

# MMJS Tax Alert

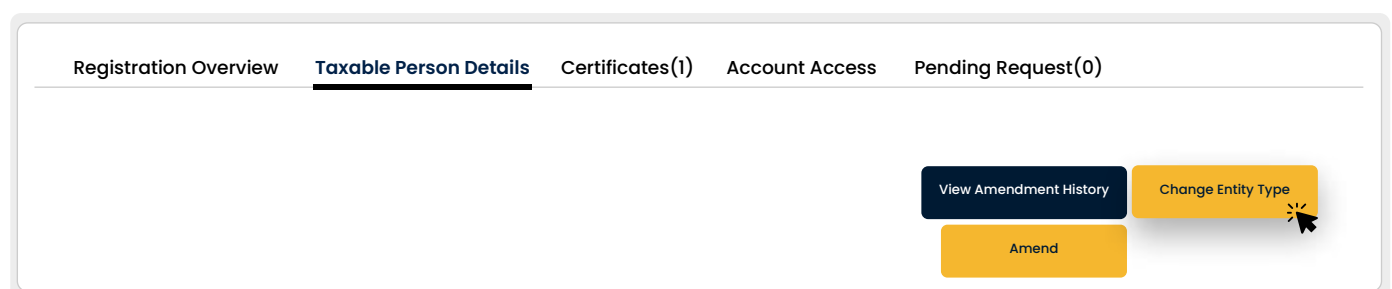
## New Feature on EmaraTax Portal – Facility to Amend Entity Type

The Federal Tax Authority (FTA) has introduced a new feature on the EmaraTax portal, enabling taxpayers to amend their entity type. Previously unavailable, this functionality offers a streamlined method for making such changes directly via an amendment request.

### Overview of the New Feature

Taxpayers can now modify their entity type by filing an amendment request on the EmaraTax portal. The process requires the submission of relevant supporting documents and information. Below is an overview of the process.

- **Step 1:** Once logged in, navigate to the “Taxable Person Details” section. Here, you will find the option to amend the entity type.



- **Step 2:** Click on the “Change Entity Type” option and accept the provided instructions to begin the application process.
- **Step 3:** From the drop-down menu, select the new entity type. Currently, the option to change is limited to “Natural Person.” Depending on your selection, you can choose between two sub-types:
  - Individual
  - Other Natural Person

- ▶ **Step 4:** Provide the necessary information such as **Name, Emirates ID, Passport Details**, etc.
- ▶ **Step 5:** Select the reason for the change from the drop-down menu, either **“Data Correction”** or **“Other”** (If **“Other”** is selected, a brief description explaining the reason for the change)
- ▶ **Step 6:** Upload the necessary proof, updated trade license and business activity details, if applicable, and submit the application.

## MMJS Comments

Previously, taxpayers were unable to amend the legal entity type directly, as it was a frozen field on the EmaraTax portal. Consequently, they were required to submit a deregistration application, and after approval, re-register the business under the new entity type. This process was time-consuming, required significant administrative effort, and often led to penalties due to delays in processing such applications and also caused disruptions in business functions.

With the introduction of the amendment facility for the entity type, taxpayers can now change their entity type by filing an amendment directly through the EmaraTax portal. This eliminates the need for deregistration and re-registration, greatly reducing the complexity, effort, and time involved.

### ▶ However, certain limitations currently exist:

1. If a taxpayer has an ongoing application for amendment, registration, or deregistration related to CT, VAT, or Excise, the option to change the entity type is restricted.



Error

A CT/VAT/ Excise Tax registration/amendment/ deregistration/ exemption application is currently being processed.  
You may initiate a Change Entity Type application after the current application(s) have been processed.

OK

2. The functionality for changing the entity type is limited to allowing an entity to change to a **“Natural Person”**. For example, a Limited Liability Company (LLC) can use this feature to convert its entity type to a Sole Establishment, which is classified as a Natural Person. However, the functionality currently does not support inverse changes i.e., from a Sole Establishment to an LLC or a branch into an LLC or between any other **“legal person”** entity types.

### New Entity Type

Natural Person



Natural Person

3. Not all taxpayers currently have access to this feature. While the reason is unclear, it is expected that the functionality will be extended to all taxpayers soon.



#### Error

Your Entity Type is currently not allowed to be changed.

OK

We will continue to provide updates on the entity-type amendment facility as new developments arise.

## Get in Touch with Our Team



**Surandar Jesrani**  
Group CEO and Managing Partner



**Ankur Jain**  
Associate Partner, Indirect Tax



**Rishabh Tandon**  
Senior Director



**Tarun Grover**  
Senior Manager



**Vanita Nagpal**  
Senior Manager



**Divya Mary James**  
Manager



**Mir Mohammed Ali Omar**  
Manager

#### DUBAI

(Corporate Office)

Level 15, Lake Central Tower – At The Bay,  
Dubai, UA

+971 4 276 2233  
[vat@mmjs.co](mailto:vat@mmjs.co)