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Provisions of Exemption from Corporate Tax for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses

Federal Tax Authority Decision No. 7 of 2023

Issued 7 April 2023 (Effective from 1 June 2023)

The Chairman of the Board of Directors of the Federal Tax Authority has decided:

- Having reviewed the Constitution,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Decree-Law No. 28 of 2022 on Tax Procedures,
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses,
- Cabinet Decision No. 36 of 2017 on the Executive Regulation of Federal Law No. 7 of 2017 on Tax Procedures, and its amendments,
- Decision of the Chairman of the Board of Directors No. 9 of 2021 on the Delegation to the Vice Chairman of the Board of Directors of the Federal Tax Authority, and
- Pursuant to the approval of the Board of Directors of the tax registration policy for exempt persons, the policy on the timeline for exempt persons to apply for exemption, and the policy for determining the scenarios where the exemption is approved from an effective date other than the start date of the tax period, at the twenty-fifth meeting held on 28 February 2023.



Article 1 – Definitions

The words and expressions contained in this Decision shall have the same meaning assigned against each in the Federal Decree-Law No. 47 of 2022 referred to above, unless the context otherwise requires.

Article 2 – Corporate Tax Registration and Application for Exemption

1. The Person included in the category mentioned in paragraph (e) of Clause 1 of Article 4 of Federal Decree-Law No. 47 of 2022 referred to above, shall apply for Tax Registration and obtain a Tax Registration Number as of 1 October 2023.
2. The Person included in any of the categories mentioned in paragraphs (f), (g), (h) and (i) of Clause 1 of Article 4 of Federal Decree-Law No. 47 of 2022 referred to above, shall apply for Tax Registration and obtain a Tax Registration Number as of 1 June 2024.
3. If the Authority approves the application for Tax Registration, the Person included in any of the categories mentioned in paragraphs (f), (g), (h) and (i) of Clause 1 of Article 4 of Federal Decree-Law No. 47 of 2022 referred to above, may be entitled to submit an application for exemption from Corporate Tax where the relevant exemption conditions set forth in Federal Decree-Law No. 47 of 2022 referred to above, are met.
4. The Authority may request the Exempt Person in accordance with Clauses 1 and 3 of this Article to file an annual declaration confirming that it still fulfills the exemption conditions.

Article 3 – Timeline to Apply for Exemption and its Effective Date

1. The Person included in any of the categories referred to in Clause 2 of Article 2 of this Decision, shall apply for exemption within 60 business days from the end of the Tax Period in which the Person met the conditions for exemption.
2. If the Authority approves the application for exemption set forth in Clause 1 of this Article, the exemption shall be effective from the start of the Tax Period specified in the application.



3. The Authority may determine an alternative date for the effective date of the exemption other than the date specified in Clause 2 of this Article where any of the following scenarios, or other similar scenarios, takes place:
- If the Tax Period specified in the registration form is incorrect, the exemption shall be effective from the correct date.
 - If the applicant is acquired during a Tax Period by one or more Persons included in the categories referred to in paragraphs (a), (b), (f) and (g) of Clause 1 of Article 4 of Federal Decree-Law No. 47 of 2022 referred to above, the exemption shall not be granted from the start of the Tax Period if the conditions for exemption were not met at that time. The Authority shall determine another date from which the exemption shall be granted to ensure that the date of exemption starts after the fulfillment of all remaining tax obligations.
 - If the Tax Period included in the application for exemption is incorrect and the Authority receives sufficient supporting information to evidence that the conditions have been met within the later Tax Period, the exemption shall be effective after the date of fulfillment of the conditions.
 - Any other instances specified by a decision issued by the Cabinet in accordance with paragraph (i) of Clause 1 of Article 4 of Federal Decree-Law No. 47 of 2022 referred to above.

Article 4 – Abrogation of Conflicting Provisions

Any provisions contrary to or inconsistent with the provisions of this Decision shall be abrogated.

Article 5 – Implementation of the Decision

This Decision shall be published in the Official Gazette and shall come into effect as of 1 June 2023.