

## Summary points from Ministry of Finance seminar on UAE Corporate Tax on 9th Jan 2023 and 16 January 2023

With the commitment to engage with the tax payers and provide time to time guidance on the newly enacted Corporate Tax Law, the Ministry of Finance (MOF) conducted its very first seminar in Emirate of Abu Dhabi on 9 January 2023 and second session in Emirate of Dubai on 16 January 2023, giving the insights into the Law.

Similar sessions shall also be held in the coming months with one seminar in Emirate of Dubai and one webinar already planned.

Having an opportunity to be physically present in the first seminar, we hereby highlight the key points emanating from the presentation and the discussions, for the benefit of larger audience.

### Deferment of effective date of CT Law or Extension of compliance timelines

- ▶ It is likely that deferment or extension shall not be provided as sufficient time has been provided to businesses for the implementation and compliance of the Corporate Tax (CT) Law.

### Executive Regulations

- ▶ Cabinet Decisions and Ministerial Decisions providing rules, conditions and other administrative procedures necessary for the implementation of CT in the UAE shall be issued in 2023. There shall not be any other Executive Regulations for time being.
- ▶ A Cabinet decision specifying the income threshold of AED 375,000 for applicability of the CT law has already been issued last week.

### Registration

- ▶ Registration process to begin in coming months. Taxpayers will have time to register with the FTA till the due date for filing the tax return approaches near.
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- ▶ Penalty for late registration is not envisaged. However, non-compliance of other requirements could attract prescribed penalties.

### Qualifying Group

- Qualifying Group can be formed automatically. There would not be any application form to be submitted.

### Small business relief

- Necessary measures for ease of compliance are already envisaged in the Law. TP documentation requirement would not apply in such cases. However, specific details / guidance shall be issued in coming months.

### Source based taxation for non-residents

- It appears from the presentation that, for time being, non-residents who merely earn UAE sourced passive incomes (unless attributable to PE / nexus) may not be subject to UAE CT and compliance obligations. Specific clarification in this respect shall be required in the coming months.

### Integration with OECD Pillar 2 – GMT framework

- The framework concerning GMT would be implemented in UAE. However, the date of implementation and other aspects shall be clarified once other jurisdictions move forward with its implementation. Till the time the said framework is not adopted in UAE, regular CT Law provisions would apply for the in-scope taxpayers.

[Click here for the Federal Decree Law 47 of 2022 on Corporate Tax Law](#)

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