



Ministerial Decision No. 105 of 2023 on the Determination of the Conditions under which a Person may Continue to be Deemed as an Exempt Person, or Cease to be Deemed as an Exempt Person from a Different Date for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses

Minister of State for Financial Affairs:

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competencies of Ministries and Powers of the Ministers, and its amendments,
- 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,

Has decided:

**Article (1)
Definitions**

Words and expressions in this Decision shall have the same meanings specified in the Federal Decree-Law No. 47 of 2022 referred to above (“**Corporate Tax Law**”), unless the context requires otherwise.

**Article (2)
Conditions of Deeming the Person as an Exempt Person in Case of Liquidation or Termination**

1. For the purposes of paragraph (a) of Clause (6) of Article (4) of the Corporate Tax Law, the Person may continue to be deemed as an Exempt Person from the date its liquidation or termination procedure starts until the date it is completed, provided that a notification has been submitted to the Authority within (20) twenty business days from the date of the beginning of the procedures.
2. Where Clause (1) of this Article applies, the Person shall cease to be deemed as an Exempt Person on the day following the date of the completion of the liquidation or termination procedure.
3. For the purposes of Clause (1) of this Article, the Person’s liquidation or termination procedure shall be applied as per the applicable legislations in the State.

**Article (3)
Conditions of Deeming the Person as an Exempt Person in Case the Failure to Meet the Conditions is of a Temporary Nature**

1. For the purposes of paragraph (b) of Clause (6) of Article (4) of the Corporate Tax Law, the Person may continue to be deemed as an Exempt Person where all of the following conditions are met:



- a. The failure to meet the conditions to be deemed as an Exempt Person is due to a situation or an event beyond the Person's control which he could not reasonably have predicted or prevented.
 - b. The Person has made an application to the Authority to continue to be treated as an Exempt Person within (20) twenty business days from the date it fails to meet the conditions to be exempt under the relevant provisions of the Corporate Tax Law.
 - c. It is reasonably expected to rectify the failure to meet the conditions within (20) twenty business days from the submission of the application under paragraph (b) of this Clause.
 - d. Upon request by the Authority, the Person provides evidence to support putting in place the appropriate procedures to monitor the compliance with the relevant conditions of the Corporate Tax Law, within (20) twenty business days from the date of the request by the Authority, or any other period as may be determined by the Authority.
2. The period specified in paragraph (c) of Clause (1) of this Article may be extended by an additional (20) twenty business days in the event that the failure to rectify is beyond the Person's reasonable control.
 3. The Authority shall review the application submitted under paragraph (b) of Clause (1) of this Article and notify the Person of its decision within (20) twenty business days of the submission of the application, or such other time period required to review the application, provided that the Person has been notified.

Article (4)

Instances for Ceasing to Deem the Person as an Exempt Person from a Different Date

For the purposes of paragraph (c) of Clause (6) of Article (4) of the Corporate Tax Law, the Person shall cease to be deemed as an Exempt Person starting from the day it fails to meet the conditions to be exempt under the relevant provisions of the Corporate Tax Law, in case it can be reasonably concluded that the main purpose or one of the main purposes of this cessation is to obtain a Corporate Tax advantage as specified in Clause (2) of Article (50) of the Corporate Tax Law that is not consistent with the intentions or purposes of the Corporate Tax Law.

Article (5)

Publication and Application of this Decision

This Decision shall be published and shall come into effect on the date of its publication.

Mohamed bin Hadi Al Hussaini
Minister of State for Financial Affairs

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