



CONSULTING

TAX RECAP GCC TAX AND REGULATORY OVERVIEW

August 2025



A vertical collage of six images representing different regions: 1. Top: Modern skyscrapers in Riyadh, Saudi Arabia, including the Kingdom Centre. 2. Second: Ancient stone columns in Jerash, Jordan. 3. Third: The two towers of the Kuwait Towers. 4. Fourth: The Burj Khalifa and other skyscrapers in Dubai, UAE. 5. Fifth: The sail-shaped towers of the Jeddah Waterfront in Saudi Arabia. 6. Bottom: A modern building with a large circular opening, likely in Bahrain.

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Message from our Leader

August has further underscored the pace of transformation in the GCC tax environment. From Kuwait's launch of the DMTT registration portal, to Oman's announcement of a phased e-invoicing regime, to the UAE's focus on strengthening corporate tax compliance through detailed manuals and clarifications—the region continues to align itself with global best practices.

These updates reaffirm that compliance today extends far beyond filings; it requires robust systems, forward-looking strategies, and regional support. At MMJS Consulting, we view our role as partners in this journey—helping clients prepare not just for regulatory deadlines, but for the operational and financial shifts that these reforms bring.

This edition of the GCC Tax Recap provides you with an integrated view of the month's most critical tax updates across the region. Our aim is to equip you with clarity, context, and practical insights so you can respond confidently in an environment that is rapidly evolving.

Thank you for your continued trust in MMJS Consulting.

From,

Surandar Jesrani

Managing Partner & Group CEO



Surandar Jesrani

Managing Partner & Group CEO

Partner Insights on GCC Tax Reforms



“As the UAE and Oman move to introduce e-invoicing based on a 5-corner decentralized PEPPOL model, the region is entering a new era of digital-first tax transformation. For businesses, this shift goes far beyond compliance — those who act early, build scalable systems, and embrace automation will be best positioned to unlock enduring strategic advantages.”

Ankur Jain

Partner – Indirect Tax



“During August 2025, we continued to witness authorities across the GCC region release substantive guidance and mechanisms to operationalize domestic implementation of the BEPS Pillar 2 initiative. The UAE Federal Tax Authority released important guidance for taxpayers on administrative and record keeping aspects in advance of the key compliance deadline of 30 September 2025. The push for digitization and transparency remains a key focus for tax authorities pan GCC.”

Aunali Merchant

Partner – Tax



“Bahrain’s refined VAT and DMTT rules, Kuwait’s launch of the DMTT portal, and Qatar’s extended penalty relief all point to the same reality: the region is raising the bar on compliance. Businesses must go beyond ticking boxes—data integrity, timely registration, and proactive reconciliations are now essential to avoid future scrutiny.”

Rishabh Tandon

Associate Partner – Indirect Tax

Partner Insights on GCC Tax Reforms



“Saudi Arabia’s evolving tax landscape continues to reflect the Kingdom’s broader economic transformation. The fines and penalties exemption initiative is a timely opportunity for businesses to regularize past obligations, while ongoing reforms around withholding tax and digital compliance demand a forward-looking approach. Proactive compliance today will build the foundation for stronger investor confidence and sustainable growth in the Kingdom.”

Abdullah Alsudaais
Country Partner - KSA



“Saudi Arabia continues to expand its network of Double Tax Treaties, reinforcing its position as a global investment hub. For businesses, this not only means greater access to treaty benefits—such as reduced withholding taxes, elimination of double taxation, and enhanced certainty—but also the ability to structure cross-border operations more efficiently. Companies operating in or through the Kingdom should actively review their treaty eligibility and optimize their structures to fully leverage the opportunities presented by KSA’s growing treaty network.”

