



United Arab Emirates

Raqeeb: Whistleblower Program for Tax Violations and Evasion

April 2022



In brief

On 14 April 2022, the UAE Federal Tax Authority “FTA” has released a new User Guide (Ref. USEGWB001) introducing a whistleblower system for violations and tax evasion (referred to as “Raqeeb”) to receive and process leads relating to the non-compliance of natural or legal persons with the tax legislation, as well as to offer a monetary reward to informants when certain conditions are met.

The User Guide is available on the [FTA portal](#) and includes information on how to submit an application to the whistleblowing online process.

In detail

Intention of the Raqeeb programme

- Increasing compliance with tax legislation and reporting violations.
- Raising tax awareness.
- Increasing the effectiveness of tax audits and reducing the cases of tax evasions.
- Collection of tax amounts owed to the State from evaders.
- Prosecuting non-compliances with tax legislation and imposing penalties or tax fines on them.

Individuals who are qualified as informants

- The informant is an individual who informs the FTA about natural or legal persons that may be conducting illegal tax activities and who do not satisfy their tax obligations.
- The information or leads cannot be provided on an anonymous basis. The identity of the informant remains confidential and protected by the FTA.
- The informant is required to sign a non-disclosure agreement “NDA” at the time of submitting the lead to ensure the protection of any confidential and sensitive information including information on monetary rewards.
- The informant term excludes FTA employees and their relatives up to the fourth degree of consanguinity, as well as other persons who obtained information through their position in or connections with the FTA.

Eligible whistleblowing information

The whistleblowing information provided by informants should be with respect to the following cases:

- **Suspected tax evasion** that the registrant is reporting false information in his tax return or evading the registration for tax purposes; or
- **Suspected non-compliance with tax laws and procedures**, including non-issuance of tax invoices, display of incorrect amounts on tax invoices, non-collection of tax by the registrant or the registrant is charging lower price where the recipient pays for the supply in cash and does not request for a tax invoice.



The FTA launches the Whistleblower system for violations and tax evasion which allows the authority to receive and verify reports from individuals on cases of tax evasion, fraud and violations.

Whistleblowers (also referred to as Informants) will be granted financial rewards when specific conditions are met.





New whistleblower program for tax violations and evasion

Monetary rewards

- The UAE's Cabinet of Ministers allows the FTA to pay monetary rewards to eligible informants.
- The amount of monetary rewards is directly proportional to the amount of tax collected by the FTA as a result of the information provided by the informant.
- The FTA will deposit such rewards to the informant's bank account after the matter is investigated and the relevant tax is collected from the reported person.

Eligibility for monetary rewards

Individuals that are identified as informants under the User Guide are entitled to receive monetary rewards if all of the following conditions are met:

- The provided information is credible, accurate, and has not been obtained previously by the FTA;
- The whistleblowing form is filled out accurately, completely, and sufficiently;
- The FTA collected tax amounts that exceed AED 50,000; and
- The reported person exhausted all forms of objections and appeals.

Process of whistleblowing application

- A whistleblowing form should be submitted by the informant through the FTA portal which includes information about both the informant and the reported person;
- Once the whistleblowing form is filled in and submitted, the FTA will evaluate the lead and decide to either close it or continue to audit the case, based on the information provided by the informant.
- The FTA may request further information from the informant regarding the case.
- If the whistleblowing form is eligible for monetary rewards, the informant will receive an email to provide further information, such as bank details.



The takeaway

Tax authorities around the world have become more aggressive in the indirect tax arena, leading to substantial increase in the number and size of tax audits, assessments, and disputes.

As part of its mandate to enforce federal taxes in the UAE, the FTA continuously monitors taxable persons to ensure compliance with the applicable tax legislation, leading to a prosperous business environment of fair and equal opportunities.

As the new whistleblower system is aiming to increasing compliance with tax legislation and reporting violations, it also places a premium on audit and dispute prevention techniques.

Businesses need to continue developing coordinated approaches to audits and disputes, adopt preventative measures (such as pre-filing of tax clarifications, submission of voluntary disclosures) and leverage both traditional and new alternative dispute resolution techniques in order to achieve the best possible compliance results.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

Chadi Abou-Chakra

Indirect Tax Partner
Middle East Indirect Tax Network Leader

+966 56 068 0291

chadi.abou-chakra@pwc.com

Antoni Turczynowicz

Indirect Tax Partner
Middle East TLS Managed Services Lead

+971 54 791 5259

antoni.a.turczynowicz@pwc.com

Maher ElAawar

Middle East Indirect Tax and Fiscal Policy
Partner

+971 56 216 1109

maher.elaawar@pwc.com

Carlos Garcia

Middle East Customs and International Trade
Leader

+971 56 682 0642

c.garcia@pwc.com

www.pwc.com/me

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