

AUDIT NEWSLETTER



AUDIT | TAX | ADVISORY

Wednesday, 11 March 2026



Topics

1. UAE Commercial Companies Law – Amendments Effective 2026
2. Oman Data protection law
3. New Accounting Standards and Amendments Issued but Not Yet Effective as at 31 December 2025
4. E-invoicing-UAE
5. Fawtara-Oman

1. UAE Commercial Companies Law – Key Amendments (Effective 2026)

Federal Decree-Law No. (20) of 2025 introduces targeted amendments to the UAE Commercial Companies Law, focusing on:

- Improved legal clarity across jurisdictions
- Greater flexibility for corporate structuring
- Stronger governance continuity
- Enhanced corporate mobility within the UAE

Why it matters:

- Addresses practical challenges faced by mainland, free zone, and financial free zone companies
- Aligns UAE corporate law with global best practices



+971 4354 2959



info@premier-brains.com



www.premier-brains.com



a. Clear jurisdictional boundaries for Mainland & Free Zone companies

One of the most significant amendments relates to the legal treatment of companies operating inside and outside free zones

The updated law confirms that the Commercial Companies Law applies to:

- UAE companies incorporated onshore
- Foreign companies operating or managed within the UAE
- Free zone companies when they operate outside their free zone jurisdiction

Free zone companies remain governed by their respective regulations as long as their operations remain inside the zone.

Importantly, all companies incorporated in the UAE – including free zone companies – hold UAE nationality.

Impact:

Businesses operating hybrid models (onshore + free zone) now have clearer compliance requirements and better integration pathways across UAE jurisdictions.





b. Introduction of Non-Profit companies in the UAE

For the first time, UAE company law explicitly permits non-profit companies, where:

- Net profits are reinvested into achieving the company's stated objectives
- No profits are distributed to partners or shareholders
- More detailed rules will be issued by the Cabinet in coordination with relevant authorities

Impact:

This opens a clear legal pathway for foundations, professional bodies, social enterprises, and impact-driven organizations, supporting the UAE's broader ESG and social development agenda.

c. Enhanced Contractual flexibility: Drag-Along, Tag-Along & Succession Rules

The Amendment allows mainland LLCs and Private Joint Stock companies to incorporate sophisticated shareholder protections directly into their constitutional documents, including:

- Drag-along rights
- Tag-along rights
- Succession and first-refusal mechanisms on death
- Court-assisted valuation when heirs and shareholders disagree

Impact:

This aligns UAE entities with international M&A and private equity standards, significantly reducing transaction risk and shareholder disputes.



d. Introduction of multiple share classes for LLCs

LLCs may now issue different classes of shares, allowing:

- variations in voting rights
- Dividend preferences
- Redemption rights
- Liquidation priority

All such rights must be recorded in the Commercial Register, with further Cabinet regulations to follow.

Why this is a game-changer:

This reform brings venture capital-style structuring into the UAE mainland environment, supporting investors, startups, family businesses, and growth-stage companies.

