

UAE Excise Tax- Public Clarification (EXTP009) on Amendment of the Excise Tax Decree Law- Federal Decree-Law No.19 of 2022

A Public clarification has been issued on The Federal Decree-Law No. 19 of 2022 which Amends some provisions/Articles of the Federal Decree-Law No7 of 2017 on Excise Tax, effective from 14 October 2022.

The key highlights of this Public Clarification are as follows:

- The following articles of the Excise Tax Decree Law have been amended:
 - Article 1- Definitions (adding definitions of Tax Audit, Tax Assessment, Voluntary disclosure, Tax Procedures Law)
 - Article 5- Tax registration
 - Article 6-Exceptions from Registration
 - Article 19-Payment of Tax
 - Article 20-Excess Refundable Tax
 - Article 22-Administrative Penalties Assessment
 - Article 23-Instances of Tax Evasion
 - Article 28- Provision of tax Procedures to be applied in absence of any special provision.
 - A new Article 25 bis has been inserted in the Excise Tax Decree-Law on Statute of Limitation.
- Articles 5,20,22,23 are amended to add definition of Tax Procedures Law
- In Article 6, the main amendment is that the Person importing excise goods for purposes other than conducting business will be excepted from registration. The person shall however remain liable to pay the relevant Excise tax on the import or administrative penalties if any. Any one excepted from tax registration is required to inform the FTA of any changes to that personal circumstances that would make the person liable to register for Excise tax.
- In Article 19, any person receiving an amount as Excise Tax or issuing an invoice reflecting Excise Tax (like on not excise goods) must report and settle it with FTA as it is deemed to be Excise Tax.
- The new Article; Article 25 bis has been introduced to the Excise Tax Decree Law as statute of limitation relating to tax audits and tax assessments. The Statute of Limitation sets the maximum timeframe in which the Authority can act. Generally, the FTA may not conduct a tax audit or issue a tax assessment to the taxable person after 5 years from the end of the relevant tax period but they may do so in the following case:
 - If the FTA notified the taxable person of the tax audit before the expiry of the 5-year period, provided that the tax audit is completed or the tax assessment is issued within 4 years from the date of notification of the tax audit.
 - If the tax audit or tax assessment issuance relates to a voluntary disclosure submitted in the fifth year from the end of the relevant tax period, provided that the tax audit is completed or the tax assessment is issued, within one year from the date of submission of the voluntary disclosure. It is to be noted that no voluntary disclosures may be submitted after the five years from the end of the relevant tax period.
 - In the case of tax evasion, the FTA may conduct a tax audit or issue a tax assessment within 15 years from the end of the tax period in which the tax evasion occurred.
 - If a taxable person failed to register for Excise Tax within the prescribed period, the FTA may conduct a tax audit or issue a tax assessment within 15 years from the date on which the taxable person should have registered for Excise Tax.
- The Cabinet may amend the statute of limitation in respect of instances where a taxable person was notified of audit before the expiry of 5-year period, or a where a person has submitted a voluntary disclosure in the fifth year following the relevant tax period.

[Click here for Public Clarification](#)

[Click here for amended Federal Law No. 19](#)