Anas Salhie
Tax Partner - KSA

BAHRAIN

VAT

- NBR Issues Updated VAT Guidelines on Imports and Exports

DOMESTIC MINIMUM TOP UP TAX (DMTT)

- First Domestic Minimum Top-Up Tax (DMTT) Advance Payment Due Date
- NBR Issues Updated Domestic Minimum Top-Up Tax (DMTT) Guides

OTHER TAX UPDATES

- XML Schema for Pillar Two Information Exchange

VAT

NBR Issues Updated VAT Guidelines on Imports and Exports

On 19 August 2025, Bahrain's National Bureau for Revenue (NBR) released an updated version (Version 1.4) of the Imports and Exports VAT Guide. The update introduces a new sub-section under Section 1.2 addressing "Multiple supplies resulting in a single export." The clarification highlights that in cases involving two or more underlying sales leading to a single export, only the final supply may be zero-rated, while the preceding transactions are treated as local supplies subject to VAT. The NBR also emphasized the need for proper documentation to substantiate the export and confirm agency relationships where one party exports on behalf of another.

DOMESTIC MINIMUM TOP UP TAX

Updated Guidelines Issued

Following the introduction of the Domestic Minimum Top-Up Tax (DMTT) earlier this year, the NBR issued detailed guidance, including an Advance Payment Manual and an updated Administrative Guide, to support taxpayers.

Under this framework, the designated Filing Constituent Entity (CE) must make quarterly advance payments within 60 days after each period ends.

Multinational Enterprise (MNE) groups with a 31 December year-end and within the scope of DMTT had a deadline for the first advance payment on 29 August 2025. As the due date approached, affected groups were expected to complete their advance payment calculations and compile the necessary supporting documentation to ensure compliance with the procedural requirements set out by the NBR

NBR Issues Updated Domestic Minimum Top-Up Tax (DMTT) Guides

On 12 August 2025, the National Bureau for Revenue (NBR) has released updated versions of the Entities in Scope of DMTT Guide and DMTT advance payment manual. The *Entities in Scope of DMTT Guide* has been revised, with Sections 3 and 4 now including further clarification on exclusions, the application of safe harbours, and currency conversion requirements. These updates aim to provide greater certainty for Constituent Entities in determining their DMTT obligations.

In addition, the *DMTT Advance Payment Manual* outlines the process for making advance payments and offers step-by-step guidance for Filing Constituent Entities to use the NBR online portal and related forms. The Manual is designed to assist taxpayers in meeting compliance requirements effectively and in a timely manner.



OTHER TAX UPDATES

OECD Releases XML Schema for Pillar Two Information Exchange

On 30 July 2025, the OECD/G20 Inclusive Framework on BEPS published the *GloBE Information Return (GIR) Status Message XML Schema*. This development is aimed at strengthening the reliability of cross-border information exchange under the Global Minimum Tax (Pillar Two).

The XML Schema provides a standardized IT format to facilitate the automatic exchange of GIR data between tax administrations. Recognising that transmitted data may contain errors due to issues such as incomplete or inaccurate records, the OECD has introduced this framework to enable Competent Authorities to identify, report, and remediate both file-level and record-level errors in a structured manner.

The published documentation includes details on the structure of the GIR Status Message XML Schema, a practical user guide for implementation, and an agreed set of validation rules to support error detection. This initiative enhances consistency, accuracy, and transparency in the administration of global minimum tax rules, while providing jurisdictions with a common platform to address technical discrepancies in information exchange.

The schema will also enable tax administrations to identify, report, and resolve technical issues efficiently, enhancing the reliability and integrity of international tax data sharing.

MMJS Comments:

The introduction of the GIR XML Schema represents a significant step toward operationalizing the automatic exchange of information under Pillar Two. Tax administrations will now have a consistent mechanism to manage errors and ensure the accuracy of data exchanged across jurisdictions. For multinational groups in scope of the Global Minimum Tax, this development underscores the importance of maintaining high-quality, accurate GloBE Information Returns to minimize the risk of reporting errors being flagged and remediated.



OMAN

EXCISE TAX

- Oman delays Phase 3 of Digital Tax Stamp rollout to November 1

TAX TREATY UPDATES

- Oman Signs Double Taxation Avoidance Agreements.

OTHER TAX UPDATES

- Oman to Launch e-Invoicing in Q3 2024 using PEPPOL Model
- Oman Enhances Focus on NR VAT Refunds, Reconciliations and Joint Audits.



EXCISE TAX

Oman Delays Phase 3 of Digital Tax Stamp Rollout to November 1, 2025.

