



UAE Corporate Tax Return Form – Key Highlights

October 2024



UAE Corporate Tax Return Form

This alert seeks to highlight the key points and information that need to be provided in a UAE corporate tax return. The UAE Federal Tax Authorities (FTA) have introduced the **corporate tax return form**. The Corporate Tax Law (the "Law") applies to tax periods beginning on or after 1 June 2023. A taxpayer must file their tax return within 9 months after the end of the relevant tax period. Previously, the Law only outlined general requirements for the information that must be disclosed by the taxpayer in the return.

The corporate tax return form has 7 sections that need to be completed, and the currency of the form is AED (UAE dirhams). The form requires the following information:



1. Taxpayer information

This section contains general information about the taxpayer, such as: company name, tax number, address, and reporting period. This information is prepopulated as per the company data in FTA records. The following key points must also be answered in this section.

- Is the Taxable Person a partner in one or more Unincorporated Partnership?
- Is the Taxable Person a member of a Multinational Enterprise Group?
- Is the Taxable Person incorporated or otherwise established or recognised under UAE law or the laws of a Free Zone?
- Have the Taxable Person's Financial Statements been prepared under a cash or accrual basis?
- What is the Taxable Person's Revenue derived during the Tax Period? (in AED)
- Is the Taxable Person tax resident in a foreign jurisdiction under an applicable double Taxation Agreement?

Where a taxable person is a Free Zone person and elects to apply for a free zone tax regime of 0% tax in a tax year, there will be additional questions to answer in relation to Qualifying Income, Non-Qualifying Income, De Minimis Criteria, Substance in the Free zone, details of any outsourcing providers, and assets held in the free zone.

Note: Where a Free Zone person selects a standard tax regime in a tax year, it cannot choose a free zone tax regime for the next 4 years.



2. Selections

The second section consists of selections made by a taxable person and should be based on the tax accounting policy of the taxpayer. The key selections in this section are:

Realisation Basis – Would the Taxable Person like elect to use the realisation basis? This can apply for capital assets and liabilities, or assets and liabilities accounted under fair value.

Transitional Rules – These apply when a taxable person elects to adjust gains recognised on a qualifying immovable property, or Taxable Income for gains recognised on all Qualifying Intangible Assets, or Taxable Income for gains and losses on all Qualifying Financial Assets and/or Qualifying Financial Liabilities, owned prior to the first tax period.

Small Business Relief – Would the Taxable Person elect to choose Small Business Relief? This applies to businesses with revenue of less than or equal to AED 3 million in the current and all previous tax periods, subject to other conditions being met.

Transfers within a Qualifying Group – Did the Taxable Person transfer any assets or liabilities to a member of the same Qualifying Group during the tax period?

Business Restructuring Relief – Did the Taxable Person transfer a business or independent part of a business during the tax period under which Business Restructuring Relief may apply?

Foreign Permanent Establishment Income – Does the Taxable Person have any Foreign Permanent Establishments? If yes, then would the Taxable Person elect to choose to exempt both income and expenditure from their foreign permanent establishments?

3. Accounting Schedules

In this section the taxpayer needs to give details about their Statement of Profit & Loss Report, Statement of Other Comprehensive Income, and Statement of Financial Position and Capital Distribution Schedule (details of shareholders, their shareholding, contributions made and received during the year).

The taxpayer also needs to confirm whether it has audited accounts available for the year.

4. Accounting Adjustments and Exempt Income

This section contains information about any adjustments that need to be made in accounting profit.

- Has the Taxable Person realised any capital gains or losses during the Tax Period?
- Does the Taxable Person account for any investments under the equity method of accounting?
- Has the Taxable Person derived any accounting net profits or accounting net losses from unincorporated partnerships that are treated as separate taxable persons?
- Has the Taxable Person recognised any realised or unrealised gains or losses in the financial statements that will not subsequently be recognised in the income statement?
- Transitional Adjustments – Has the Taxable Person held any Qualifying Immovable Property, Qualifying Intangible Assets, Qualifying Financial Assets, or Qualifying Financial Liabilities during the Tax Period?
- Exempt Income – Has the Taxable Person received any dividends or profit distributions from a UAE Resident Person? Has the Taxable Person derived any Income or losses from a participating Interest?

5. Reliefs

In this section the taxpayer will elect to take reliefs and post relevant details in regard to the following available reliefs:

- Transfers within a Qualifying Group
- Business Restructuring Relief

6. Adjustments for Non-deductible Expenses

In this section a business is required to provide a breakdown of different type of expenses for which adjustments are required in the accounting profit to reach taxable profit:

- Non-deductible entertainment-related expenditure (50% of entertainment expenses are deductible).
- Non-deductible pension contributions.
- Charitable donations made to entities that are not Qualifying Public Benefit Entities.
- Expenditure incurred in deriving exempt income other than Interest expenditure.
- Dividends, profit distributions, or benefits of a similar nature paid to an owner of the Taxable Person.
- Expenses not wholly and exclusively incurred for the purposes of the business.
- Other non-deductible expenditure.
- Non-deductible amounts as a result of the Specific Interest Deduction Limitation Rule.
- Adjustments for non-arm's length transactions.

The taxpayer is also required to answer the following questions:

- Were there any transactions with related parties/connected persons in the current Tax Period?
- Has the Taxable Person been an Investor in a Qualifying Investment Fund in the current Tax Period or any previous tax periods?
- Has the Taxable Person incurred Net Interest Expenditure in the current Tax Period, which together with any net interest expenditure carried forward exceeds AED 12 million?

7. Tax Liability and Tax Credits

- Tax Losses – Does the Taxable Person wish to claim tax losses from, or surrender tax losses to, another group entity?
- Tax Credits – Does the Taxable Person wish to use any available Tax Credits?
- Have any estimated figures been included in the Corporate Tax Return?

The following attachments should be attached in the tax return form.

- Financial statements.
- Local file, Master file.
- Tax residency certificate in a foreign

jurisdiction (if applicable).

- Documentation for qualifying intellectual property.
- Documentation to support the market value of qualifying immovable property and financial assets/liabilities at the start of the first tax period.

There may be additional requirements, depending on the nature of the business activity and the respective selections and adjustments made.

How we can help

Our team will be pleased to help your organisation on any of the following tax aspects:

- Tax structuring
- Tax and legal consulting
- Analysis of international taxation related to your business structure
- Transfer pricing services
- Tax compliance, bookkeeping and support in auditing accounts
- Tax and legal due diligence
- Setting-up tax-related business processes
- Automation of tax accounting systems