



Private Clarifications

Tax Procedures | TPGPC1

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1. Glossary

Applicant: Person applying for a Private Clarification.

Business Day: Any day of the week, except weekends and official holidays of the Federal Government.

Clarification: An official document issued by the FTA in response to a request from a specific Person regarding the Tax treatment of specific transactions.

Corporate Tax: The Tax imposed under Federal Decree-Law No. 47 of 2022 on Taxation of Corporations and Businesses and its amendments, on juridical Persons and Business income.

Domestic Designated Filing Entity: means

- (a) a Constituent Entity that files the Top-up Tax Return and pays the Top-up Tax on behalf of all members of a Domestic Main Group, a Domestic Minority-owned Subgroup or a Reverse Hybrid Entity; or
- (b) a Joint Venture or JV Subsidiary that files the Top-up Tax Return and pays the Top-up Tax on behalf of all members of a Domestic JV Group.

EmaraTax: The FTA's core Tax system.

Excise Tax: Tax imposed under Federal Decree-Law No. 7 of 2017 on Excise Tax and its amendments.

FTA: Federal Tax Authority.

Legal Representative: The guardian or custodian of an incapacitated Person or minor, or the bankruptcy trustee appointed by the court for a company that is in bankruptcy, or any other Person legally appointed to represent another Person.

Person: A natural or juridical person.

Registrant: The Taxable Person who has been issued a Tax Registration Number.

Tax: Every Tax imposed under the Tax Law, that the FTA is mandated to administer, collect and enforce, i.e. Corporate Tax, Excise Tax and VAT.



Tax Agent: Any Person registered with the FTA who is appointed on behalf of another Person to represent him before the FTA and assist him in the fulfilment of his obligations and the exercise of his associated Tax rights.

Tax Audit: A procedure undertaken by the FTA to inspect the commercial records, information, data or goods related to a Person to determine whether the Person has fulfilled his obligations under the Tax Law.

Tax Group: Tax Group as defined under the Corporate Tax Law or VAT Law, as the context requires.

Tax Law: Any federal law pursuant to which a Tax is imposed.

Tax Registration Number (TRN): Unique number issued by the FTA to each Person who is registered for Tax purposes.

Taxpayer: Any Person who is obligated to pay Tax in the UAE under the Tax Law whether a Taxable Person or an end consumer.

Top-up Tax: The Tax imposed under Cabinet Decision No. 142 of 2024.

VAT: Tax imposed under Federal Decree-Law No. 8 of 2017 on Value Added Tax and its amendments.



2. Introduction

The FTA is the government entity responsible for the administration, collection, and enforcement of federal Taxes in the United Arab Emirates (“UAE”).¹

The following federal Taxes apply in the UAE:

- Excise Tax – introduced with effect from 1 October 2017.
- VAT – introduced with effect from 1 January 2018.
- Corporate Tax – introduced with effect from 1 June 2023.
- Top-up Tax – introduced with effect from 1 January 2025.

The FTA publishes guides, public clarifications, and other information to help Taxpayers understand their Tax obligations and to support voluntary compliance with the UAE Tax laws. For other Tax matters of uncertainty that are not covered under the guides, public clarifications and other publications issued by the FTA, Taxpayers may seek guidance from the FTA on specific Tax matters through the private clarification mechanism which is available via EmaraTax.

2.1. Purpose of this guide

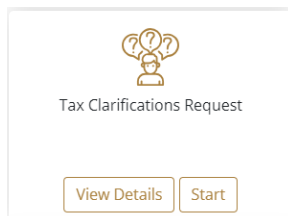
The purpose of this document is to provide guidance on:

- the nature of a Clarification,
- who is eligible to apply for a Clarification,
- the information that must be included in a Clarification request,
- the instances where a Clarification will not be provided, or rejected,
- the Clarification process, including required documents, applicable fees and the instances in which the fees may be refunded.

For more details on the application process via EmaraTax, please refer to the service card which is available on the FTA’s website at

<https://tax.gov.ae/en/services/tax.clarifications.request.aspx>.

¹ Article 4(1) of the FTA Law.