The Oman Tax Authority ('OTA') has announced a three-month postponement for the enforcement of Phase Three of the Digital Tax Stamp (DTS) System on excise goods, moving the deadline to **November 1, 2025** instead of the previously scheduled **August 1, 2025**.

The extension provides importers, manufacturers and retailers with additional time to prepare for full compliance with the DTS requirements. From November 1 onwards, the sale or distribution of any unstamped excise products will be strictly prohibited within the Sultanate of Oman. Products under this category include soft drinks, energy drinks and other excise beverages, excluding sweetened beverages. These products must bear the approved DTS before entering the domestic market.

The OTA has urged all relevant stakeholders to ensure readiness by the new deadline and has confirmed that no exceptions or extensions will be granted beyond this date.

The DTS System is designed to improve transparency and strengthen control in the excise goods market. These stamps serve as proof that the required taxes have been paid and allow the authorities to track and trace excise goods throughout the supply chain, thereby enhancing compliance and reducing illicit trade.

TAX TREATY UPDATES

Double Taxation Avoidance Agreements (DTAAs)

Oman continues to strengthen its position in international tax cooperation by expanding its treaty network. Most recently, Oman has entered into new DTAAs with **Cyprus, Tanzania, and Bahrain.**

These agreements aim to provide greater tax certainty, encourage foreign investment, and reduce the risk of double taxation and tax evasion in cross-border transactions.

The treaties will become effective once the necessary ratification procedures are completed, and the instruments of ratification are exchanged between Oman and the respective partner countries.



OTHER TAX UPDATES

Oman to Launch E-Invoicing in Q3 Using PEPPOL Model

The OTA has announced a phased rollout of its e-Invoicing regime beginning in **Q3 2026** and continuing through **Q1 2028**.

The expected implementation timelines will vary for different taxpayers, as outlined below:

Timeline	Phase / Rollout	Implementation Scope
Q3 2025	Planning	Requirement gathering and design phase
Q1 2026	Development	Testing and training
Q3 2026	Rollout 1	<ul style="list-style-type: none"> - Mandatory: Top 100 large taxpayers - Voluntary: Other large taxpayers
Q1 2027	Rollout 2	<ul style="list-style-type: none"> - Mandatory: All large taxpayers - Voluntary: Remaining taxpayers
Q3 2027	Rollout 3	<ul style="list-style-type: none"> - Mandatory: All taxpayers (B2B, B2G, B2C)
Q1 2028	Rollout 4	<ul style="list-style-type: none"> - Mandatory: All taxpayers, including G2B



OTHER TAX UPDATES

Oman Enhances focus on NR VAT Refunds, Reconciliations and Joint Audits.

The OTA has recently started approving VAT refund applications submitted by non-resident businesses. This development confirms that non-resident businesses incurring eligible expenses in Oman are entitled to claim a refund of VAT paid, subject to the conditions set out under the Oman VAT Law.

There is an increased emphasis by the OTA on reconciliation requirements during VAT refund assessments and VAT audits. Taxpayers are expected to reconcile the figures reported in their VAT returns with their financial statements, particularly revenue, as well as reconcile import VAT declared in returns with the corresponding Customs records.

The OTA is also moving toward a more integrated approach to tax enforcement through combined assessments and inspections. This includes joint reviews covering Corporate Income Tax, Withholding Tax, and VAT.

MMJS Comments:

- Businesses operating outside Oman should therefore review any expenses incurred in Oman to determine eligibility and consider submitting non-resident VAT refund applications. Timely submission can help recover VAT otherwise becoming a cost.
- Taxpayers should be prepared to submit coordinated and consistent documentation across all applicable tax types. This shift underscores the need for stronger internal controls, data alignment, and readiness to support audit processes across the full spectrum of tax obligations.

Should you require further guidance or support in preparing for these developments, please do not hesitate to contact one of our professional tax advisors.

Our team is available to assist you in navigating these requirements and ensuring compliance with the evolving tax landscape.



