



Reconciliation Process of Tax Evasion Crimes

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Tax Evasion Crimes—The UAE has a strict policy against tax evasion, and those who are found guilty of this crime can face significant penalties. However, the Federal Tax Authority (FTA) offers a reconciliation process for individuals who have committed tax evasion crimes. The reconciliation process is a way for individuals to come into compliance with the tax laws by voluntarily disclosing any tax evasion that they have committed. If a taxpayer successfully completes the reconciliation process, they will be able to avoid criminal prosecution and receive a reduced penalty.

This article will provide an overview of the reconciliation process in the UAE. It will discuss who is eligible for reconciliation, the steps involved in the process, and the potential benefits of participating in reconciliation.

Reconciliation Process

Individuals who have committed tax evasion crimes or deliberately failed to pay administrative penalties

may submit a reconciliation application to the Federal Tax Authority (FTA) before criminal charges are filed.

To be considered for reconciliation, the individual must agree to pay the full amount of tax and administrative penalties owed to the FTA. Those accused or convicted of tax crimes may submit a reconciliation application to the relevant public prosecution office at any stage of the criminal proceedings. The public prosecution office must seek the opinion of the Federal Tax Authority (FTA) before proceeding with the reconciliation procedures.

The amount required for reconciliation may vary depending on the stage of the criminal case and the nature of the tax crime. In all cases, reconciliation requires settling the full amount of payable tax and administrative penalties, as well as an additional amount calculated as a percentage of the tax evaded.

This new reconciliation process provides a way for individuals who have committed tax evasion crimes to avoid criminal prosecution and the associated penalties. However, it is important to note that the latest updates on tax evasion laws amount required for reconciliation may be significant, and it is not guaranteed that the application will be accepted.

1 Individuals who have committed specific tax crimes that are outlined in Article 25(4) of the Decree-Law, and where these crimes resulted in tax evasion or facilitated or concealed tax evasion, must first pay a sum of AED 50,000 before the Federal Tax Authority (FTA) will consider their application for reconciliation. Reconciliation is only possible if the individual agrees to pay the full amount of tax and administrative penalties owed to the FTA.

2 If the Federal Tax Authority (FTA) approves the reconciliation application, a record will be issued that serves as proof of the reconciliation and its terms. This document must be signed by both parties, the FTA and the individual who submitted the reconciliation application. The FTA will provide a copy of this record to the individual after they have paid the full amount owed as part of the reconciliation.

The record must include the following information:

1. The details of the accused or convicted person
2. A description of the charges attributed to the accused or the convicted person, the date and place of their occurrence and the articles of law applicable thereto
3. The value of the tax and administrative penalties payable
4. The percentage and value of the additional amount of consideration for the reconciliation

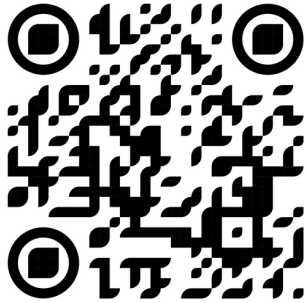
Parker Russell's Remarks

The reconciliation process is a valuable tool for individuals who have committed tax evasion crimes. By voluntarily disclosing their tax evasion and entering into a reconciliation agreement with the Federal Tax Authority (FTA), individuals can avoid criminal prosecution and receive a reduced penalty.

The reconciliation process is outlined in Articles 23 and 24 of the Federal Law No. 8 of 2017 on Tax Procedures. The FTA has the authority to approve or reject reconciliation applications. If the FTA approves the application, a record of reconciliation will be issued. The record must be signed by both the FTA and the individual who submitted the application.

The amount that must be paid to settle a tax evasion case through reconciliation can vary depending on the stage of the criminal case, the nature of the tax crime, and the amou-

of tax evaded. In some cases, there may be an additional fixed amount that must be paid.



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