

UAE: President establishes Federal Tax Authority

Federal Tax Authority will coordinate with the governments and taxpayers on all tax related matters

Abu Dhabi: President His Highness Shaikh Khalifa Bin Zayed Al Nahyan issued a decree on Monday to set up a new authority to collect data, information and statistics related to federal taxes.

The Federal Tax Authority (FTA) will be responsible for setting up and maintaining records on taxpayers and on taxes paid. It will also issue necessary guidelines and clarifications to taxpayers on matters related to federal taxes and related fines.

The authority will coordinate with the federal government, local governments and taxpayers on all matters related to taxes and related fines. It will represent the UAE in regional and international meetings and conferences concerning taxes, in addition to inspecting taxpayers' records and documents, reviewing tax returns and auditing reports submitted to the authority.

It will issue certificates related to federal taxes and implementing mechanisms for settling disputes between taxpayers and FTA. It will also be able to request information in the possession of a third party that concern a taxpayer who is being audited by the FTA.

The FTA's board will be chaired by the minister and its members who will be appointed through a resolution issued by the UAE Cabinet. The board will be responsible in submitting annual reports to the cabinet regarding the authority's achievements.

An article in the decree stipulates that federal tax revenues and fines that are collected by the FTA will be deposited in an independent account pending their distribution to the federal and local governments. Taxes and fines acquired due to this law will be divided between the federal and local governments. The mechanisms for dividing the taxes and fines will be set by a resolution issued by the Cabinet, which will be based on recommendations by the minister and through an agreement between the federal and local governments.

The decree will be published in the Official Gazette, and comes into effect after 90 days from the date of its issuance.