



Monthly Updates on Tax

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United Arab Emirates (UAE)

CORPORATE TAX

FTA NEWS ITEM — RECORD VOLUME OF CORPORATE TAX RETURNS REFLECTS LEGISLATIVE AND SYSTEMS EFFICIENCY



The Federal Tax Authority (FTA) issued a statement on 5th October 2025 expressing its gratitude and appreciation to the large number of Corporate Taxpayers who have achieved high compliance rates.

H.E. Khalid Ali Al Bustani, Director General of the Federal Tax Authority, announced that the number of Corporate Tax registrants has exceeded 640,000. His Excellency noted that this represents a strong response from registrants filing returns and remitting Corporate Tax ahead of the filing and payment deadline. The deadline being the end of September 2025 – for the tax period (financial year) ended 31 December 2024.

[Read the full news article: Click Here](#)

INDIRECT TAX

FEDERAL TAX AUTHORITY (FTA) CLARIFIES NEW “TIERED VOLUMETRIC MODEL” FOR APPLYING EXCISE TAX ON SWEETENED DRINKS

The FTA plans to introduce a Tiered Volumetric Model for excise tax on sweetened drinks from early 2026, linking excise tax to sugar per 100 ml. Businesses must register affected products and submit a MoIAT-accredited lab report otherwise the drink automatically classified as “high-sugar” beverage. The excise taxpayers are urged to obtain a UAE Certificate of Conformity based on ISO/IEC 17025 lab results. Excise applies where added sugar/other sweeteners exist; drinks with only natural sugar are out of scope, while those with only artificial sweeteners face 0% tax. Carbonated drinks will no longer be a separate category (tax depends on sugar content), and energy drinks remain taxed at 100%. Tiers are: high sugar ($\geq 8\text{g}/100\text{ ml}$), moderate ($\geq 5\text{g}$ and $< 8\text{g}$), low ($< 5\text{g}$), plus a class for drinks containing only artificial sweeteners.

[Click here to view the official source](#)



FEDERAL TAX AUTHORITY'S LATEST AI PROJECTS ATTRACT VISITORS AT GITEX GLOBAL 2025

The UAE Federal Tax Authority drew record footfall at GITEX Global 2025, with visitors keen on its AI powered tax innovations. Highlights included Zero Digital Bureaucracy projects such as automatic tax return submissions and exemption decisions, plus enhancements projects relating to Corporate Tax registration, VAT deregistration, and refunds for UAE nationals building new homes. The FTA showcased a new excise tax mechanism for sweetened drinks set for early 2026 based on a tiered volumetric model, and introduced the Live Tax Connect Channel for video meetings with FTA representatives. AI initiatives featured an anti-evasion analytics program, the internal FTAgt smart search, Robotic Process Automation (RPA) for tax clarification requests, and an enhanced TARA virtual assistant. FTA presented an AI Proof of Concept (PoC) project which covers use of AI to segment taxpayers, natural language processing on complaints, and demand forecasting to improve compliance and service capacity.

[Click here to read official update](#)

KINGDOM OF SAUDI ARABIA

VALUE ADDED TAX

ZATCA URGES TAXPAYERS TO BENEFIT FROM THE CANCELLATION OF FINES AND EXEMPTION OF PENALTIES INITIATIVE



The Zakat, Tax and Customs Authority (ZATCA) has urged all taxpayers to leverage from the "Cancellation of Fines and Exemption of Penalties Initiative" which ends on 31 December 2025.

Included Fines: The exemption covers fines for:

- Late registration, late payment, and late filing of returns.
- Correcting VAT returns.
- Violations of e-invoicing regulations and other VAT general regulations from field control.

Conditions to Benefit: To qualify, taxpayers must:

1. Be registered in the tax system.
2. Submit all overdue tax returns.
3. Pay all principal tax debts related to those returns.

Installment Plans: Taxpayers can request an installment plan for the principal debt, provided the application is submitted before the initiative ends and all installments are paid on time.

Exclusions: The initiative does not cover penalties for tax evasion or fines that were already paid before the initiative started.

For more information visit the [ZATCA website](https://www.zatca.gov.sa).

EXCISE TAX

AMENDMENTS OF THE IMPLEMENTING REGULATIONS OF EXCISE TAX LAW

The proposed amendments aim to applying the Excise Tax on sweetened beverages based on sugar content, instead of applying it at a fixed rate. The new methodology is based on calculating the Excise Tax value by introducing progressive tiers for sweetened beverages, according to the total amount of sugar per 100 ml of the ready to drink sweetened beverage. In addition, certain provisions have been amended to enhance clarity and ensure the proper implementation of the Excise Tax Law.

For more information visit the [ZATCA website](#).

OMAN

THE TAX AUTHORITY CONDUCTS FIELD INSPECTION VISITS ON COMMERCIAL ESTABLISHMENTS IN BAWSHAR



The Tax Authority carried out a field inspection campaign targeting a number of commercial establishments and cafés in Bawshar. The campaign aimed to verify the compliance of taxpayers with the applicable laws and regulations.

Judicial Enforcement Status visited more than (150) commercial establishments to assess their adherence to the rules and regulations. These visits resulted in the detection of several violations of the Income Tax Law provisions, therefore, legal measures are being taken against the offenders. The Tax Authority emphasized the importance of submitting tax returns within the specified deadlines and paying due taxes to avoid any legal consequences.