2.2. Legislative references

In this guide:

- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments, is referred to as “FTA Law”.
- Federal Decree-Law No. 28 of 2022 on Tax Procedures, and its amendments, is referred to as “Tax Procedures Law”.
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, and its amendments, is referred to as “Corporate Tax Law”.
- Cabinet Decision No. 65 of 2020 on Fees for the Services Provided by the Federal Tax Authority, and its amendments, is referred to as “Cabinet Decision No. 65 of 2020”.
- Cabinet Decision No. 142 of 2024 on The Imposition of Top-up Tax on Multinational Enterprises is referred to as “Cabinet Decision No. 142 of 2024”.
- Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises Attached to Cabinet Decision No. 142 of 2024 is referred to as “QDMTT Legislation”.
- Federal Tax Authority Decision No. 5 of 2021 on the Authority’s Policy on Issuing Clarifications and Directives, and its amendments, is referred to as “FTA Decision No. 5 of 2021”.
- Federal Tax Authority Decision No. 5 of 2024 on the Refund of Fees of Private Clarification Requests is referred to as “FTA Decision No. 5 of 2024”.

2.3. Status of the guide

This guide is not a legally binding document, but is intended to assist in understanding when a Person may apply for a Clarification. The information provided in this guide should not be interpreted as legal or Tax advice. It is not meant to be comprehensive and does not provide a definitive answer in every case. It is based on the legislation as it stood when the guide was published. Each Person’s own specific circumstances should be considered.

Nothing in this guide modifies, or is intended to modify, the requirements of any legislation.



3. Nature of Clarifications

Private clarifications are Clarifications issued by the FTA in the form of a document that is stamped and signed by the Director General or his representative/delegate, in relation to specific Tax technical matters. These documents are issued to a specific taxpayer, based on the Clarification request submitted on EmaraTax and the documents attached to the request.²

Clarifications set out the relevant Tax legislation and application thereof to the specific background facts provided by the Applicant. The FTA's response is based solely on the information and documents provided by the Applicant. The FTA will not verify the specific facts provided by the Applicant, but may request further information, if needed.

The Clarification provided by the FTA is only applicable to the specific Applicant in respect of the specific questions asked based on the facts provided for the specific Tax type indicated. Clarifications should not be used by any Person other than the Applicant. The FTA considers itself administratively bound to follow the position stated in the Clarification if the factual circumstances are materially the same as set out in the Clarification request.

Issued Clarifications are void ab initio (i.e. treated as if not issued) if:

- any facts stated in the Clarification request (or any other facts subsequently provided in response to a request for further information) are different from the transaction actually carried out,
- there is fraud, misrepresentation or non-disclosure of a material fact, or
- any condition or assumption stipulated by the FTA in the Clarification is not satisfied or carried out.

Furthermore, the Clarification will cease to be effective if the provisions of the Tax legislation that are the subject thereof are repealed or amended, or a public clarification or guide, or other information, is later issued by the FTA on the same subject with an updated position, following the issuance of the Clarification. In such cases, the FTA is not obliged to notify the Applicant or to otherwise publish a notice of withdrawal or modification of the Clarification. The onus is on the Applicant to stay up to date on changes in Tax Laws and guidance published on the FTA's website.

² FTA Decision No. 5 of 2021.



The FTA may withdraw a Clarification. In such instance, the Applicant may rely on the issued Clarification until the effective date of the withdrawal. If the FTA issues a subsequent Clarification to the Taxpayer on the same subject, the subsequent Clarification shall supersede the previous Clarification with effect from the date specified in the new Clarification.



4. Eligibility criteria

There are two types of eligibility criteria to consider, firstly whether the relevant Person is eligible to submit a Clarification request and secondly whether the specific request is eligible to be considered under the Clarification process.

4.1. Eligible Persons

The Person seeking clarification on a Tax matter of uncertainty may apply for a Clarification.

In the case of a Tax Group, only the representative member of that Tax Group is permitted to request the Clarification, and this must be submitted through the EmaraTax account and TRN of the Tax Group, i.e. it should not be requested through the EmaraTax account or TRN of the representative member or any other members of the Tax Group.

It is important to note that there are different types of Tax Groups, for example, VAT and Corporate Tax groups. The representative member of a VAT group may not submit a Corporate Tax Clarification request in respect of a member of its VAT group, unless the Persons are part of the same Corporate Tax group and the Person is also the parent company of that Corporate Tax group. Similarly, the representative member of a Corporate Tax group may not submit a VAT Clarification request in respect of a member of its Corporate Tax group, unless the Persons are part of the same VAT group and the Applicant is also the representative member of that VAT group.