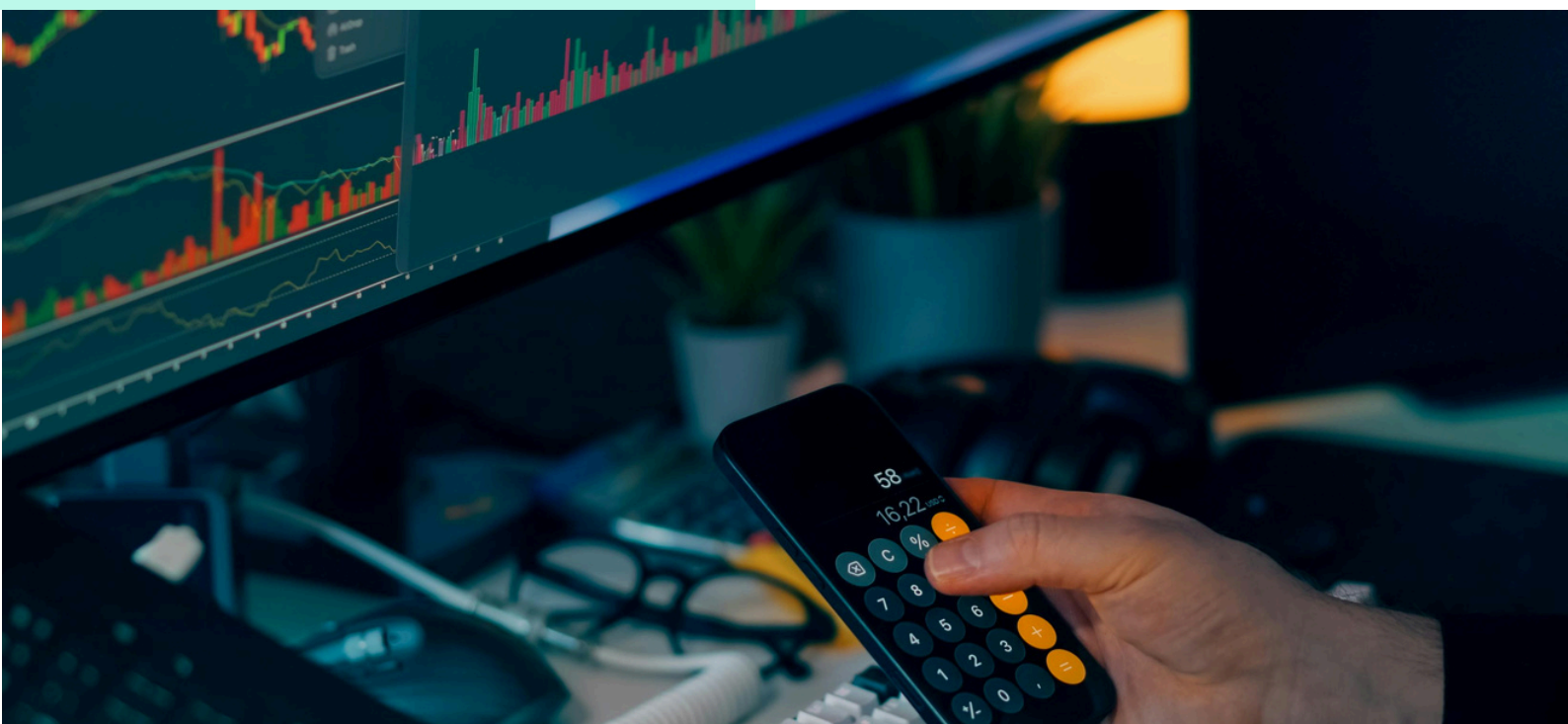
e. Stricter Standards for In-Kind Capital Contributions

The amendment tightens governance around in-kind capital by requiring:

- In-kind capital contributions must be valued by one or more certified values (at contributor's cost)
- Valuation must be approved by the competent authority
- Failure to do so may invalidate the valuation
- Cash compensation if assets are over-valued

Impact:

This protects shareholders and reduces the risk of disputes about inflated or inaccurate capital contributions.



f. Public & Private offering opportunities revalidated

The amendment confirms that:

- Only public joint stock companies (PJSCs) may conduct public offerings
- Private joint stock companies may now issue securities through private placement, subject to Securities and Commodities Authority (SCA) approval

Impact:

Private companies gain more structured access to capital markets while maintaining regulatory oversight.

g. New Article (15 bis): Transfer of Commercial Registration within UAE jurisdictions

A landmark addition, Article (15 bis) allows companies to transfer their commercial registration between UAE licensing authorities, including:

- Mainland to free zone
- Free zone to mainland
- Between different free zones

The company retains its:

- Legal personality
- Incorporation date
- Operating history

Transfers require:

- Shareholder approval
- No registry restrictions
- Approval from both licensing authorities
- Publication of the transfer decision

Important:

The law only permits re-domiciliation within UAE jurisdictions. It does not explicitly authorize importing foreign entities through re-domiciliation.



h. Updated Governance Rules for LLC Managers and Boards

To prevent leadership gaps, the law now provides that:

- Manager resignations become effective after 30 days if no decision is taken
- Companies must notify the authority within 30 days when a manager's appointment expires
- Boards may continue for up to six months post-term expiry
- If a board is not reconstituted, authorities may appoint an interim board for up to a year

Impact:

These rules minimize governance gaps and provide stability for operational decision-making.