QATAR

CORPORATE INCOME TAX

- GTA Extends Deadline for Financial Penalty Exemption Initiative to 31 December 2025

TAX TREATY UPDATES

- Qatar–Türkiye Economic Partnership Agreement Enters into Force
- Qatar and Tanzania Initial Double Taxation Agreement

CORPORATE TAX

GTA Extends Deadline for Financial Penalty Exemption Initiative to 31 December 2025

The General Tax Authority (GTA) has announced the extension of the submission period for the 100% Financial Penalty Exemption Initiative until 31 December 2025. The extension reflects the Authority's commitment to supporting taxpayers and enabling them to regularize their status, while also providing more time for a larger number of taxpayers to benefit from the available exemptions. Applications for the initiative can be submitted through the Dhareeba platform, with the GTA continuing to provide support and guidance services that reinforce transparency and promote a culture of tax compliance.

The initiative has already delivered significant results, with more than 7,000 taxpayers exempted from penalties exceeding QAR 1.6 billion, and over 56,000 tax returns submitted, including overdue filings covering tax periods from 2014 to 2024. These efforts have substantially raised the overall tax compliance rate. Participation levels have been high, particularly among companies and business owners across diverse sectors, reflecting the initiative's inclusiveness and its wide-reaching impact on strengthening the national economy.

The GTA has urged taxpayers to take advantage of this opportunity via the Dhareeba platform, noting that the initiative remains one of its landmark measures. The program allows taxpayers to settle their obligations through a full exemption from penalties arising from late registration, filing, or payment, provided specific conditions are met. By enhancing voluntary compliance and offering a practical route to regularization, the initiative contributes to the efficiency of the tax system and strengthens trust between the Authority and taxpayers.

MMJS Comments:

The extension of the Financial Penalty Exemption Initiative until 31 December 2025 offers businesses an extended window to settle outstanding obligations without incurring additional costs. This measure underscores the importance of reviewing tax positions promptly, ensuring that all historical filings are completed, and addressing any irregularities through the Dhareeba platform. Leveraging this initiative not only mitigates financial exposure but also strengthens compliance standing with the GTA, positioning taxpayers on firmer ground for future regulatory requirements



TAX TREATY UPDATES

Qatar–Türkiye Economic Partnership Agreement Enters into Force

On 1 August 2025, the economic partnership agreement between Qatar and Türkiye officially entered into force. The agreement, which was originally signed on 26 November 2018, aims to strengthen bilateral trade and investment relations between the two countries.

The implementation of this agreement is expected to enhance economic cooperation, promote cross-border opportunities, and support the long-term strategic partnership shared by Qatar and Türkiye.



TAX TREATY UPDATES

Qatar and Tanzania Initial Double Taxation Agreement

On 27 August 2025, the General Tax Authority hosted a delegation from the United Republic of Tanzania in Doha, where both parties initiated a draft agreement to avoid double taxation. The agreement is aimed at ensuring tax fairness, preventing double taxation, and removing obstacles that may hinder capital flows between the two countries.

The negotiations also covered effective mechanisms for the exchange of tax information, reinforcing transparency and alignment with international standards. The agreement includes provisions on international maritime and air transport, joint ventures, dividends, interest, and royalties, reflecting the shared commitment to strengthening bilateral economic cooperation and boosting trade and investment.

This initiative forms part of the General Tax Authority's broader strategy to expand its network of international tax agreements, attract foreign investments, and foster a transparent business environment that supports sustainable economic growth.



KUWAIT

Domestic Minimum Top up Tax

- Kuwait MoF Opens DMTT Registration Portal

TAX TREATY UPDATES

- Kuwait–Tajikistan Tax Treaty
- Kuwait–Saudi Arabia Income Tax Treaty
- Jordan–Kuwait Tax Treaty

DOMESTIC MINIMUM TOP UP TAX

Kuwait MoF Opens DMTT Registration Portal

The Kuwaiti Ministry of Finance (MoF) has announced the launch of the Domestic Minimum Top-Up Tax (DMTT) registration process through its official portal. Entities subject to Law No. 157 of 2024 on the DMTT can now complete their registration in just a few steps via the MoF platform.