In the case of a clarification in respect of Top-up Tax, where a Domestic Designated Filing Entity (“DDFE”) has been appointed, only the DDFE is permitted to submit a Clarification request on behalf of an Entity or Permanent Establishment in the MNE Group that it represents.

Tax Agents and Legal Representatives

The Person’s (or Tax Group’s) Tax Agent or Legal Representative may apply on behalf of the Person.

Note that only a Tax Agent registered with the FTA for the specific Tax type the request relates to, may submit the Clarification request on behalf of the Person. In such case, the name of the relevant Taxpayer should be reflected on the Clarification request, i.e. the



request must be submitted in the name of the Taxpayer with the Taxpayer's TRN, if applicable.

Clarification requests submitted by Tax advisors/consultants or any other Person that is not the Taxpayer's Tax Agent or Legal Representative will not be accepted.

Tax affairs of another Person

Clarifications will only address the Tax matters of uncertainty of the Applicant and not the Tax affairs of any other Person. For example, the Recipient of Goods or the Recipient of Services may not apply for a Clarification of the Tax treatment to be applied by the supplier of the Goods or Services. In such instance, the supplier may submit its own Clarification request if the eligibility criteria are met.

In exceptional cases, more than one Person may submit a joint Clarification request, for example, where they are parties to the same transaction and the factual background information is agreed between them. These instances will be evaluated on a case-by-case basis to determine whether the parties may be co-Applicants to the same Clarification request.³

Corporate Tax Clarifications

For Corporate Tax, only Applicants registered for Corporate Tax are eligible to apply for a Clarification, unless the Clarification request relates to registration, or is submitted by an Exempt Person as determined under Article 4(1) of the Corporate Tax Law.

Top-up Tax Clarifications

Only Applicants registered for Top-up Tax are eligible to apply for a Top-up Tax Clarification, unless the Clarification request relates to registration, or is submitted by an Excluded Entity⁴, or is an Investment Entity located in the UAE.⁵

Excise Tax and VAT Clarifications

³ FTA Decision No. 5 of 2021.

⁴ Article 1.5 of the QDMTT Legislation.

⁵ Article 2.3 of the QDMTT Legislation.



Taxpayers are eligible to apply for these Clarifications, regardless of whether the Person is registered for the specific Tax type or not, provided that it is an eligible matter as clarified in section 4.2.

4.2. Eligible matters

Eligible Persons (as clarified in section 4.1) may only apply for a Clarification if there is a specific Tax matter(s) of uncertainty.

The Taxpayer (or its authorised signatory, Tax Agent, Legal Representative) may only submit a Clarification request if the following requirements are met:

- The request relates to federal Taxes or relevant administrative penalties, but not the waiver thereof.
- The request clearly indicates the relevant Tax type the request relates to.
- The request relates to Tax legislation as applied to the facts and circumstances of the Taxpayer (or in exceptional cases, Taxpayers) submitting the request, i.e. the Clarification issued by the FTA is not in respect of a third party.
- The request contains all the relevant information the FTA needs to consider for deciding on the correct Tax treatment of the subject of the request.⁶

If all of the above requirements are not met, the FTA may reject the request for a Clarification.

4.3. Grounds for rejection – Clarification requests that will be rejected

The FTA will reject a Clarification request in the following instances:

4.3.1 Applicant is not eligible to submit the Clarification request

A Clarification request will be rejected, where it is submitted by:

- A Person representing the Applicant (for example, the authorised signatory) but the relevant proof of authorisation is not provided.
- A Tax Agent/Legal Representative but the request does not include the Taxpayer's details, such as the Taxpayer's name and TRN relating to the Tax type the Clarification is submitted for, unless the Taxpayer is not registered for that Tax type.
- A Tax Agent that is not registered with the FTA for the Tax type the Clarification

⁶ FTA Decision No. 5 of 2021.



request relates to, for example, a Corporate Tax Clarification request submitted by a Tax Agent that is only registered for indirect Tax (i.e. Excise Tax and VAT). However, a Tax Agent that is registered with the FTA for Corporate Tax may submit a Top-up Tax Clarification request.

