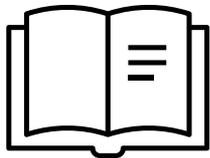


# CAREFULLY CLASSIFIED THE DIFFERENCE BETWEEN



## **OLD AND NEW REGULATIONS**

**FOR YOUR EASY  
UNDERSTANDING.**

## Violations and Administrative Penalties related to the Implementation of the Federal Law No. (7) of 2017 on Tax Procedures

Sl. No	Description of Violation	Old Provision	New Provision
1	The failure of the person conducting Business to keep the required records and other information specified in Tax Procedures Law and the Tax Law	(10,000) for the first time. (50,000) in case of repetition.	(10,000) for the first time. (20,000) in case of repetition.
2	The failure of the Taxable Person to submit a registration application within the timeframe specified in the Tax Law	(20,000)	(10,000)
3	The failure of the Registrant to submit a deregistration application within the timeframe specified in the Tax Law	(10,000)	(1,000) upon delay in submitting the application and on the same date per month, with a maximum of (10,000)
4	The failure of the Registrant to inform the Authority of any circumstance that requires the amendment of the information pertaining to his tax record kept by Authority	(5,000) for the first time. (15,000) in case of repetition	(5,000) for the first time. (10,000) in case of repetition
5	The failure of the person appointed as a Legal Representative for the Taxable Person to inform the Authority of his appointment within the specified timeframe. The penalties will be due from the Legal Representative's own funds.	(20,000)	(10,000)
6	The submittal of an incorrect Tax Return by the Registrant.	Two penalties are applied: 1. Fixed penalty of: - (3,000) for the first time. - (5,000) in case of repetition 2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to the error and resulting in a tax benefit as follows: - (50%) if the Registrant does not make a voluntary disclosure or he made the voluntary disclosure after being notified of the tax audit and the Authority has started the tax audit process, or after being asked for information relating to the tax audit, whichever takes place first. - (30%) if the Registrant makes the voluntary disclosure after being notified of the tax audit and before the Authority starts the tax audit. - (5%) if the Registrant makes a voluntary disclosure before being notified of the tax audit by the Authority.	1. A fixed penalty is imposed: - (1,000) for the first time. - (2,000) in case of repetition. 2. As an exception to Clause (1) of this penalty, if the incorrect tax return results in a tax difference less than the fixed fine mentioned in Clause (1) of this penalty, a fine equal to the tax difference shall be imposed, provided it is not less than (500) AED. 3. Whoever corrects its tax return before the payment due date shall be exempted from the penalty specified in Clauses (1) and (2) of this penalty.

## Violations and Administrative Penalties related to the Implementation of the Federal Law No. (7) of 2017 on Tax Procedures