The opening of the registration portal is an important step in the implementation of the DMTT framework, enabling in-scope entities to meet their compliance obligations efficiently. Businesses are advised to ensure timely registration to remain aligned with the requirements of the law and avoid potential compliance challenges.

TAX TREATY

Kuwait Ratifies Amending Protocol to Kuwait–Tajikistan Tax Treaty

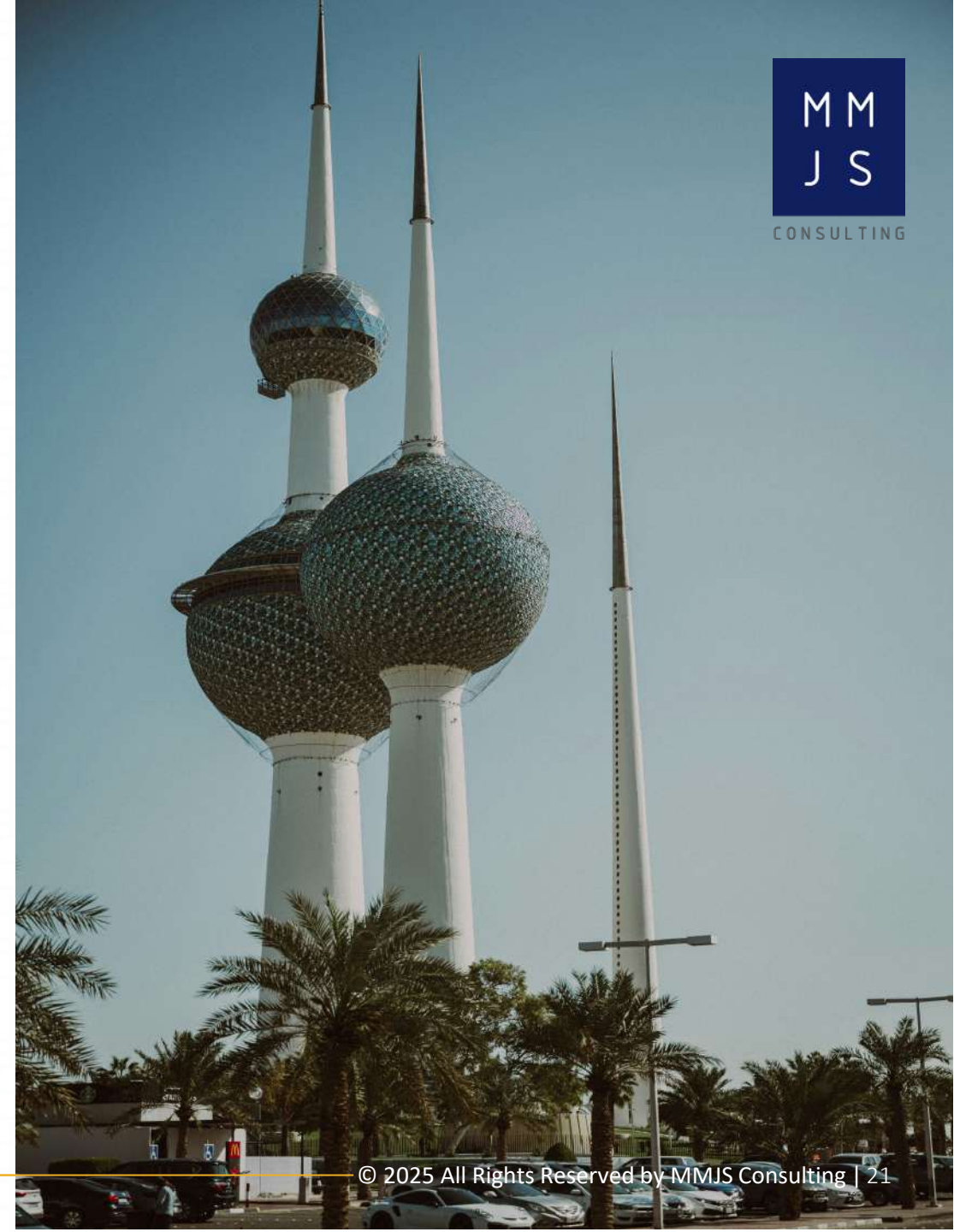
On 28 July 2025, Kuwait ratified the amending protocol to the Kuwait–Tajikistan Income and Capital Tax Treaty (2013) through Decree-Law No. 91 of 2025. This ratification marks another step in strengthening Kuwait’s international tax treaty network.

