

TAX RELIEF FOR SMALL BUSINESSES IN UAE

Ministry of Finance issued Ministerial Decision No. 73 of 2023 relating to Corporate Tax relief for small businesses operating in UAE Corporations and Businesses, which;

Taxable resident person has revenue below AED 3 million for the tax period.

Relief will be applicable to tax periods falling between 01 June 2023 to 31 December 2026.

Revenue must be calculated using International Accounting Standards (IAS) as accepted in the UAE.

IT HAS BEEN CLARIFIED IN THE MINISTERIAL DECISION ON RELIEF, THAT:

Taxable resident person is willing to surrender its Business Tax Losses and any disallowed Net Interest Expenditure In given tax periods.

Resident person is not a member of Multinational Enterprises Group (MNE Group), having consolidated group revenues of more than AED 3.15 billion.

Resident person is not a Qualifying Free Zone Persons

It has been clarified in decision, where FTA establishes that;

- Taxable persons have artificially separated their business or business activity; and
- Total revenue of the entire business or business activity exceeds AED 3 million in any tax period.

It will be considered an arrangement to obtain Corporate Tax Advantage under Article 50 (1) regarding general anti-abuse rule of the UAE Corporate Tax Law.