taxable Person a notice to pay the Payable Tax and Administrative Penalties within 20 business days as of the date of Notification.
2. If the Taxable Person fails to make payment after being notified pursuant to Clause 1 of this Article, the Director-General shall issue a decision obligating the Taxable Person to settle the Payable Tax and Administrative Penalties which shall be communicated to him within five business days from the issuance of the decision, accompanied by the Tax Assessment and Administrative Penalties Assessment.
3. 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.

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

### **Article 37 - Obligations of the Legal Representative**

The Legal Representative shall continue to submit the required Tax Returns to the Authority on behalf of the Taxable Person.

### **Article 38 - Responsibility of Settlement in the Case of a Partnership**

If multiple Persons participate in a Business that does not have an 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 39 - Tax and Administrative Penalties Settlement in Special Cases**

1. In cases of death, the Payable Tax shall be paid as follows:
  - a. For the Payable Tax owed by a natural Person prior to the date of death, payment shall be made from the value of the elements of the legacy or income arising thereof prior to its distribution among the heirs or legatees.
  - b. If it appears following the distribution of the legacy that a Payable Tax is still outstanding, legal recourse shall be taken against the heirs and legatees for the payment of such outstanding tax, unless a Clearance Certificate has been obtained from the Authority for the legacy representative or any of the heirs.

2. Payable Tax and Administrative Penalties imposed on a Taxable Person lacking capacity, or who is absent or missing, or of unknown place of residence, or the like, shall be paid by their Legal Representative from the funds and assets of such Taxable Person.
3. Payable Tax and Administrative Penalties imposed on a Taxable Person who is an incapacitated person shall be paid by their Legal Representative from the funds and assets of such Taxable Person.

## **Article 40 - Settlement of Tax in Bankruptcy Case**

1. The appointed Trustee shall communicate with the Authority to be informed of the Due Tax or of its intention to perform a Tax Audit for specific tax period (s).
2. The Authority shall notify the Trustee of the amount of the Due Tax or of the Tax Audit within 20 business days after being notified by the Trustee.
3. The Trustee may object or appeal against the estimate of the Authority or settle 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**

#### **Article 41 - 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, save as specified or defined in accordance with the Executive Regulation of this Law.
2. In all cases provided for in Clause 1 of this Article, disclosure may be made only with the approval of the officers authorised by the Authority's board of directors, in accordance with the Executive Regulation of this Law.
3. The 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 in accordance with the Executive Regulation of this Law.
4. Any person who has obtained information pursuant to the provisions of this 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 the internal procedures to protect confidentiality of information within the Authority, and the obligations of the Tax Agent in this regard.

## Chapter Two - Timeframes and Lapse of Time

### Article 42 - Statute of Limitation

1. Except in cases of proven Tax Evasion or non-registration for Tax purposes, the Authority may not conduct a Tax Assessment after the expiration of five years from the end of the relevant Tax Period.
2. In case Tax Evasion is proven, the Authority may conduct a Tax Assessment within 15 years from the end of the Tax Period in which the Tax Evasion occurred.
3. In cases of non-registration for Tax purposes, the Authority may conduct a Tax Assessment within 15 years from the date on which the Taxable Person should have registered.

### Article 43 - The Authority's Right to Claim

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

### Article 44 - Time Limit for Tax Obligations

In case a period of time is not specified for the performance of any obligations or any other procedure in this Law or the Tax Law, the Authority shall grant the Taxable Person a period commensurate with the nature of the obligation or procedure of not less than five business days and not more than 40 business days from the date of the event giving rise to obligation or the conduct of the procedure.

### Article 45 - Calculation of Time limits

In all events, the following rules shall be observed when calculating time limit:

1. The day of notification or the day of occurrence of the event by reason of which the time limit arose shall not form part thereof.
2. If the last day of the time limit coincides with a public holiday, the time limit shall be extended to the first business day thereafter.



## Article 46 – Controls for Paying by Instalment, Waiving or Refunding Administrative Penalties<sup>6</sup>

If the Authority imposes or collects an Administrative Penalty from any Person for violating the provisions of this Law or the Tax Law, the Committee provided for in the second paragraph 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.

The Chairman of the Board of the Authority shall issue a decision forming the Committee provided for in the first paragraph 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.

## Article 47 - Calendar

Time limits and due dates provided for in this Law and the Tax Law shall be calculated according to the Gregorian calendar.

## Chapter Three - Closing Provisions

### Article 48 - Proving the Accuracy of Data

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

### Article 49 - Conflict of Interest

All Authority's employees are prohibited from performing or participating in any tax procedures related to any Person in the following cases:

1. The existence of a kinship up to the fourth degree between the employee and said person.
2. The existence of a common interest between the employee and said Person or between any of their relatives up to the third degree.
3. If the Director-General decides that the employee should not perform any tax procedures related to that Person due to any case of conflict of interest.

### Article 50 - Judicial Officers

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<sup>6</sup> Amended as per Federal Decree-Law No. 28 of 2021

The Director-General and Tax Auditors appointed by a decision of the Minister of Justice in agreement with the Minister shall have the capacity of Judicial Officers in recording violations of the provisions of this Law, the Tax Law or the decisions issued in implementation thereof.

### **Article 51 - Authority's Fees**

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

### **Article 52 - Abrogation of Conflicting Provisions**

All provisions contrary to or inconsistent with the provisions of this Law shall be abrogated.

### **Article 53 - Executive Regulation**

The Cabinet shall, according to a suggestion by the Minister, issue the Executive Regulation of this Law within 6 months as of the issuance of this Law.

### **Article 54 - Publication and Application of this Law**

This Law shall be published in the Official Gazette and shall come into effect 30 days from the date of its publication.