



This is not an official Translation:

# Treatment of all Businesses and Business Activities Conducted by a Government Entity as a Single Taxable Person

Ministerial Decision No. 68 of 2023

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## The Minister of State for Financial Affairs has decided:

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competencies of Ministries and Powers of the Ministers and its amendments,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority and its amendments,
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses,
- Federal Decree-Law No. 28 of 2022 on Tax Procedures,
- Cabinet Decision No. 36 of 2017 on the Executive Regulation of Federal Law No. 7 of 2017 on Tax Procedures and its amendments,

## Article 1 – Definitions

1. In the application of the provisions of this Decision, the following words and expressions shall have the meanings assigned against each, unless the context otherwise requires:

Federal Government Entity	:	The Federal Government, ministries, government agencies, authorities and public institutions of the Federal Government.
Local Government Entity	:	The Local Governments, government departments, government agencies, authorities and public institutions of the Local Governments.



- Representative : The Federal Government Entity that is mandated by the Federal Government to represent the Federal Government Entities that are treated as a single Taxable Person in accordance with the provisions of Article 2 of this Decision.
- Representative : The Local Government Entity that is mandated by the Local Government to represent the Local Government Entities that are treated as a single Taxable Person in accordance with the provisions of Article 3 of this Decision.
2. Other words and expressions in this Decision shall have the same meanings specified in the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (referred to in this Decision as the “Corporate Tax Law”) unless the context requires otherwise.

## **Article 2 – Conditions to treat the Federal Government’s Businesses and Business Activities as a Single Taxable Person**

1. For the purposes of Clause 6 of Article 5 of the Corporate Tax Law, the Businesses and Business Activities conducted by the Federal Government Entities shall be treated as a single Taxable Person subject to meeting the following conditions:
  - a. The application to be treated as a Single Taxable Person shall include all Businesses and Business Activities conducted by the Federal Government Entities.
  - b. The Businesses and Business Activities of the Federal Government Entities shall be conducted under a Licence issued by a Licensing Authority.
  - c. The application to the Authority to be treated as a Single Taxable Person shall only be made by the Representative Federal Government Entity.
2. For the purposes of Clause 1 of this Article, the Authority shall be notified of the appointment of the Representative Federal Government Entity that is mandated to comply with all obligations set out in the Corporate Tax Law and this Decision.
3. An application shall be made to the Authority to replace the Representative Federal Government Entity without a discontinuation of the treatment as a single Taxable Person in accordance with Clause 1 of this Article.



4. Where Clause 1 of this Article applies, any new Businesses or Business Activities conducted by the Federal Government Entity that meet the conditions under Clause 1 of this Article shall be directly treated as part of the single Taxable Person, and the Representative Federal Government Entity shall notify the Authority within (20) twenty business days from the occurrence of such an event.
5. Where Clause 1 of this Article applies, the Representative Federal Government Entity shall notify the Authority within (20) twenty business days from the occurrence of any of the following circumstances:
  - a. Any Business or Business Activity is no longer conducted by the Federal Government Entity.
  - b. Any Business or Business Activity is no longer conducted under a Licence issued by a Licensing Authority.
6. The treatment as a single Taxable Person under Clause 1 of this Article shall cease in any of the following circumstances:
  - a. Following approval by the Authority of an application made by the Representative Federal Government Entity to cease the treatment as a single Taxable Person.
  - b. Failure to meet the conditions under Clause 1 of this Article.

### **Article 3 – Conditions to treat the Local Government’s Businesses and Business Activities as a Single Taxable Person**

1. For the purposes of Clause 6 of Article 5 of the Corporate Tax Law, the Businesses and Business Activities conducted by the Local Government Entities shall be treated as a single Taxable Person subject to meeting the following conditions:
  - a. The application to be treated as a Single Taxable Person shall include all Businesses and Business Activities conducted by the Local Government Entities.
  - b. The Businesses and Business Activities of the Local Government Entities shall be conducted under a Licence issued by a Licensing Authority.
  - c. The Businesses and Business Activities of the Local Government Entities shall be conducted within the same Emirate.
  - d. The application to the Authority to be treated as a Single Taxable Person shall



only be made by the Representative Local Government Entity.

2. For the purposes of Clause 1 of this Article, the Authority shall be notified of the appointment of the Representative Local Government Entity that is mandated to comply with all obligations set out in the Corporate Tax Law and this Decision.
3. An application shall be made to the Authority to replace the Representative Local Government Entity without a discontinuation of the treatment as a single Taxable Person in accordance with Clause 1 of this Article.
4. Where Clause 1 of this Article applies, any new Businesses or Business Activities conducted by the Local Government Entity that meet the conditions under Clause 1 of this Article shall be directly treated as part of the single Taxable Person, and the Representative Local Government Entity shall notify the Authority within (20) twenty business days from the occurrence of such an event.
5. Where Clause 1 of this Article applies, the Representative Local Government Entity shall notify the Authority within (20) twenty business days from the occurrence of any of the following circumstances:
  - a. Any Business or Business Activity is no longer conducted by the Local Government Entity.
  - b. Any Business or Business Activity is no longer conducted under a Licence issued by a Licensing Authority.
6. The treatment as a single Taxable Person under Clause 1 of this Article shall cease in any of the following circumstances:
  - a. Following approval by the Authority of an application made by the Representative Local Government Entity to cease the treatment as a single Taxable Person.
  - b. Failure to meet the conditions under Clause 1 of this Article.

## **Article 4 – Start and End Dates of the Treatment as a Single Taxable Person**

1. For the purposes of Articles 2 and 3 of this Decision, the treatment as a single Taxable Person shall start from the beginning of the Tax Period specified in the application submitted to the Authority, or from the beginning of any other Tax



Period determined by the Authority.

2. For the purposes of paragraph (a) of Clause 6 of Article 2 and paragraph (a) of Clause 6 of Article 3 of this Decision, the treatment as a single Taxable Person shall end from the beginning of the Tax Period specified in the application submitted to the Authority, or from the beginning of any other Tax Period determined by the Authority.
3. For the purposes of paragraph (b) of Clause 6 of Article 2 and paragraph (b) of Clause 6 of Article 3 of this Decision, the treatment as a single Taxable Person shall end from the beginning of the Tax Period in which the conditions under Clause 1 of Article 2 or Clause 1 of Article 3 of this Decision, as applicable, are no longer met.

## **Article 5 – Taxable Income of the Single Taxable Person**

For the purposes of determining the Taxable Income upon the application of Clause 1 of Article 2 or Clause 1 of Article 3 of this Decision, as applicable, the Representative Federal Government Entity or the Representative Local Government Entity shall consolidate the financial results, assets and liabilities of all Businesses and Business Activities attributable to the single Taxable Person for the relevant Tax Period, eliminating transactions between the Businesses and Business Activities of the Government Entities within the same single Taxable Person.

## **Article 6 – Publication and Application of this Decision**

This Decision shall be published and shall come into effect (15) fifteen days following its publication.