Federal Appeals Court Reverses Tax Penalties (UAE)

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Client Alert

Recently, the Federal Appeals Court (UAE) reversed late payment penalties applied by the Federal Tax Authority on voluntary disclosures in two separate tax disputes for two separate taxpayers assisted by Wasel & Wasel.

The Federal Appeals Court has ruled on nearly six tax disputes between 2019 and June 2020, almost three of which have been successful in reversing penalties imposed on taxpayers by the Federal Tax Authority.

Wasel & Wasel has been counsel on two of the three successful judgements before the Federal Appeals Court reversing multi-million Dirham tax penalties.

The penalties reversed were late payment penalties imposed on voluntary disclosure submissions.

These latest judgements by the Federal Appeals Court continue the success record of Wasel & Wasel on tax disputes before the tax disputes resolution committees and the Federal courts.

Moreover, Wasel & Wasel was able to obtain these successful judgements without the Federal Courts ordering the appointment of a court expert, which lead to an increased speed of the court proceedings.

The two companies had filed objections before the Dubai Tax Dispute Resolution Committee in 2019 against the late penalties on voluntary disclosures.

In mid-2019, the Dubai TDRC ruled in favour of the taxpayers

and reversed late penalties imposed on voluntary disclosures.

The TDRC rulings were subsequently challenged before the Federal Primary Court in late 2019.

The Federal Primary Court upheld the TDRC rulings in early 2020, maintaining the reversal of late penalties on the voluntary disclosures.

The Federal Appeals Court judgements follow a significant number of TDRC and Federal Court rulings and judgements since 2019 that Wasel & Wasel has assisted taxpayers with, in addition to various other issues taxpayers face; such as private clarification tax disputes, out-of-State taxpayer disputes; tax disputes arising out of audits by the Federal Tax Authority; tax disputes arising out of supply to Government entities; and more.

To access the Getting The Deal Through publication on tax disputes in the UAE; [click here](#).

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