

re/think

Embarking 2024 Are you Corporate Tax Ready?

January 2024



Introduction



To whom does Corporate Tax apply?

- All legal entities and natural persons (individuals) engaged in a business or business activity in the UAE are subject to CT
- The standard rate of **9% CT** is applicable for taxable profits exceeding AED 375,000; Free Zone Tax regime of **0% CT** is subject to compliance with certain conditions
- A **Top-Up Tax** at an effective tax rate of **15%** introduced on **Multinational Enterprises ('MNEs')**



When does it apply?

- Effective for the financial year **starting from 1 June 2023**
Businesses with **standard (January to December) financial year subject to UAE CT starting January 2024*



Ongoing Obligations

- **Register once** for CT purposes
- **Maintain** accounting records in accordance with IFRS
- **Ensure** all transactions with related parties and connected persons **are at arm's length**
- **Obtain** transfer pricing documentation/ benchmark studies
- **Submit tax returns annually** (9 months from the end of the Tax Period)
- **Submit country-by-country (CbC) Notification/Report** (with data on the global allocation of income, profit, taxes paid, and economic activity), **if the Entity is the Ultimate Parent Entity/Alternate Parent Entity**
- **Comply** with other requirements that the FTA may publish

Are you Corporate Tax Ready?

Key Priorities for Corporate Tax Readiness



Related Party Pricing Check

- Do you have a **TP policy/TP model** in place?
- Have you evaluated **TP Controls for related party/connected person transactions**?
- Have you **identified related parties/connected persons and transactions**?



Accounting Check

- Have you assessed **the adequacy of accounting practices** and review your **chart of accounts**?
- Have you reviewed **the accounting policies for tax efficiencies**?
- Have you identified transactions potentially involving accounting for **deferred taxation**?
- Have you considered **claims, elections and transitional reliefs**?



Reliefs & Exemptions Check

Free Zone Entities: Have you evaluated compliance with the **pre-requisite conditions for Free Zone relief 0% CT**?

- Have you checked **adequacy** to comply with substance requirement?
- Have you assessed whether the **related party transactions adhere to the arm's length principle**?
- Have you analyzed whether to consider **FZ relief or opt-in for regular CT**?

Foundations: Have you assessed the eligibility for Tax Transparency?

Small Businesses: Have you assessed the eligibility for Small Business Relief?

Holding Entities: Have you evaluated the exemptions available for dividends and capital gains?

Operating companies and other entities: Does your business fall under any other exemption criteria?

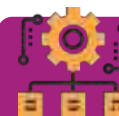
Are you Corporate Tax Ready?

Key Priorities for Corporate Tax Readiness



Operations Check

- Have you considered a compliance plan for **dormant entities**?
- Have you evaluated the CT exposure for **Non-UAE entites**?
- Have you assessed if the **Trade License activities are aligned** with actual business conducted?



Organization & Funding Structure Check

- Have you assessed the **organizational structure** for overall Tax efficiency including Tax grouping and loss setoff?
- Have you evaluated **your capital/ debt funding structure**, factoring dividend tax implications and limitations on interest deductibility?



GAAR Check

- Have you **assessed GAAR exposure** after recent business restructuring?



International Tax Matters Check

- Have you **assessed the requirement of Country-by-country reporting** requirement?
- Have you assessed the **applicability of Top-up Tax** under OECD BEPS Pillar Two?

Meet the Experts



Neil Guthrie
Senior Director of
Finance & Tax Services

✉ neil.guthrie@rethink-hq.com
☎ +971 50 712 8420

Core Focus

- CFO Services
- Accounting
- UAE Tax
- Finance Function transformation
- Support in Fund raising, Rescheduling and Re-financing
- Business expansion, Reorientation and Recovery support
- M&A support
- NED/Resident support



Keerthi Voodimudi
Director of Tax

✉ keerthi.voodimudi@rethink-hq.com
☎ +971 52 455 1325

Core Focus

- UAE Corporate Tax Advisory
- UAE VAT Advisory and Compliance
- Tax Planning and Optimization
- Tax Due Diligence
- Tax Audit Support
- ESR Advisory and Compliance
- ESR Audit Support



Meiras Medeubayev
Senior Tax Manager – Corporate Tax

✉ meiras.medeubayev@rethink-hq.com
☎ +971 58 163 0417

Core Focus

- UAE Corporate Tax Advisory
- Tax Planning and Optimization
- Tax Audit Support
- International Tax Advisory and Planning
- Permanent Establishment Advisory



Komal Muthukrishnan G
Tax Manager – Corporate Tax

✉ komal.muthukrishnan@rethink-hq.com
☎ +971 50 831 0365

Core Focus

- UAE Corporate Tax Advisory
- Tax Planning and Optimization
- Tax Audit Support
- International Tax Advisory and Planning
- Permanent Establishment Advisory



Re/think is an award-winning regional multi-service business advisory and outsourced services firm providing accounting, regulatory and compliance, tax and VAT advisory, audit, HR consultancy and recruitment services to regulated firms, multi- and single-family offices, and other operating businesses.

Established in the UAE in 2014, the firm has 80 staff across three offices in Dubai and Abu Dhabi providing clients with timely, proactive and customized business solutions – from set-up and early development to the latest stages of a business lifecycle.

re/think

... the way you run your business

www.rethink-hq.com