Conclusion: A More Agile, Transparent, and Globally Aligned Corporate Framework



Federal Decree-Law No. (20) of 2025 is a precision reform – modern, pragmatic, and aligned with global best practices. It strengthens UAE company law by:

- Introducing internationally recognized governance tools
- Enhancing legal clarity for cross-jurisdiction operations
- Providing expanded structuring flexibility for investors
- Strengthening the foundation for corporate growth and transformation
- Implementing corporate mobility within the UAE



2. Oman Personal Data Protection Law



Oman's Personal Data Protection Law (PDPL), issued under Royal Decree No. 6/2022 with Executive Regulations (MD 34/2024), regulates the lawful processing and protection of personal data in the Sultanate.

We are proud to be empaneled with Bank Muscat, reinforcing our commitment to compliance, governance, and data protection standards.

Applies to:

- Public and private entities in Oman
- Certain processing outside Oman involving individuals in the Sultanate

Key requirements:

- Lawful and transparent processing
- Data accuracy, security, and limited retention

Rights & oversight:

- Access, correction, and deletion of personal data
- Regulator: MTCIT | One-year compliance grace period
- Exemptions for national security, legal obligations, investigations, and personal use

Impact:

Enhances data governance and privacy compliance for businesses in or dealing with Oman





Exceptions to PDPL

- Protection of national security or the public interest
- Performance by the units of the administrative apparatus of the State and other public legal persons of the competencies prescribed for them by law
- Performance of a legal obligation imposed on the Controller under any law, judgment or decision of a court
- Protection of the economic and financial interests of the state
- Protection of a vital interest of the Data Subject
- Detection or prevention of any criminal offense based on an official written request from the authorities Executing a contract to which the Data Subject is a party
- Processing in a personal or family context
- If the data is available to the public in a manner that does not violate the provisions of the law

Key personal data protection legislation in Oman

- Personal Data Protection Law, promulgated by Royal Decree 6/2022 (PDPL)
 - came into force on 13 February 2023
- Ministerial Decision no. 34/2024 executive regulations to the PDPL issued by (Executive Regulations)
 - came into force on 5 February 2024
 - one year grace period
- Ministry of Transport, Communications and Information Technology (Ministry) is the personal data protection regulator through its Personal Data Protection Department





3. New Accounting Standards and Amendments Issued but Not Yet Effective as at 31 December 2025

The following new accounting standards and amendments have been issued by the IASB but are not yet effective for the financial year ended 31 December 2025.

These pronouncements are expected to be effective for annual periods beginning on or after 1 January 2026 (or later), subject to endorsement by the relevant local authorities.

Standards and Amendments Not Yet Effective

- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments
- These amendments introduce clarifications relating to the classification and measurement of financial assets and enhanced disclosure requirements.
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature dependent Electricity
- These amendments address specific accounting issues related to power purchase agreements and similar contracts.
- Annual Improvements to IFRS Accounting Standards (Volume 11)
- These improvements include minor amendments to several IFRS standards to clarify wording or correct unintended consequences.
- IFRS 18 – Presentation and Disclosure in Financial Statements.
- IFRS 18 replaces IAS 1 and introduces new requirements on the structure of the statement of profit or loss, enhanced transparency, and improved comparability.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.
- IFRS 19 provides reduced disclosure requirements for eligible subsidiaries while maintaining recognition and measurement principles of full IFRS



4. E-Invoicing in the UAE Isn't About Invoices. It's About Power

Most conversations around e-invoicing in the UAE focus on formats, timelines and compliance checklists. What's really coming is a shift in who holds information and when.

With e-invoicing, transaction data stops being something businesses summarise and becomes something the ecosystem sees as it happens. For regulators like the Federal Tax Authority, this means visibility replaces assumption. For businesses, it means operational discipline replaces workaround culture.

Here's the uncomfortable implication: informality will no longer scale.

Manual adjustments, delayed reconciliations, loosely governed billing practices - all of these have survived because they lived in the gaps between systems and reporting cycles. E-invoicing closes those gaps.

