

NEWSLETTER 1/2018 (23rd July 2018)

The Tax Disputes Resolution Committees in the UAE

The UAE Tax Disputes Resolution Committees were introduced by Federal Law No. 7 of 2017 on Tax Procedures, however, the relevant Cabinet Resolution (Resolution No. 23 of 2018 on the Formation of Tax Disputes Resolution Committees the “Resolution”), outlining the details of such committees, has only been published in the Official Gazette on 31 May 2018 with retrospective effect from 1 May 2018.

According to Art. 2 of the Resolution, there will be three permanent committees for tax disputes in the Emirates of Abu Dhabi, Dubai and Sharjah whereas Sharjah. The territorial jurisdiction of the committees will be determined by the address of the objector. Moreover, the committee in Abu Dhabi will also be exclusively competent for disputes filed by foreign entities without a seat in the UAE as well as for disputes related to the jurisdiction the committees. The committee in Sharjah will be responsible for motions filed by companies located in Ajman, Fujairah, Ras Al Khaimah and Umm Al Quwain.

Each committee will be headed by one judicial authority member and two tax expert members who are appointed by the Ministry of Justice for a period of one year (Art. 4 of the Resolution).

The committees will be competent to hear objections submitted against decisions of the Federal Tax Authority (“FTA”) (Art. 6 of the Resolution). Motions shall be electronically submitted to the FTA – and subsequently forwarded to the competent committee – and shall be decided upon within 20 days from the date of their submission, Art. 7 and 8 of the Resolution.

Decisions of the committee with regard to taxes and/or penalties not exceeding AED 100,000 shall be deemed as final and enforceable, whereas, decisions regarding values exceeding AED 100,000 are appealable within 20 days of their issuance.

This newsletter constitutes an overview of legal developments and neither constitutes legal advice nor replaces legal consultation. The team at SCHLÜTER GRAF will gladly support you in case of any questions.

CONTACT:

SCHLÜTER GRAF

The Citadel Tower, Offices 2001-2005

Business Bay, P.O. Box 29337

Dubai / United Arab Emirates

Tel.: +971 / 4 / 431 3060

Fax: +971 / 4 / 431 3050

Andrés Ring (andres.ring@schlueter-graf.com)

Yulia Kasiyanova (yulia.kasiyanova@schlueter-graf.com)

Dr. Constantin Frank-Fahle (frank-fahle@schlueter-graf.com)