

NEWSLETTER 4/2017 (9th August 2017)

I. New Tax Procedures Law

On the 11th of June 2017, Federal Law No. 7 of 2017 on Tax Procedures (“Law”) has been officially published which regulates the UAE tax system, administration and the practice for collection and refund of taxes. It represents a new step ahead in the implementation of value added tax (VAT) in the UAE in January 2018. The Law will come into effect 30 days after its publication, which has been the 10th of July 2017. However, it should be noted that the publication of the Law has been announced end of July 2017.

The Law regulates provisions for procedures, inter alia, for filling for tax refund application, objections against tax assessments issued by the Federal Tax Authority (FTA), tax audits carried out by the FTA and regulations for book keeping. However, the Law only stipulates general provisions and leaves the details for the executive regulations which have not yet been published.

It should also be noted that the UAE VAT Tax Law, to which the Law makes references in various articles, has also not been published.

A final assessment of companies’ obligations in connection with VAT implementation in the UAE will only be possible once all relevant laws and regulations have been published.

II. Abu Dhabi’s Wills Registry for non-Muslim Residents

In the style of the DIFC Wills & Probate Registry, the government of Abu Dhabi will create a registry of wills and probate for non-Muslims in the Emirate of Abu Dhabi. A respective resolution has yet to be published. Before this resolution, only Sharia law was applied to regulate the inheritance procedures of persons deceased in UAE, regardless of their nationality and religion.

With the establishment of the new registry it will be possible for non-Muslims to register a will drafted in English and providing for a free allocation of assets and properties located in Abu Dhabi not bound by Sharia principles.

However, it remains to be seen how the new resolution will be implemented. In this regard it should be noted, that is unclear whether wills drafted abroad will be recognized and registered or whether individuals would have to get the will drafted locally.

III. Corporate Social Responsibility (CSR) - mandatory for UAE private sector companies

The Ministry of Economy has announced the initiative “Corporate Social Responsibility” (CSR) for private companies registered in the mainland effective beginning of 2018. With this initiative companies will have to provide monetary work to certain organizations. The percentage of funds which have to be dedicated to the organizations has still not been determined. Furthermore, it remains unclear whether all companies or only companies with a certain annual revenue have to register and participate.

In order to ensure compliance of the concerned companies, the Ministry of Economy will introduce certain privileges for participating companies (such as exemptions for bank guarantees or priority for government contracts) and introduce the requirement of submitting financial reports when renewing the commercial license. The CSR project will be officially launched by H. H. Sheikh Mohammed and the Ministry of Economy will be holding an informative presentation in the next months at its launching event.

IV. Spanish Desk: First anniversary

In 2016, due to growth of the Spanish and Latin businesses in the region, SCHLÜTER GRAF expanded its services by launching the “Spanish Desk” at its offices in Dubai. The Spanish Desk is a department coordinated by Spanish speaking lawyers who offer legal advice in all commercial and corporate matters in the Middle East, providing services to the Spanish and Latin communities in the UAE and Middle East.

SCHLÜTER GRAF is a member of the Spanish Business Council and is also listed and recommended by the Spanish Embassy in UAE. Furthermore, SCHLÜTER GRAF is also listed and recommended by the Commercial Office of Spain in UAE (ICEX).

The Head of the Spanish Desk is Mr. Albert Jové, a Spanish attorney (abogado) and Legal Consultant in Dubai who offers effective and specialized legal advice to the Spanish speaking community in the UAE and the Middle East.

Also, in recent years, SCHLÜTER GRAF has established relationships with the main institutions that support the internationalization of Spanish companies and we are the leading partners and collaborators for the Spanish chambers of commerce in UAE and Middle East.

This newsletter constitutes a simplified and shortened description of some legal developments and in no way replaces legal consultation. The team at SCHLÜTER GRAF will gladly support you in case of any questions.

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