

MAY 2025

TAX UPDATE

UAE FTA INTRODUCES PENALTY RELIEF FOR LATE CORPORATE TAX REGISTRANTS

Key Highlights

The UAE Ministry of Finance and Federal Tax Authority have announced a **penalty waiver** for businesses that **missed the Corporate Tax Registration deadline**.

To qualify, businesses must **submit their Corporate Tax return or annual statements within 7 months** from the end of their first tax year.

Example:

For businesses with financial year end of **31 December 2024**, the return must be filed by **31 July 2025** to be eligible for the waiver.

Next Steps:

- ✔ **Register for Corporate Tax** if not already registered
- 🔍 **Assess Eligibility for Reliefs:** Determine whether the business qualifies for any reliefs or exemptions that can be claimed in the return.
- 🕒 **File Promptly:** Ensure the tax return or annual accounts are submitted within the 7-month deadline.

Our View

Late registration penalties of AED 10,000 may be waived for businesses that act within the specified timeframe. This is a valuable opportunity for eligible businesses to regularize their tax position without incurring financial penalties.

Taking timely action is essential to remain compliant under the UAE's Corporate Tax regime.

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