

Cabinet Decision No. (12) of 2025

On Regulating the Procedures for Objection and Appeal by Government Entities in Tax Disputes

The Cabinet

Having reviewed the Constitution,

And Federal Decree-Law No. (28) of 2022 on Tax Procedures, and its amendments,

And Cabinet Decision No. (23) of 2018 on the Formation of Tax Disputes Resolution Committees, their Work System, and Procedures,

And Cabinet Decision No. (74) of 2023 on the Executive Regulation of Federal Decree-Law No. (28) of 2022 on Tax Procedures,

And based on the proposal of the Minister of Finance, and the approval of the Cabinet,

Has decided:

Article (1)

Definitions

For the purposes of implementing the provisions of this Decision, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

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| Authority | : The Federal Tax Authority. |
| Government Entities | : The federal and local government entities specified under Cabinet Decision No. (58) of 2017 regarding Government Entities and their Sovereign Activities, and its amendments, with the exception of the Authority. |
| Department of Finance | : The entity concerned with financial affairs in the local Emirate. |
| Committee | : The Tax Disputes Resolution Committee formed under the aforementioned Cabinet Decision No. (23) of 2018. |
| Objection | : The written or electronic objection submitted by Government Entities to the Committee in accordance with the provisions of this Decision. |
| Competent Department | : The Tax Disputes Resolution Committees Department at the Ministry of Justice. |

Article (2)

Scope of Application

The provisions of this Decision shall apply to all objection and appeal procedures in tax disputes related to Value Added Tax to which Government Entities are a party, concerning any activities they conduct in a sovereign capacity.

Article (3)

Competencies of the Tax Disputes Resolution Committee

The Committee shall be competent to:

1. Decide on objections submitted against the Authority's decisions regarding reconsideration requests.
2. Decide on reconsideration requests submitted to the Authority for which it has not made a decision in accordance with the provisions of Federal Decree-Law No. (28) of 2022 on Tax Procedures.

Article (4)

Procedures for Submitting an Objection and Cases of Non-acceptance

1. An objection to the Authority's decision on a reconsideration request shall be submitted to the Competent Department within (40) forty working days from the date the Government Entities are notified of the Authority's decision.
2. The objection submitted to the Committee shall not be accepted in any of the following cases:
 - a. If a reconsideration request was not initially submitted to the Authority.
 - b. If the objection was not submitted within the period specified in clause (1) of this Article.
3. For the purposes of accepting the objection, Government Entities are not required to pay the full tax or administrative penalty associated with the objection when submitting it and until it is decided upon by the Committee, without prejudice to any administrative penalties that may arise under the provisions of the aforementioned Federal Decree-Law No. (28) of 2022.
4. The Competent Department shall send the Government Entities' objection to the Committee within two working days from the date of its receipt.

Article (5)

Committee Procedures

1. The Committee shall study the objection submitted to it and decide on it within (20) twenty working days from the date of receiving the objection.
2. The Committee shall notify the Government Entities and the Authority of its decision within (3) three working days from the date of its issuance.

3. The Committee's decision on the objection shall be considered final if the total amount of tax due and administrative penalties thereunder does not exceed (100,000) one hundred thousand dirhams.
4. The expiry of the period specified in clause (1) of this Article without the Committee issuing a decision shall be considered a rejection of the objection.

Article (6)

Enforcement of Committee Decisions

1. The final decisions issued by the Committee in disputes not exceeding (100,000) one hundred thousand dirhams in value shall be considered an executory instrument.
2. Decisions issued in disputes exceeding (100,000) one hundred thousand dirhams in value shall be considered an executory instrument if they are not appealed before the competent court within (40) forty working days from the date of notification of the objection's outcome.
3. The final decisions of the Committee that have the force of an executory instrument shall be enforced by the execution judge at the competent court.

Article (7)

Procedures for Appeal before the Courts

1. The Authority and the Government Entities, as the case may be, may appeal the Committee's decision in whole or in part before the competent court within (40) forty working days from the date the Authority or the Government Entities are notified of the Committee's decision or from the date of expiry of the deadlines for deciding on the objection.
2. In all cases, tax dispute lawsuits shall not be accepted before the competent court in the following situations:
 - a. If an objection was not initially filed with the Committee.
 - b. If the Committee's decisions were not appealed within the period specified in clause (1) of this Article.
 - c. If the Government Entities do not provide proof of payment of the full tax to the Authority.
3. The Government Entities shall be obligated to pay the value of the disputed administrative penalties upon the issuance of a final judgment by the competent court.

Article (8)

Notification of Objections

1. Federal entities must notify the Ministry of Finance of any objection they submit to the Committee, within one week from the date of submission.

2. Local entities must notify the Department of Finance of the concerned Emirate of any objection they submit to the Committee, within one week from the date of submission.

3. Failure to notify of objections in accordance with clauses (1) and (2) of this Article shall not result in the non-acceptance of the Government Entities' objection before the Committee.

Article (9)

Applicability of Tax Procedures Provisions

The provisions of Federal Decree-Law No. (28) of 2022 on Tax Procedures and its Executive Regulation shall apply to matters not specifically provided for in this Decision.

Article (10)

Repeals

Any provision that violates or contradicts the provisions of this Decision shall be repealed.

Article (11)

Publication and Enforcement of the Decision

This Decision shall be published in the Official Gazette and shall come into force (60) sixty days after the date of its publication.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: 11 / Sha'ban / 1446 H

Corresponding to: 10 / February / 2025 AD