Kuwait–Saudi Arabia Income Tax Treaty Enters into Force

On 1 August 2025, the income tax treaty between Kuwait and the Kingdom of Saudi Arabia, originally signed on 4 December 2024, officially entered into force. The treaty is expected to play a key role in promoting cross-border trade and investment between the two countries by providing clarity on tax matters and eliminating double taxation.

Jordan Approves Amending Protocol to Jordan–Kuwait Tax Treaty

On 6 August 2025, the Council of Ministers of Jordan authorized the conclusion of an amending protocol to update the Jordan–Kuwait Income Tax Treaty (2001). This authorization reflects ongoing efforts to modernize existing tax agreements in line with evolving international standards.



KINGDOM OF SAUDI ARABIA

ALL TAXES

- ZATCA Urges Taxpayers to Benefit from the Cancellation of Fines and Exemption of Penalties Initiative

VALUE-ADDED TAX

- Update on the new Tourist VAT refund

TAX TREATY UPDATE

- KSA-Kuwait Tax Treaty Entered into Force

ZAKAT

- ZATCA issues Zakat Guidelines for Insurance Sector

ALL TAXES

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 benefit from the *Cancellation of Fines and Exemption of Penalties Initiative*, which is effective until 31 December 2025.

ZATCA has clarified that the fines covered under this initiative include fines for late registration, late payment, late filing of returns under all tax laws, fines to correct VAT returns, as well as fines for violations of VAT field control related to e-invoicing regulations and other VAT general regulations.

To benefit from the exemption, taxpayers must be registered with the tax system, submit all previously unsubmitted returns to ZATCA, and pay all the principal tax debt associated with the outstanding returns. Taxpayers can also request an instalment plan from ZATCA, provided that the application is submitted while the initiative is still in effect and all due instalments are paid by the due dates specified in the Authority-approved instalment plan.

It is important to note that the initiative excludes penalties related to tax evasion violations and fines paid before the initiative's effective date. ZATCA has invited taxpayers to view the details of the initiative through the simplified guideline available on its website, which provides a detailed explanation of the types of penalties included, the conditions for benefiting from the exempt fines, the steps for instalment of financial dues, and field control violations.

ZATCA continues to urge taxpayers to benefit from the initiative before its extension ends in December 2025.

MMJS Comments:

The extension of this initiative provides a significant compliance window for taxpayers to regularize outstanding obligations while mitigating exposure to financial penalties. It is advisable for businesses to conduct a thorough review of their historical filings, payments, and VAT reporting to determine areas of non-compliance that can be rectified under this initiative. Where financial constraints exist, early application for installment arrangements is recommended to ensure compliance within the stipulated timeframe. Prompt action will be critical, given the initiative's expiration on 31 December 2025.

Should you need any assistance, please contact one of our professional tax advisors.



VAT

Saudi Arabia launches VAT refund for tourists

Saudi Arabia has rolled out the tourist VAT-refund scheme. International visitors—including GCC nationals—can reclaim the 15% VAT on eligible purchases made at Global Blue-certified stores, with more than 1,440 outlets already participating. To qualify, shoppers must be 18+, keep goods unused for personal use, and export them within 90 days. Exclusions include vehicles, boats, aircraft, fuel, tobacco, food & beverages, and services such as hotels and meals.

Refunds are requested at departure via Global Blue self-service kiosks/counters—10 in Riyadh, 4 in Jeddah, and 4 in Dammam. Travelers can receive the refund in cash or to a payment card; cash payouts are capped at SAR 5,000 per person per day. The program is in line with Vision 2030 objectives by encouraging tourist spending and elevating Saudi Arabia's status as a premium shopping destination.



KSA-Kuwait Tax Treaty Entered into Force

The Kuwait- KSA tax treaty, which was signed on 4 December 2024 has now been ratified through Decree-Law No. 80 of 2025 which was published by Kuwait in its Official Gazette on 6 July 2025. This treaty aims to eliminate double taxation and prevent tax evasion between the two countries, has entered into force on 1 August 2025.