- A Person not registered for Corporate Tax, unless the Clarification request relates to registration or is submitted by an Exempt Person as determined under Article 4(1) of the Corporate Tax Law.
- A natural Person, but the Clarification request pertains to a juridical Person.
- A member of the relevant Tax Group, other than the representative member/parent company of that Tax Group using the EmaraTax account and TRN of the Tax Group.
- An Entity that is a member of a MNE Group where a DDFE has been appointed (instead of the DDFE using the EmaraTax account and group-level Pillar Two Top-up Tax TRN allocated to the DDFE).
- A Tax advisor or any other person on behalf of the Taxpayer if that Person is not registered with the FTA as a Tax Agent, or is not appointed as the Taxpayer's Legal Representative.

Applicant should submit the Clarification request using its own profile on EmaraTax (or via a Tax Agent). In case of Tax Group, the representative member/parent company of that Tax Group should submit the Clarification request using the EmaraTax account and TRN of the Tax Group. In case of Top-up Tax Clarifications, where a DDFE has been appointed, the Clarification request must be submitted through the EmaraTax account and group-level Pillar Two Top-up Tax TRN that has been issued to the DDFE. If the Applicant is registered for the relevant Tax type and does not submit the Clarification request via its own EmaraTax profile, the request shall be rejected.

4.3.2 Out of scope cases

The FTA will reject Clarification requests submitted for the following, as these fall outside the scope of the Clarification process:

- Administrative exceptions.
- Administrative Penalties – payment in instalments and waiver requests.
- Advance pricing agreements – the FTA is currently only accepting unilateral advance pricing agreement applications for domestic transactions between Related Parties. A starting date for accepting applications in respect of other types of advance pricing agreement applications will be announced in due course by the FTA.



- Apportionment – request to use a special apportionment method and/or a specified recovery percentage.
- Commercial activity certificate.
- IT System issues/queries.
- QDMTT – unless the Clarification request relates to a registration query. The date of Clarification requests related to all aspects of the QDMTT Legislation will be announced in Q4 2026.
- Reconsideration request.
- Tax assessment review.
- Tax residency certificate (“TRC”) issuance, unless the request relates to whether a Person is eligible to apply for a TRC.

Many of the above cases fall outside the scope of the Clarification service due to the availability of an alternative service specifically for that type of request. These services can be accessed via the FTA’s website at:

<https://tax.gov.ae/en/services.aspx?type=3&typename=customr.service>

4.3.3 Applicant did not respond to additional information request

The FTA will reject the Clarification request if it requested additional information or documents from the Applicant, and the Applicant failed to submit all the requested information or documents within 40 Business Days from the date the request for information was sent to the Applicant.

4.4 Grounds for rejection – Clarification requests that may be rejected

The FTA may reject a Clarification request in the following instances:

4.4.1 Incomplete or incorrect Clarification requests

The FTA may either request further information or reject a Clarification request if the request (for example, submission via EmaraTax) is not correctly completed, or is incomplete. This includes, for example, the following cases:

- All relevant information in respect of the specific Tax matter are not provided.
- Sufficient Tax technical analysis is not provided – a clear analysis in relation to the specific Tax matter must be provided, including references to legal provisions and guidance which are relevant to assessing the Tax treatment of the matter, as well as



Tax advice obtained from Tax Agents/advisors/consultants.

- An alternative Tax technical analysis is not provided – the lack of an alternative analysis may indicate that there is no genuine point of uncertainty and that the Applicant is merely seeking confirmation of their Tax position.
- Relevant supporting documents are not provided – documentary proof to support the information provided and Tax technical analysis is required, for example, sample invoices, contracts, payment slips, Tax advice received, etc.
- Some of the fields in the Clarification request form are incomplete – it is not sufficient to merely refer to an attached letter, state that the question is not applicable, or repeat the same response in multiple fields. All fields must be completed with sufficient relevant detail to enable the FTA to address the Tax matter of uncertainty.
- There is a discrepancy between the information provided in the EmaraTax Clarification request and an attached document. Information reflected on the request form should align with the supporting documents uploaded.
- The Clarification request does not relate to the correct Tax type(s).

