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Conditions for Change in Tax Period for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses

Federal Tax Authority Decision No. 5 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,
- Pursuant to the approval of the Board of Directors of the policy on conditions for change in 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 – Conditions for Change in Tax Period

For the purposes of Article 58 of Federal Decree-Law No. 47 of 2022 referred to above, the Taxable Person can make an application to the Authority to change the start and end date of the Tax Period, or use a different Tax Period, where the following conditions are met:

1. The change is for one of the following reasons:
 - a. The Taxable Person's liquidation;
 - b. Aligning the Resident Taxable Person's Financial Year with the Financial Year of another Resident Person for the purpose of forming a Tax Group or joining an existing Tax Group, or aligning the Taxable Person's Financial Year with the Financial Year of its domestic or foreign head office, subsidiary, parent, or ultimate parent company, for the purpose of financial reporting, or to benefit from a tax relief available under the Federal Decree-Law No. 47 of 2022 referred to above or under the legislation of a foreign jurisdiction; or
 - c. There is valid commercial, economic, or legal reason to change the Tax Period.
2. The Taxable Person has not yet filed the Tax Return for the Tax Period he is applying to change.
3. The application for change in Tax Period is in respect of any of following:
 - a. Extend the current Tax Period to be a maximum of 18 months; or
 - b. Shorten the next Tax Period to be between 6 and 12 months.
4. The application shall be made before the lapse of 6 months from the end of the original Tax Period.
5. Where the Taxable Person filed an application to shorten a Tax Period, the application shall not be in respect of a prior or current Tax Period.

Article 3 – Abrogation of Conflicting Provisions

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



Article 4 – Implementation of the Decision

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