ZAKAT

ZATCA issues Zakat Guidelines for Insurance Sector

The first Insurance Zakat Guideline (Aug 2025) clarifies how IFRS 17 presentation flows into Zakat for KSA insurers and reinsurers. Companies in the insurance sector typically present statements **by liquidity** under IFRS 17, the guideline anchors the Zakat classification to a **365-day test**: assets and liabilities expected to be realized/settled within 12 months after the Zakat year-end are “current,” everything else is “non-current.” That split drives what gets added to—or excluded from—the Zakat base.

The biggest IFRS-specific impacts are about **componentization**. “Insurance contract liabilities” and “reinsurance contract assets” are **not** single Zakat items; each underlying component is treated by its nature and maturity. Practically, this means separating unearned premium reserves, claims payables, premiums in advance, acquisition cash flows, risk adjustment, loss component, salvage/advances, and reinsurance elements (receivables, commissions, profit-share and non-performance risk reserves).

MMJS Comments:

We recommend launching an IFRS 17/Zakat readiness plan that starts with engaging your external auditors to confirm and leverage all mandatory IFRS 17 financial-statement disclosures. Where a disclosure is not mandated or IFRS 17 is silent, obtain an auditor certificate to bridge the gap. For non-standard structures escalate early and pursue an advance ruling to lock in treatment and reduce audit risk.

Should you need any assistance, please contact one of our professional zakat advisors.



UNITED ARAB EMIRATES

CORPORATE TAX INCOME

- Corporate Tax Payments User Manual Issued by the FTA
- FTA issues public clarification on Financial Statements and Related Audit Requirements for a Tax Group
- FTA Emphasises Record-Keeping Obligations for Corporate Tax

TAX TREATY

- Russia and UAE Sign Services & Investment Trade Agreement
- UAE and Japan Advance CEPA Negotiations in Fourth Round

CORPORATE INCOME TAX

Corporate Tax Payments User Manual Issued by the FTA

The Federal Tax Authority (FTA) has officially issued a Corporate Tax (CT) User Manuals to assist taxpayers in meeting their compliance requirements.

On 18 August 2025, the CT Payments User Manual was released. The manual provides detailed guidance to Taxable Persons on the process of making Corporate Tax payments through the EmaraTax portal. It outlines step-by-step instructions, supported by screenshots, on navigating the CT dashboard, viewing outstanding and overdue amounts, and accessing transaction history.

On 22 August 2025, the CT Return User Manual was issued. The manual provides guidance to registered taxpayers on the preparation and filing of their Corporate Tax Returns through the EmaraTax portal, including instructions on completing the return form, reviewing required disclosures, and submitting the return within the prescribed timelines. By issuing these manuals, the FTA aims to provide clarity and practical support, enabling taxpayers to meet their Corporate Tax obligations accurately and in a timely manner.

MMJS Comments:

The issuance of these manuals reflects the FTA's continued focus on simplifying Corporate Tax compliance and providing clarity to taxpayers on both the payment and return filing processes. These resources will serve as a practical reference point for businesses navigating their obligations under the Corporate Tax Law. We recommend that businesses familiarize themselves with these manuals at the earliest and incorporate the outlined processes into their compliance framework to ensure timely and accurate adherence to Corporate Tax obligations.



CORPORATE INCOME TAX

FTA issues decision and public clarification on Financial Statements and Related Audit Requirements for a Tax Group

The Federal Tax Authority (FTA) published Decision No. 7 of 2025 (Decision) and Public Clarification CTP 007 of 2025, setting out the requirements for preparing and maintaining audited special purpose financial statements for tax groups under the UAE Corporate Tax Law. The Decision, effective for tax periods commencing on or after 1 January 2025, mandates that tax groups prepare audited aggregated financial statements for each tax period in line with a special purpose framework.