4.4.2 Cases that do not represent a Tax matter of uncertainty

Taxpayers are required to consider the relevant guidance already provided by the FTA before applying for a Clarification. The FTA may reject a Clarification request if the specific Tax matter was already previously clarified, for example:

- An FTA guide, public clarification, or other information published by the FTA already addresses the specific Tax matter the Applicant is requesting a Clarification on.
- A Clarification on the same specific Tax matter was previously issued to the same Applicant.

In addition, the FTA may reject Clarification requests where no specific matter of Tax uncertainty has been identified and the Applicant is merely asking for confirmation of their position or status for Tax purposes. This includes the following:

- Confirmation that the Applicant meets all or any of the conditions to be a Qualifying Free Zone Person⁷, including whether the Applicant is located in a Free Zone or Designated Zone for Corporate Tax purposes, conducting a Qualifying Activity and maintaining adequate substance or matters of fact that can only be established during a Tax Audit.
- Confirmation that the Applicant is a Government Entity or Charity for VAT purposes, or Government Controlled Entity or Qualifying Public Benefit Entity for Corporate Tax

⁷ Article 18 of the Corporate Tax Law.



purposes.

- Confirmation that the Applicant has an Extractive Business or Non-Extractive Natural Resource Business. A Person claiming this status is required to submit a notification to the Ministry of Finance.⁸
- Confirmation that the Applicant is an Exempt Person under Article 4(1)(f), (g), (h) or (i) of the Corporate Tax Law. Such Persons are required to submit an application to the FTA.
- Confirmation that the Applicant is eligible to form/amend/leave a Tax Group, change their Tax Period, or amend their Tax Registration details. Such Persons are required to submit an application to the FTA.

4.4.3 Tax Audits and Tax Assessments

The FTA may reject Clarification requests if:

- A Tax Assessment on the same specific Tax matter was previously issued to the same Applicant.
- The Applicant is subject to a Tax Audit, Tax Assessment or inspection by the FTA, and the subject matter of the Clarification request is related to a matter under Tax Audit, Tax Assessment or inspection.

4.4.4 Other cases

In addition to the above, the FTA may also reject Clarification requests if:

- The Clarification request is based on a hypothetical scenario that has not been seriously considered by the Applicant. The Clarification service is not an advisory service and the FTA will, generally, not address hypothetical scenarios.
- The Applicant is requesting Tax advice from the FTA. For example, the FTA cannot advise an Applicant on what steps they are required to take in order to be a Qualifying Free Zone Person.
- The Applicant is asking the FTA to confirm a matter of fact that can only be established during a Tax Audit. For example, the FTA cannot confirm that an Applicant has adequate substance.
- The Applicant is asking the FTA to confirm that a transaction or arrangement between Related Parties meet the arm's length standard or are at Market Value. For example,

⁸ Articles 7 and 8 of the Corporate Tax Law.



the FTA cannot confirm that the interest rate on an intra-group loan is at arm's length. This can only be confirmed through the conclusion of an advance pricing agreement.

- The Clarification request relates to more than one Tax but is not in respect of the same specific Tax matter. For example, a Registrant may submit a single Clarification request to cover the VAT and Corporate Tax treatment of the same group restructuring. However, if the request covers different matters, such as the VAT treatment of employee benefits and whether distribution activities constitute qualifying activities from a Corporate Tax perspective, the Taxpayer would need to submit two separate Clarification requests.
- The Clarification request is in relation to an administrative process, e.g. process for amending the Applicant's Tax Registration details, how to make certain elections, how to apply for a Tax Residency Certificate or how to apply for a waiver of Administrative Penalties.
- The Clarification request addresses issues that the FTA suspects may constitute Tax planning, Tax avoidance or Tax evasion, including the application of Article 50 of the Corporate Tax Law regarding the General Anti-abuse Rules or similar provisions under double taxation agreements.

In the case of a rejection, the Clarification request fee would be forfeited unless one of exceptions stated in section 6.1 applies.



5. Clarification process

Clarification requests are only accepted via EmaraTax. In order to submit a request, the Applicant must have a user profile. For more information on the process to create a user profile, please refer to the EmaraTax Register as an Online User – User Manual which is available on the FTA's website.

5.1 Applying for a Clarification

The Applicant may request a Clarification in English or Arabic. Clarifications are issued in the same language the Clarification request is submitted in, i.e. if the request is submitted in Arabic, the Clarification will be issued in Arabic. It is, therefore, important that the Applicant decides whether they prefer the Clarification to be issued in Arabic or English before starting the Clarification request process.