The winners won't be the companies that "implement e-invoicing on time."

They'll be the ones that realise early that:

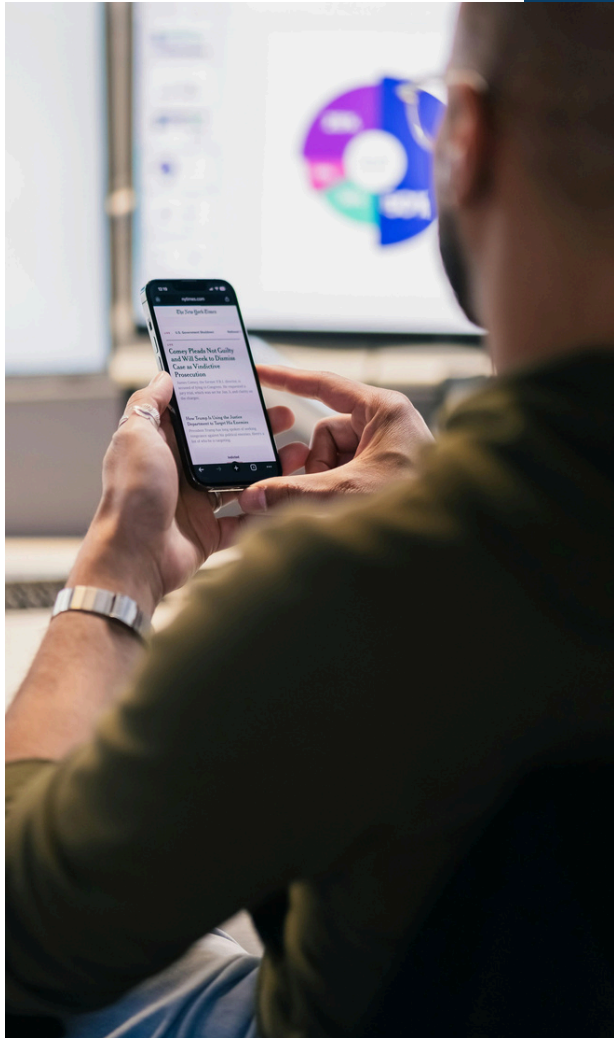
- Cash flow is a data problem
- Compliance is a systems outcome
- Trust is built through transparency, not explanations

E-invoicing is not a tax reform. It's an operating model upgrade - whether businesses are ready for it or not.

The real question isn't "**Are you compliant?**"

It's "**Are your systems honest enough to survive real-time scrutiny?**"





5. Fawtara: When Compliance Becomes Digital Transformation

Oman's introduction of Fawtara, its national e-invoicing system, signals more than a regulatory shift; it marks a turning point in how businesses think about transactions, trust, and transparency. By replacing paper and PDF invoices with structured, machine-readable data, the country is redefining what an invoice represents. In this transformation, compliance is only the starting point; digital accountability is the larger goal.

At the heart of Fawtara lies a simple but powerful idea: structured data changes behaviour. When invoices are standardized and validated automatically, errors become visible, discrepancies become traceable, and inefficiencies become harder to ignore. This shift challenges businesses to rethink their internal processes. Are their systems aligned? Is their master data accurate? Is their finance function ready to operate in a world where information flows continuously rather than in periodic reports?

Ultimately, Fawtara invites a broader reflection: in an era defined by data, how prepared are organizations to operate transparently and in real time? Those who approach e-invoicing strategically may discover benefits that go beyond regulatory alignment—improved efficiency, stronger controls, cleaner data, and deeper insight into financial performance. In that sense, Oman's e-invoicing journey is not just about invoices; it is about the evolution of business itself.

Oman's adopting the five-corner exchange model in a phased rollout between 2026 and 2028, which gives organizations time, but it also poses a strategic question. Will businesses treat e-invoicing as a deadline-driven obligation or as a catalyst for broader digital transformation? Large taxpayers will lead the way, yet the ripple effects will touch the entire supply chain. Suppliers, partners, and customers will all need to adapt. In a connected economy, one company's readiness influences another's resilience.