These statements must be prepared by aggregating the standalone financial statements of the parent company and each subsidiary within the tax group, eliminating intra-group transactions, and ensuring consistency in accounting policies. The framework requires compliance with IFRS or IFRS for SMEs, subject to certain adjustments and exclusions, and prescribes presentation of aggregated statements of financial position, profit or loss, other comprehensive income, and changes in equity, together with relevant disclosures.

Further, the Decision introduces special provisions for members leaving the tax group, requiring the adoption of asset and liability values recorded in the aggregated financial statements as opening balances in their standalone accounts, unless accounting standards prohibit. In such cases, while the standalone financial statements may follow the accounting standards, taxable income must still be determined as if the aggregated values were applied. This framework is intended to enhance consistency, transparency, and reliability in the financial reporting of tax groups under the UAE Corporate Tax Law..

MMJS Comments:

This development is a significant step for tax groups, as it introduces a mandatory requirement to prepare audited aggregated financial statements beginning from tax periods on or after 1 January 2025. The requirement to eliminate intra-group transactions and apply uniform accounting policies across members will likely demand greater coordination between entities within the group. Further, while the framework specifies primary statements such as the balance sheet, profit and loss, other comprehensive income, and changes in equity, it remains unclear whether a cash flow statement must also be aggregated, given the absence of explicit guidance.

Although these requirements formally apply to tax periods beginning on or after 1 January 2025, businesses forming or considering forming tax groups in earlier periods must proactively evaluate their approach, particularly in view of the 30 September 2025 filing deadline for FY 2024



CORPORATE INCOME TAX

FTA Emphasises Record-Keeping Obligations for Corporate Tax

The Federal Tax Authority (FTA) has emphasised the obligation for all Taxable Persons subject to UAE Corporate Tax to maintain records and documents supporting the information provided in their Tax Returns or any other submissions. These records enable the FTA to verify the Taxable Person's taxable income for Corporate Tax purposes.

Although the required records may vary depending on the nature of the business, essential documentation includes records of transactions, assets (including acquisitions and disposals), liabilities, and shareholding positions at the end of the tax period. Exempt Persons are also required to maintain records to substantiate their exemption status in line with the Corporate Tax Law. Both Taxable and Exempt Persons must retain records for at least seven (7) years following the end of the relevant Tax Period.

The FTA has also reminded businesses to submit their Tax Returns and settle any Corporate Tax payable within nine months from the end of each Tax Period. For example, a Taxable Person with a financial year ending 31 December 2025 must file the Tax Return and pay the due Corporate Tax by 30 September 2026. All registration, filing, and payment processes are facilitated through the EmaraTax platform, accessible directly or via registered tax agents.

MMJS Comments:

This announcement reinforces the importance of robust record-keeping practices for both Taxable and Exempt Persons under the UAE Corporate Tax regime. Businesses are required to ensure that their accounting systems, document management processes, and internal controls are sufficient to maintain all prescribed records in an accurate and accessible manner for potential FTA audit.

Given the seven-year retention requirement, companies should also consider the adequacy of their digital archiving systems to safeguard records over extended periods. Furthermore, alignment of reporting timelines and cash flow management with the nine-month filing and payment deadlines remains essential to mitigate exposure to late filing penalties and to ensure full compliance with the Corporate Tax Law



TAX TREATY

Russia and UAE Sign Services & Investment Trade Agreement

On 7 August 2025, Russia and the UAE signed a trade agreement on services and investments in Moscow. This agreement is expected to further enhance bilateral cooperation and strengthen economic ties between the two countries.

UAE and Japan Advance CEPA Negotiations in Fourth Round

From 4 to 8 August 2025, the UAE and Japan held the fourth round of negotiations for a Comprehensive Economic Partnership Agreement (CEPA). The discussions focused on advancing trade and investment opportunities, reflecting the ongoing efforts to build a stronger economic partnership between the two nations.



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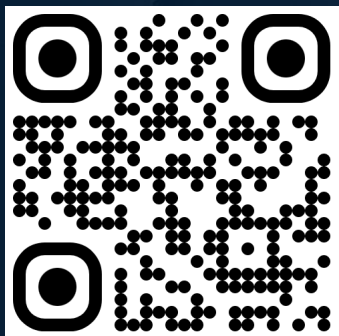
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