5.1.1 Completing the Clarification request form

To submit a Clarification request, the Applicant should select the “Tax Clarification Request” tile on the FTA's website:

<https://tax.gov.ae/en/services/tax.clarifications.request.aspx>

The Applicant will then be requested to log into their profile to proceed with the Clarification request. Where the Applicant is already registered for the relevant Tax, the Applicant should select the “Taxable Person” tile in their account before proceeding to submit a Clarification request. If the Person is not registered for the Tax type and is an Eligible Person (as clarified in section 4.1), the Person would need to create a user profile on EmaraTax to access the Clarification service.

All of the mandatory fields of the request form must be completed with sufficient detail. The following supporting evidence should be uploaded as part of the request:

- A cover letter that describes the background facts, the specific Tax technical query, relevant UAE Tax legislation considered, the Applicant's technical view as well as any alternative Tax treatment.
- Documentary evidence relating to the request, for example, contracts, invoices, correspondence, etc.
- Any Tax advice received from third parties in respect of the specific matter the Clarification is requested on.



If the Clarification request relates to more than one Tax, all of the above need to be provided for each of the relevant Taxes the Clarification relates to. The documents can be uploaded in Excel, JPEG, JPG, PDF and PNG format. The individual file size limit is 5 MB.

5.1.2 Clarification request fee

The fee for applying for a Clarification in respect of a single Tax is AED 1,500 per application. If the Clarification request relates to more than one Tax, the fee is AED 2,250 per application.⁹ These fees are non-refundable, except for the cases listed in FTA Decision No. 5 of 2024 (see section 6.1 in this regard). The fees can only be paid via the EmaraTax portal using a valid bank card.

5.1.3 Submitting the Clarification request

The Applicant can save draft versions of the request. However, the request must be submitted within 40 Business Days from the date the Applicant initiated the Clarification request on EmaraTax, otherwise the request will be closed.

Once the request is submitted and the relevant fee is paid, a unique Clarification request reference number will be issued. This reference number as well as the relevant TRN, if applicable, should be reflected in all correspondence with the FTA relating to the specific Clarification request.

Requests received after 3pm on a Business Day will be regarded as being received on the following Business Day. For example, if a request is received at 3:30pm on a Friday, the request will be regarded as being received on the following Monday, assuming the Monday is not a federal public holiday.

5.1.4 Withdrawal of a Clarification request

Applicants are allowed to withdraw their Clarification request, but the Clarification request fee would be forfeited unless the request is withdrawn within two Business Days from the date the request was submitted.¹⁰

⁹ Cabinet Decision No. 65 of 2020.

¹⁰ Article 2(1) of FTA Decision No. 5 of 2024.



5.2 Validation of eligibility

The FTA will review the Clarification request to determine whether the Applicant is eligible to submit the Clarification request and that none of the grounds for rejection listed in section 4.3 apply. The FTA will also consider whether any of the grounds of rejection in section 4.4 apply, and whether the Clarification request will be rejected or accepted. The Applicant will be notified if the Clarification request is rejected and reasons will be provided for such rejection via EmaraTax.

If the Clarification request is accepted, the FTA may request further information. If further information is requested, the Applicant is required to submit the requested information within 40 Business Days from the date the information was requested. If the Applicant does not provide the requested information within this period, the Clarification request will be rejected.¹¹

5.3 Issuance of Clarifications

Clarifications are issued in either Arabic or English, depending on the Applicant's preference. If the Clarification request was submitted in Arabic, the Clarification will also be issued in Arabic, whereas the Clarification would be issued in English if the request was submitted in English.

In the case of Clarification requests relating to more than one Tax type, separate Clarifications will be issued for each Tax type covered under the request.

Clarifications will be issued within 60 Business Days from the date the request was received. If further information was requested, the Clarification will be issued within 60 Business Days from the date the further information was received.

In the case of complex Tax matters, for example, where other stakeholders need to be consulted, the FTA may request an extension for issuing the relevant Clarification.

¹¹ FTA Decision No. 5 of 2021.



