

## **Federal Decree-Law No. 60 of 2023**

### **Amending Certain Provisions of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses**

**We Mohamed bin Zayed Al Nahyan**

**President of the United Arab Emirates,**

- 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. 47 of 2022 on the Taxation of Corporations and Businesses,
- Pursuant to what was presented by the Minister of Finance and approved by the Cabinet,

**Have issued the following Decree-Law:**

#### **Article One**

1. Two new definitions shall be added to the definitions under Article (1) of the Federal Decree-Law No. (47) of 2022 referred to above:

**Top-up Tax:** The top-up tax imposed on Multinational Enterprises in accordance with this Decree-Law and the rules and controls to be determined by the Cabinet under Article (3) of this Decree-Law for the purposes of the pillar two rules issued by the Organization for Economic Cooperation and Development.

**Multinational Enterprise:** An entity and/or one or more of its member entities located in the State or in a foreign jurisdiction, as specified in a decision to be issued by the Cabinet at the suggestion of the Minister.

2. A new Clause numbered (3) shall be added to Article (3) of the Federal Decree-Law No. (47) of 2022 referred to above, its text is as follows:

#### **Article (3 Clause 3)**

Without prejudice to the provisions of Clauses (1) and (2) of this Article, the Cabinet at the suggestion of the Minister shall issue a decision regulating all cases, provisions, conditions, rules, controls, and procedures for imposing the Top-up Tax on Multinational Enterprises and the exemptions therefrom, so that the total percentage of the effective tax imposed on them is (15%) fifteen percent.

#### **Article Two**

The text of Article (65) of the Federal Decree-Law No. (47) of 2022 referred to above, shall be replaced by the following text:

Corporate Tax and Top-up Tax revenues and Administrative Penalties collected under this Decree-Law shall be subject to sharing between the Federal Government and the Local Governments based on the provisions of a federal law in force in this regard.

#### **Article Three**

As an exception to the provisions of Article Four of this Decree-Law, the provisions of the Top-up Tax specified in Clause (2) of Article One of this Decree-Law shall come into effect as of the date specified in a decision issued by the Cabinet at the suggestion of the Minister, and such decision shall be published in the Official Gazette.

Federal Decree-Law of 2023 Amending Certain Provisions of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses

#### **Article Four**

This Decree-Law shall be published in the Official Gazette, and shall come into effect on the day following its publication.

**Mohamed bin Zayed Al Nahyan**

**President of the United Arab Emirates**

Issued by us in the presidential palace - Abu Dhabi:

Date: 17/ Rabi' al-Awwal /1445H

Corresponding: 02/October/2023