[Read the official update-click here](#)

TAX FACILITIES FOR THE OMANI MARITIME SECTOR

In a major policy move to strengthen the Sultanate's maritime competitiveness, the Oman Tax Authority has announced the suspension of Withholding Tax on service contracts provided onboard ships registered under the Omani flag.

This exemption will be in effect for five years — from 1 September 2025 to 31 August 2030.

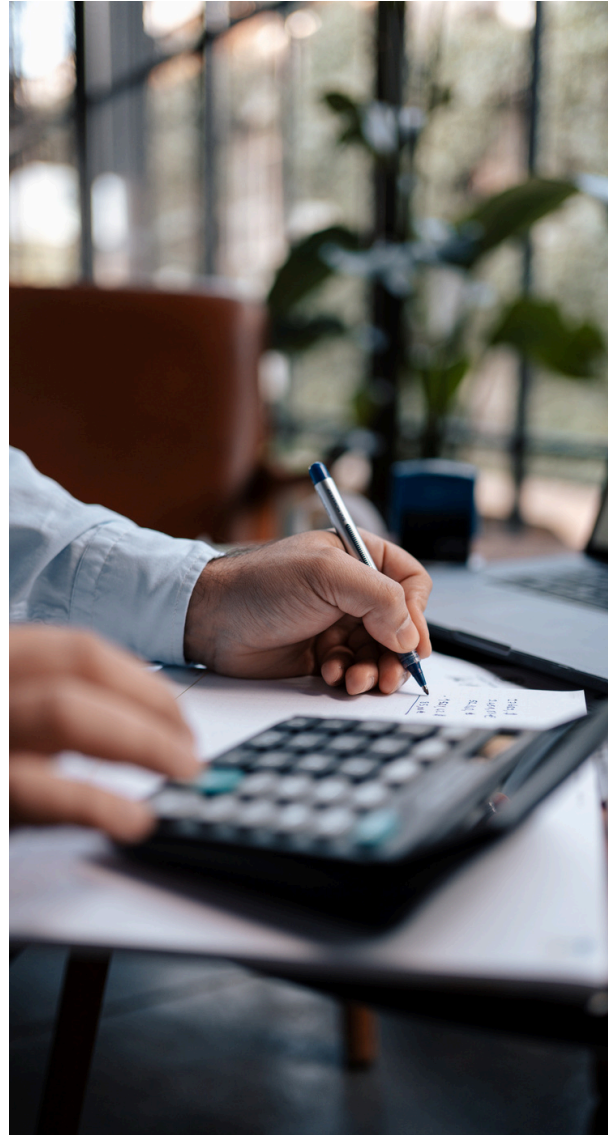
According to Mr. Hussam Al-Mamari, Director of the Tax Policies Department, the initiative aligns with Oman Vision 2040, aiming to:

- Stimulate the investment environment
- Encourage ship registration under the Omani flag
- Support the national maritime transport and services sector
- Attract high-quality investments in the maritime industry

Taxpayers seeking to benefit from this exemption must apply through the electronic tax portal using Income Tax Return Form No.18. The application must be submitted within 14 days after the end of the month in which the payment becomes due or credited.

This decision reflects Oman's ongoing commitment to creating a competitive, investor-friendly maritime ecosystem that contributes to national economic growth.

[Read the official update-click here](#)



THE TAX DEPARTMENT IN AL BATINAH SOUTH EDUCATES THE FUTURE GENERATION WITH THE TAX SYSTEM

As part of its efforts to enhance tax awareness and emphasize the role of taxation in building a sustainable economy aligned with Oman Vision 2040, the Tax Department in Al Batinah South Governorate organized a tax awareness seminar for students at the University of Technology and Applied Sciences – Al Mussanah branch.

The seminar, led by Mr. Asaad Al Balushi and Ms. Haniya Al Malki, provided an overview of Oman's tax system, focusing on taxpayers' rights and obligations. It covered key topics including income tax, excise tax, and value-added tax, explaining their application, calculation methods, and scope across economic sectors.

The session also addressed tax evasion practices and their legal implications, followed by an interactive discussion where students' queries were answered, reinforcing the importance of tax compliance and awareness among future professionals.

[Read the official update-click here](#)

THE TAX TOUR ENHANCES THE TAX AWARENESS IN AL WUSTA GOVERNORATE



The Tax Authority has launched a two-week tax awareness tour starting from Al Wusta Governorate, aiming to strengthen community engagement and promote understanding of tax systems and obligations.

The tour will cover the Al Wusta, Al Dakhiliyah, Al Sharqiyah South and North, and Al Dhahirah Governorates, featuring workshops, lectures, and direct meetings with entrepreneurs, investors, and various community groups.

A team of tax specialists will lead these sessions to highlight the importance of voluntary tax compliance, timely submission of returns, and payment of taxes.

The initiative reflects the Authority's commitment to building transparency, trust, and partnership with the community while reinforcing the role of taxation in supporting the national economy and sustainable development.

Since its launch, the tour has received positive engagement from participants, demonstrating growing awareness of the importance of taxes in Oman's economic growth.

[Read the official update-click here](#)



"Reach out and let's connect!"



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