6. Other matters relating to Clarifications

6.1 Refunding Clarification fees

The FTA may refund the fee paid for a Clarification request relating to one Tax or more Taxes, if the FTA decided not to issue the Clarification provided any of the following cases apply:¹²

- The Applicant withdraws the Clarification request within two Business Days from the date the request was submitted.
- The Applicant is not registered for Corporate Tax and the Clarification request relates to a Corporate Tax matter other than registration.
- The Applicant is subject to a Tax Audit at the time of submitting the Clarification request.
- The Clarification request relates to procedures that should be applied as a result of a decision issued by the FTA.
- The Clarification request is a duplicate of another request submitted by the same Applicant with the same subject and documents submitted, if the FTA is already working on the other submitted request.
- The Clarification request is related to a subject which the FTA is coordinating with the Ministry of Finance on to amend Tax legislation regulating it.¹³ In such instance the Applicant may resubmit a Clarification request after the Tax legislation is amended, provided that there is still a Tax matter of uncertainty.

In the above instances, the Clarification fee will be refunded automatically, i.e. the Applicant need not lodge a separate refund application.

In any other instance, for example, if a Clarification request is submitted on a matter already clarified in a public clarification or guide, or the request is withdrawn after more than two Business Days, the Clarification fee will not be refunded to the Applicant.

Extent of Clarification fee refund

The extent of the refund is determined based on the number of Taxes covered under the Clarification request. If any of the above cases applies, the extent of the refund will be as

¹² Article 1(1) of FTA Decision No. 5 of 2024.

¹³ Article 2 of FTA Decision No. 5 of 2024.



follows:

- If the Clarification request related to a single Tax, the full amount of the service fee of AED 1,500 will be refunded.¹⁴
- If the Clarification request related to more than one Tax and the FTA does not issue any Clarification in respect of that request, the full amount of the service fee of AED 2,250 will be refunded.¹⁵
- If the Clarification request related to more than one Tax and the FTA issues a Clarification on one of the Taxes, only AED 750 will be refunded, i.e. the difference between the service fee of a Clarification request relating to more than one Tax (AED 2,250) and the service fee of a Clarification relating to one Tax (AED 1,500).¹⁶

If the Clarification request relates to more than two types of Tax, and the FTA issues two Clarifications, there will be no refund.

6.2 Disagreeing with Clarification issued

A Clarification is not considered to be a decision that is issued by the FTA and, therefore, is not subject to the dispute resolution process. Consequently, Applicants cannot apply for a reconsideration or review of a Clarification.

The Applicant may, however, apply for a new Clarification if the factual circumstances are materially different from what was submitted as part of the previous request for Clarification, or where the Applicant has new information which may change the outcome of the Clarification.

¹⁴ Article 1(2)(a) of FTA Decision No. 5. of 2024, read with Cabinet Decision No. 65 of 2020.

¹⁵ Article 1(2)(b) of FTA Decision No. 5. of 2024, read with Cabinet Decision No. 65 of 2020.

¹⁶ Article 1(2)(c) of FTA Decision No. 5 of 2024, read with Cabinet Decision No. 65 of 2020.



7. Common errors

The FTA identified the following common errors based on Clarification requests received, which led to either rejection of the request or a request for further information:

- Clarification requests submitted in the name of a natural Person while the request pertains to a legal Person.
- Clarification requests submitted by members of a Tax Group, other than the representative member (for VAT) or parent company (for Corporate Tax) of that Tax Group using the EmaraTax account and TRN of the Tax Group.
- Clarification requests submitted by Tax advisors and other Persons who are not Tax Agents, on behalf of a Taxpayer.
- Incomplete Clarification request forms – it is not sufficient to merely refer to an attached letter, state that the question is not applicable, or repeat the same response in multiple fields. All fields must be completed with sufficient detail to allow the FTA to answer the Clarification request.
- Failure to submit a cover letter (as further explained below).
- Insufficient background information/supporting information provided.
- Contradictory information reflected in the Clarification Request form, cover letter and other supporting documents, for example, contracts.
- Failure to provide a Tax technical analysis and application of the Tax law, as well as alternative Tax treatments.
- Clarification requests relying on non-UAE Tax laws, for example, GCC Agreements or Tax laws of other countries.
- Clarification requests submitted to request administrative exceptions, reconsiderations, refunds, waiver of Administrative Penalties or for special exceptions to disregard/override provisions of the Tax Law.
- Clarification requests submitted in respect of matters already clarified in FTA guides, public clarifications or Clarifications issued to the same Applicant on the same matter.
- Clarification requests that ask the FTA to confirm whether the Applicant has applied the correct Tax treatment, without specifying exactly what the Tax matter of uncertainty is.
- Clarification requests that ask the FTA to confirm that the Applicant is eligible for certain reliefs or exemptions, or that the Applicant meets certain conditions, without specifying exactly what the Tax matter of uncertainty is.



