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DIFC UPDATE:

Mandatory Filing of Annual Accounts

SPRING 2026



Overview

The Dubai International Financial Centre (DIFC) Registrar of Companies (ROC) now requires all DIFC-registered entities to file annual financial statements – including entities that were previously not subject to filing requirements. This marks a significant compliance shift for holding structures, foundations, and dormant entities operating within DIFC.

Who is Impacted?

This requirement applies to:

- ▶ DIFC Holding Companies
- ▶ DIFC Foundations
- ▶ DIFC Operating Companies (OpCos)
- ▶ All other DIFC-registered entities, including dormant or pure holding companies

Requirements

1 Filing Timeline & Requirements

- Annual financial statements must be filed **within 9 months of the financial year end (FYE)**
- Initial due date: **6 months from FYE**
- Grace period: **Additional 3 months**
- The filing deadline is based on the **financial year end**, not the licence renewal date (except for first-year entities)

⚠ Even dormant entities and passive holding structures must prepare and submit financial statements.

2 Audit Requirements

- Under the DIFC Companies Law, annual accounts must be prepared for every company and, as a general rule, must be examined and reported on by a DIFC-registered auditor within 6 months of the financial year end.
- A private company may qualify for exemption from the audit requirement if, for the current and preceding financial year,
 - » Its annual turnover does not exceed USD 5 million on a consolidated basis including subsidiaries and
 - » It has no more than 20 shareholders throughout the year.
- Shareholders holding at least 10% of the nominal share capital may nevertheless require an audit by written notice. Public companies and DFSA regulated entities remain subject to their applicable mandatory audit requirements

3 Consolidation Requirements

DIFC entities that **control subsidiaries** are required to prepare **consolidated financial statements** in accordance with:

- IFRS, or
- Another approved standard (e.g., US GAAP), subject to Registrar approval

Where consolidation is required:

- The audit must cover the consolidated financial statements
- A separate audit of the parent's standalone financials may still be required for specific purposes (e.g., QFZR status for Corporate Tax purposes)

First-Year Entities

For entities incorporated in DIFC for less than one year, the filing request will appear only after the first licence renewal.

Consequences of Non-Compliance

Failure to file within the prescribed timeframe may result in:

Administrative penalties

License renewal restrictions

Delays in corporate actions, including:

- Share transfers
- Changes in directors
- Share capital amendments
- Striking-off applications

Non-compliance may directly impact operational continuity and regulatory standing.

Why this is important

Entities that historically did not prepare or file annual accounts must now ensure:

Proper bookkeeping is maintained



Financial statements are prepared in accordance with applicable standards



Audit requirements (where applicable) are fulfilled



Filing deadlines are proactively monitored



Early assessment and preparation are essential to avoid compliance risks and business disruption.

Immediate Action Recommended

We recommend that DIFC entities:



Confirm auditor appointment status



Ensure bookkeeping is up to date



Confirm financial year-end and filing deadline



Begin audit planning prior to the financial year end



Review accounting framework applied

How we can support



We provide comprehensive accounting, audit, and compliance support for DIFC entities and group structures, including:

- **Bookkeeping and financial statement preparation**
- **Consolidation and group reporting**
- **Audit coordination and statutory audit support**
- **DIFC annual accounts filing assistance**

If your entity has not previously filed annual accounts, now is the time to review your compliance position and ensure readiness.

Meet the Experts



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Core Focus

- Registered Finance Officer with ADGM & DIFC expertise
- Strategic CFO & Outsourced Finance Leadership
- Accounting, Reporting & Compliance Management
- Financial Analysis, Modelling & Valuation
- Financial Planning & Strategy Advisory
- Internal & External Audit Support
- Finance Function Transformation & Process Optimization
- System Implementation & Process Mapping



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Core Focus

- CFO Services
- Accounting (IFRS expert)
- Financial Reporting and Analysis
- Outsourced Finance Officer Support
- Budgeting, Forecasting, and Financial Modelling Support
- Finance Function Transformation



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Core Focus

- Accounting
- Financial Analysis and Reporting
- Financial Modelling and Valuation Support



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