



UAE corporate tax: key questions answered

How do you determine whether an individual has a business that will be within the scope of UAE corporate tax?

To determine this, reference will be made to whether they have, or are required to obtain, a business licence or permit to carry out commercial, industrial and/or professional activities in the UAE.

Under the new regime, businesses will be categorised as 'Taxable', 'Exempt' or 'Qualifying Free Zone Persons' (QFZP) and must assess if they fall under these categories and register accordingly. Certain exempt entities must still apply and receive approval.

What is a 'taxable person'?

A taxable person shall be either a resident or non-resident person:

Resident person:

- A resident person is a juridical person incorporated/established/recognised in the state, including a free zone person, or of a foreign jurisdiction that is effectively managed and controlled in the state
- A natural person who conducts a business or business activity in the state

A branch in the state of a resident person shall be treated as one and the same taxable person.

Non-resident person:

- A non-resident person that either has a permanent establishment in the state, derives state-sourced income or has a nexus in the state as per cabinet decision



Which business entities will be categorised as 'exempt' from UAE corporate tax?

Certain exemptions are made automatically, via cabinet decision or upon application, as follows:



Automatically exempt:

- Government entities and government-controlled entities to be specified in a cabinet decision (yet to be published)
- Exempt upon notification to the UAE Ministry of Finance – extractive and non-extractive natural resource businesses
- Exempt, if listed in a cabinet decision (yet to be published) Qualifying Public Benefit entities



Exempt, if applied to and approved by the Federal Tax Authority:

- Public or private pension and social security funds
- Qualifying investment funds
- Wholly owned and controlled UAE subsidiaries of exempt persons

Our **accounting and tax experts in the UAE** can support you with:

- auditing in preparation for the for start of the corporate tax regime
- registering your company in the corporate tax portal
- supporting with provision of calculations
- coordinating the filing of returns
- building awareness and regular updates on new developments

We make UAE corporate tax simple

If you need support, **talk to us**