Sl. No	Description of Violation	Old Provision	New Provision
7	The Voluntary Disclosure by the Person/Taxpayer of errors in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of the Tax Procedures Law.	Two penalties are applied: 1. Fixed penalty of: - (3,000) for the first time. - (5,000) in case of repetition 2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to the error and resulting in a tax benefit as follows: - (50%) if the Person/Taxpayer makes a voluntary disclosure after being notified of the tax audit and the Authority starting the tax audit or after being asked for information relating to the tax audit, whichever takes place first. - (30%) if the Person/Taxpayer makes the voluntary disclosure after being notified of the tax audit but before the start of the tax audit. - (5%) if the Person/Taxpayer makes voluntary disclosure before being notified of the tax audit by the Authority.	Without prejudice to the consequences of the penalty mentioned in Clause (10) hereof, a proportional penalty shall be imposed on the amount of the difference between the tax calculated and the tax that should have been calculated, in accordance with the following: 1. (5%) on the difference amount in the event that the voluntary declaration was submitted within one year of the due date of the tax return, tax assessment, or related refund application. 2. (10%) on the difference amount in the event that the voluntary declaration was submitted during the second year from the due date of the tax return, tax assessment, or related refund application. 3. (20%) on the difference amount in the event that the voluntary declaration was submitted during the third year from the due date of the tax return, tax assessment, or related refund application. 4. (30%) on the difference amount in the event that the voluntary declaration was submitted during the fourth year from the due date of the tax return, tax assessment, or related refund application. 5. (40%) on the difference amount in the event that the voluntary declaration was submitted after the fourth year from the due date of the tax return, tax assessment, or related refund application.
8	The failure of the Taxable Person to voluntarily disclose errors in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of this the Tax Procedures Law before being notified that he will be subject to a Tax Audit.	Two penalties are applied: 1. Fixed penalty of: - (3,000) for the first time. - (5,000) in case of repetition 2. (50%) of the amount unpaid to the Authority due to the error resulting in a tax benefit for the Person/Taxpayer.	Without prejudice to the consequences of the penalty mentioned in Clause (10) hereof, a person shall be imposed with: 1. A penalty of (50%) on the amount of error; 2. A penalty of (4%) for each month or part of the month from any of the following: a. Tax unpaid to FTA, from the date of that payment is due for the relevant tax period until the date of receipt of the tax assessment. b. The tax that has not been refunded to FTA due to an unjust tax refund, from the date of the tax refund from FTA until the date of receiving the tax assessment.
9	The failure of the Registrant to calculate Tax on behalf of another Person when the registered Taxable Person is obligated to do so under the Tax Law.	The Registrant shall be obligated to pay a late payment penalty consisting of: - (2%) of the unpaid tax is due immediately once the payment of Payable Tax is late; - (4%) is due on the seventh day following the deadline for payment, on the amount of tax which is still unpaid. - (1%) daily penalty charged on any amount that is still unpaid one calendar month following the deadline for payment with upper ceiling of (300%).	1. The Registrant shall pay the penalty applicable to the late payment of the payable tax, with a maximum of (300%), in accordance with the following: a. (2%) of the unpaid tax due on the day following to the due date for payment, upon late payment of the payable tax. b. <b>(4%) monthly penalty due after one month from the payment due date, and on the same date every month after that, on the amount of tax that has not been paid on due date.</b> 2. For the purposes of this penalty, the due date for payment in the event of voluntary declaration and tax assessment is as follows: a. In case of the voluntary declaration, (20) business days from the date of its submission. b. In case of tax assessment, (20) business days from the date of its receipt.

## Violations and Administrative Penalties related to the Implementation of the Federal Decree-Law No. (7) of 2017 on Excise Tax

Sl. No	Description of Violation	Old Provision	New Provision
1	Failure by the Taxable Person to display prices inclusive of Tax.	(15,000)	<b>(5,000)</b>
2	Failure by the Taxable Person to provide the Authority with price lists for the Excise Goods produced, imported or sold thereby	<ul style="list-style-type: none"> <li>· (5,000) for the first time.</li> <li>· (20,000) in case of repetition</li> </ul>	<ul style="list-style-type: none"> <li>· (5,000) for the first time.</li> <li>· <b>(10,000) in case of repetition</b></li> </ul>

## Violations and Administrative Penalties related to the Implementation of the Federal Decree-Law No. (8) of 2017 on Value Added Tax

Sl. No	Description of Violation	Old Provision	New Provision
1	Failure by the Taxable Person to display prices inclusive of Tax	(15,000)	<b>(5,000)</b>
2	Failure by the Taxable Person to issue the Tax invoice or an alternative document when making any supply	(5,000) for each tax invoice or alternative document.	<b>(2,500) for each case discovered.</b>
3	Failure by the Taxable Person to issue a Tax Credit Note or an alternative document	(5,000) for each tax credit note or alternative document.	<b>(2,500) for each case discovered.</b>
4	Failure by the Taxable Person to comply with the conditions and procedures regarding the issuance of electronic Tax Invoices and electronic Tax Credit Notes	(5,000) for each incorrect document.	<b>(2,500) for each case discovered.</b>