Cover letters

Applicants may consider structuring their cover letter around the following headings to ensure that all the relevant information is submitted as part of the Clarification request:

- Background information
 - The background information should be complete with all the details needed for the FTA to determine the appropriate Tax treatment. No additional background information should be reflected in the analysis of the Tax matter.
 - The relevant transaction should be clearly described, for example, the supplier and recipient should be clearly identified, whether it is a one-off transaction or continuous in nature and whether the request is in respect of a past, current or future transaction.
 - A description should be provided of, and reference to other supporting documents uploaded as part of the Clarification request, to explain their relevance to the Clarification request. In the case of long agreements/contracts, references should be made to the relevant clauses to consider.
- Request
 - The request should be clear and concise, focusing on the exact Tax matter of uncertainty the Applicant is requesting a Clarification on. Therefore, the questions posed should not be general in nature, for example, asking if the Applicant meets all the required conditions for a particular tax treatment.
 - If there is more than one question, the questions should be clearly numbered and based on the background information required.
 - Where there is a discrepancy between the question(s) on the Clarification request form and the cover letter, the question(s) on the Clarification request form will be answered by the FTA.
- Legislation and guidance considered
 - The relevant Tax legislation considered as well as the applicable Articles, Clauses and Paragraphs should be listed.
 - The relevant FTA guides, public clarifications, or other documents published by the FTA which were considered before the Clarification request was submitted, should be referred to.
- Analysis of the matter and technical assessment



- A detailed Tax technical analysis based on the background information submitted as part of the Clarification request and the applicable UAE Tax legislation, should be provided.
- No new background information should be reflected in this section.
- Based on the Tax technical analysis, the Applicant should clearly state its conclusion, i.e. the Applicant's view on the correct Tax treatment of the matter of uncertainty.
- Alternative Tax treatment
 - Since Clarifications are only issued in respect of Tax matters of uncertainty, it implies that there is an alternative Tax treatment for the specific matter.
 - In this section, the Applicant should provide a detailed analysis of any other alternative Tax treatment, and explain why the alternative Tax treatment is less appropriate than the Applicant's proposed Tax treatment reflected in the previous section.



8. Updates and amendments

Date of amendment	Amendments made
December 2022	- Revised the whole guide for simplification and amendment of content in light of recent updates. - Addition of section 7 to clarify that Clarifications do not constitute an official decision by the FTA and are, therefore, not subject to the dispute resolution process.
June 2023	- Revised the whole guide for simplification and amendment of content in light of recent updates. - Removed references to eServices. - Updated description of fields in Clarification application as per EmaraTax. - Addition of a section on fees for submitting Clarification requests.
November 2024	- Revised the whole guide for simplification and amendment of content in light of recent updates. - Added information regarding Corporate Tax Clarification requests and confirmed that only persons registered for Corporate Tax may apply for Clarifications, unless the request relates to eligibility to register for Corporate Tax. - Updated to incorporate FTA Decisions No. 4 and 5 of 2024. - Removed description fields relating to EmaraTax application fields. - Added a list of common errors and outline for cover letters. - Added a glossary for commonly used terms.
July 2025	- Updated to incorporate FTA Decision No. 2 of 2025 which updates FTA Decision No. 5 of 2021. - Added information regarding Pillar Two (GloBE Rules) Clarification requests. - Updated the period within which Tax Clarifications are issued. - Updated the list of grounds for rejecting Clarification requests to distinguish between instances where Clarification requests will be rejected from instances where Clarification requests may be rejected.



Date of amendment	Amendments made
July 2026	- Revised the whole guide for simplification and amendment of content in light of recent updates. - Updated to incorporate FTA Decision No. 2 of 2026 which updates FTA Decision No. 5 of 2021. - Added information regarding Clarification requests in respect of Pillar Two Top-up Tax.