

- The Federal Tax Authority (FTA) has amended tax procedure provisions set out in Decree-law No. 7 of 2017 by the issue of Decree-law No. 28 of 2021.
- Issued on 16 September 2021 and is effective from 1st November 2021

## Summary

Decree Law No. 28 of 2021 has extended timelines for:

1. Taxpayers to request reconsideration of decisions issued by the FTA
2. FTA to issue its decision regarding the disputed case

Decree law No.28 has also made amendments to the procedures for submitting objections and appeals. This includes removing or reducing the requirement to pay the disputed penalties as a prerequisite for access to the Tax Dispute Resolution Committee (TDRC) and Courts.

Scenario The Time Limit for....	Decree Law No.7 of 2017 (Old)	Decree Law No. 28 of 2021 (New)
Filing Reconsideration Application before Federal Tax Authority (FTA) for any decision issued by FTA	<b>20 Business Days</b> from the date Taxpayer being Notified	<b>40 Business Days</b> from the date Taxpayer being Notified
Filing Objection to FTAs decision to TDRC.		
Submission of an appeal to the TDRCs decision before competent Court		
FTA to review the reconsideration request and issue the decision	<b>20 Business Days</b> from the date of receipt of application	<b>40 Business Days</b> from the date of receipt of application

## Payment of Penalties

- When filing an objection to the TDRC, it is **no longer required to have settled the penalty amount in question** (only the tax amount must be settled). Previously, both the tax and penalty amount in question must have already been settled when filing an objection to the TDRC.
- An appeal to the Court can only be made upon **payment of 50% of the penalties applicable (either via cash or bank guarantee)**. The process through which a bank guarantee can be submitted against the penalty value is yet to be released
- A new Committee is to be formed by a future Cabinet Decision, which may issue decisions approving the payment of penalties in instalments or totally or partially waiving or refunding penalties

The following is a summary of the payment requirements applicable at each stage of the appeal process:

Stage	Tax amount to be paid prior to applying	Penalty amount to be paid prior to applying
Reconsideration	N/A	N/A
TDRC	100%	N/A
Court	100%	50%

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