



## UAE Tax Procedures Executive Regulation amended with effect from 1 April 2026

The UAE Cabinet has issued Cabinet Decision No. 17 of 2026, amending Cabinet Decision No. 74 of 2023 (Executive Regulation of Federal Decree-Law No. 28 of 2022 on Tax Procedures). The amending decision was issued on 23 March 2026 and takes effect from 1 April 2026.

### Key amendments

1

#### **Record retention: additional retention period for pending refund claims**

A new paragraph has been added to Article 3(2). Under the amendment, where a taxable person has submitted a refund application and the FTA has not yet issued a decision, the books and records must be retained for an additional two years, provided the refund claim was submitted within the statutory periods.

2

#### **Voluntary disclosure: AED 10,000 threshold for error correction**

Article 10 has been amended to distinguish between errors above AED 10,000 and errors of AED 10,000 or less.

Where a taxpayer becomes aware that a tax return submitted to the FTA, or a tax assessment issued by the FTA, is incorrect and this resulted in payable tax being lower than it should have been:

- if the error exceeds AED 10,000, a Voluntary Disclosure must be filed within 20 business days from the date the taxpayer became aware of the error;

- if the error is AED 10,000 or less, the taxpayer may correct it in the next tax return that has not yet become due for a previous tax period, or in the return for the period in which the error was discovered, whichever is earlier; and
- a Voluntary Disclosure remains necessary within 20 business days only if there is no return through which the error can be corrected.

The same logic now applies where a taxpayer becomes aware that a refund application is incorrect and this resulted in the refund being overstated, where the issue arose because of an incorrect tax return or tax assessment:

- if the amount exceeds AED 10,000, the taxpayer must submit a Voluntary Disclosure within 20 business days;
- if the amount is AED 10,000 or less, the correction may instead be made through the relevant return, with a Voluntary Disclosure required only if there is no return available through which the error can be corrected.

### 3

#### **Confidentiality and disclosure of information: tighter framework for sharing taxpayer data**

The amendment to Article 28(1)(b) addresses disclosure of taxpayer information by the FTA. The revised wording allows disclosure to a competent government entity, as determined by a decision of the Board, but only under an agreement with the Authority that ensures confidentiality and data protection, specifies the permitted use of the disclosed information; and sets out the procedures to be followed for control, security, subsequent disclosure and accuracy of the information, including access to that information by persons.

From a taxpayer perspective, the significance of this amendment lies in the following: the possibility of broader institutional data-sharing within government, and the requirement that such disclosure be governed by confidentiality, protection and access safeguards.

### 4

#### **Credit Balance Refund Procedures: binding timelines for FTA**

The amendment introduces clearer and more binding timelines for the FTA when processing refund applications, and explicitly codifies the FTA's right to defer refunds pending outstanding Tax Returns:



## FTA's actions

## Timeline

### FTA decision on refund application

Within 20 Business Days of submission (or notified extended period)

### Initiation of repayment after approval

Within 5 Business Days of approval notification

### Deferral of refund by FTA

FTA may defer until all outstanding Tax Returns are submitted

## 5

### Seizure and Retention of Documents & Assets: extension of seizure periods

During a tax audit, the tax auditor may seize documents and assets for the duration of the audit and the auditor must provide a seizure record within 10 business days, including the purpose of the seizure and nature and description of the item seized and expected period of seizure.

Cabinet Decision No. 17 of 2026 explicitly grants the FTA an authority to extend the seizure period beyond the initially specified duration, provided the concerned person is notified where possible.

## Recommendations

Considering these amendments, we advise you to take the following steps:

Review record retention policies — ensure records for open refund applications are not destroyed until FTA issues its decision plus 2 years.

Track all pending refund applications — related records must be maintained until FTA issues its decision, then for a further 2 years.

Assess all known errors — determine whether they fall above or below the AED 10,000 Voluntary Disclosure threshold and take appropriate action.

Monitor refund application processing — the FTA is now bound by explicit timelines (20 business days to decide; 5 business days to initiate repayment).

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Best regards,

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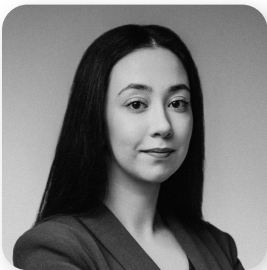
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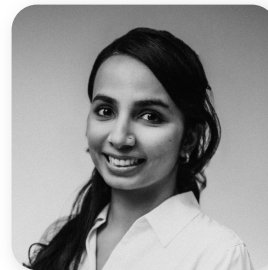
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