

**FY26 UAE CT, TP
updates & lessons
learnt from last
year**



UAE Corporate Tax Updates

R&D TAX CREDIT

Up to 50% tax credit on qualifying R&D expenditure against CT and/or Top-up tax.

DMTT REGISTRATION IN UAE

Registration of entities subject to the Pillar 2 regime is now open on the Emara Tax Portal.

UAE Corporate Tax Updates

FAMILY FOUNDATION GUIDE - clarification and refinement

An update providing additional practical guidance and addressing areas where further clarity was needed.



UAE Transfer Pricing Updates

CONNECTED PERSONS

Clarification on the definition of “Directors” and “Officers”

BAHRAIN DMTT TP GUIDE

Guidance on application of the TP rules for DMTT regulations in Bahrain

CT LESSONS LEARNED FROM LAST YEAR

1

PAYMENT TIMING IS CRITICAL

Payment on the deadline date can result in an admin penalty.

2

FINANCIAL AUDITS NEED MORE TIME

The CT regime increases audit complexity, requiring the involvement of tax experts.



CT LESSONS LEARNED FROM LAST YEAR

3.

SMALL BUSINESS RELIEF DOCUMENTATION

The FTA may still request proof that the revenue threshold was not exceeded.

4.

STAY CURRENT WITH LEGISLATIVE UPDATES

Some changes in the law can have a drastic tax impact.



CT LESSONS LEARNED FROM LAST YEAR

DO ENTITIES WITH NO TURNOVER OR TAX DUE STILL NEED TO FILE THE FIRST RETURN?

All taxable persons are required to file a
Corporate Tax return.



CT LESSONS LEARNED FROM LAST YEAR

WHAT ARE THE MOST COMMON ERRORS?

- Incomplete reconciliations (IFRS vs tax)
- Missing or incorrect disclosures
- Failure to apply transitional rules correctly
- Incorrect data mapping in the Emara Tax portal

WHAT SUPPORTING DOCUMENTS SHOULD BE PREPARED IN ADVANCE OF SUBMISSION?

- Financial statements
- Tax computation workings and reconciliations
- Transfer pricing documentation (where applicable)
- Evidence supporting any reliefs or exemptions claimed (when relevant)



WHAT LEVEL OF RECONCILIATION IS EXPECTED?

Clear and detailed, including adjustments for exempt income, deductions, and temporary differences.

WHAT HAPPENS AFTER THE FIRST CT RETURN IS SUBMITTED?

In case of requests from FTA:

- Promptly respond to the questions
- Present the requested documents within established timelines



TP LESSONS LEARNED FROM THE LAST YEAR

1.

Connected person
payments/shareholder
current accounts

2.

Interest on loans/
guarantee fee

3.

Computation of TP disclosure
thresholds for CT return

4.

Intercompany
receivables/payables
balances



TP LESSONS LEARNED FROM THE LAST YEAR

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TP benchmarking
region/databases

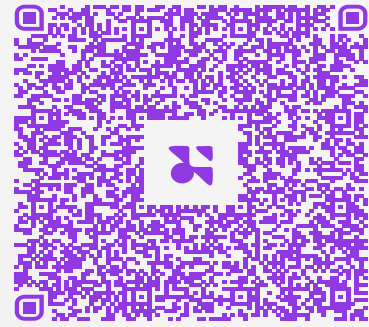
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TP documentations

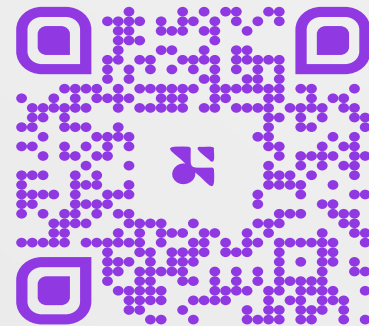
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TP policy implementation





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