



ASSURANCE  
ADVISORY  
TAX

## Corporate Tax Filing Guide

## STANDARD CT FILING: KEY CLIENT INFORMATION CHECKLIST

**Important Note on Document Requirements:** Not every document listed is mandatory for all clients. The specific documents you'll need for Corporate Tax filing depend entirely on your client's unique business activities, industry, and the elections they've made.

Always use your professional judgment to determine the essential documents for each client. While general documents are listed, the precise requirements are always company-specific and industry-specific

### 1. Core Financial Statements & Records:

- **Complete Set of Financial Statements:**
  - **Audited Financial Statements** (mandatory if revenue exceeds AED 50 million, or for Free Zone Persons, or if part of a Tax Group. Highly recommended otherwise for accuracy and credibility).
  - **Management Accounts** (if audited financials are not mandatory or available yet).
    - Income Statement (Profit & Loss Account)
    - Balance Sheet (Statement of Financial Position)
    - Cash Flow Statement
- **Detailed Trial Balance** for the tax period.
- **General Ledger** (or access to accounting software for full transaction details).
- **Fixed Asset Register:** Including acquisition dates, original cost, accumulated depreciation, and net book value for all assets.
- **Payroll Records:** Including details of salaries, benefits, and related deductions.
- **Bank Statements:** For all business bank accounts for the full tax period.

## 2. Supporting Schedules & Adjustments Data:

- **Schedule of Non-Deductible Expenses:** Breakdown of any expenses that are not allowable for tax purposes (e.g., entertainment expenses, fines, penalties, certain donations).
- **Schedule of Exempt Income:** Documentation supporting any income claimed as exempt (e.g., qualifying dividends, capital gains from qualifying shareholdings, income from a qualifying foreign permanent establishment).
- **Related Party Transactions Details:**
  - Summary of all transactions with "Related Parties" and payments/benefits to "Connected Persons."
  - Any existing **Transfer Pricing Documentation** (e.g., Local File, Master File, CbC Report) if applicable (especially for MNEs or if specific thresholds are met).
  - Details of any adjustments made to align transactions with "arm's length" principles.
- **Tax Loss Details:** Schedule of any tax losses incurred in previous periods to be carried forward and offset.
- **Foreign Tax Credit Documentation:** Proof of tax paid in a foreign jurisdiction on income also subject to UAE CT.
- **Details of Special Reliefs Claimed:**
  - Information/Agreements for **Qualifying Group Relief** (e.g., asset/liability transfers between group members).
  - Information/Agreements for **Business Restructuring Relief** (e.g., transfer of a business or part of a business).
- **Foreign Permanent Establishment (PE) Details:** If applicable, provide documentation on the PE's income and taxability in the foreign jurisdiction.
- **Transitional Rules Information (for pre-CT assets):** If the company had specific assets acquired before the CT effective date, valued at historical cost, and now sold/disposed of, provide details and calculations for any pre-CT gain exemption election.

### 3. Mandatory Statutory & Registration Documents:

- **Copy of Corporate Tax Registration Certificate (TRN).**
- **Copy of Valid Trade License.**
- **Latest Memorandum of Association (MOA) / Articles of Association (AOA).**
- **VAT Returns filed** for the corresponding tax period (if VAT registered), for revenue cross-verification.
- **Auditor's Report and Details** (Name, TRN if applicable, Opinion) if audited financials are submitted.

## COLUMNS/INFORMATION THAT WILL LIKELY BE PRE-POPULATED FROM YOUR CT REGISTRATION:

Good news! To make the filing process smoother, many fields will be pre-populated with the information you provided during your corporate tax registration. This means you won't have to manually re-enter details like your company name, TRN, address, and the tax period. You can simply review these pre-filled details for accuracy before proceeding. The details listed below are typically pre-filled on your registration data.

- **Taxable Person Name:** Your full legal name (in English and Arabic) as registered with the FTA.
- **Tax Registration Number (TRN):** Your unique Corporate Tax TRN.
- **Entity Type:** This specifies the legal form of your business (e.g., Sole Proprietorship, Limited Liability Company, Free Zone Company, Public Joint Stock Company, etc.).
- **Entity Sub-Type:** Provides a more specific classification under the main entity type, if applicable.
- **Address Details:** Your registered address, including country, address line, city, country code, landline, mobile, email, and P.O. Box.
- **Tax Period:** The financial year-end for which you are filing the return. This is crucial and will determine the reporting period.
- **Primary Business Activity:** A description of your main business activity..
- **Accounting Method:** The accounting basis you selected during registration (e.g., accrual basis).
- **Details of registered business activities:** A list of all business activities you registered.

## YOUR PRE-LOADED COLUMNS. (NO MANUAL ENTRY HERE)

### Taxpayer Details

TRN	104269650800001	Taxable Person Name in English	PROVISION HR SOLUTION L.L.C	Taxable Person Name in Arabic	برو فريجن لحلول الموارد البشرية
Entity Type	Legal Person - Incorporated	Entity Sub-Type	UAE Private Company (incl. an Establishment)		
Primary Business	Management consultancy activities				

### Address Details

Country	United Arab Emirates	Building Name & Number	OFFICE 43				
Street	44 MALIK BALADIYA	Area	FAHIDI BURDUBAI				
Emirate	Dubai	City	DUBAI				
Country Code	971 ( United Arab Emirates )	Mobile Number	525864783	Country Code	971 ( United Arab Emirates )	Landline Number	52586473
Email ID	provision.hrsol@gmail.com			P.O. Box (Optional)			
Is the above information correct?				<input checked="" type="radio"/> Yes <input type="radio"/> No <span style="font-size: small;">i</span>			

## COLUMNS/INFORMATION THAT YOU WILL TYPICALLY NEED TO FILL IN MANUALLY WHEN FILING CORPORATE TAX:

Is the Taxable Person a partner in one or more Unincorporated Partnerships?

Yes  No

This question wants to know if your company (the Taxable Person) is involved as a partner in any business ventures that *haven't* been formally registered as a separate legal entity, like a Limited Liability Company (LLC) or Public Joint Stock Company (PJSC). Think of it as a joint venture or partnership where the partners themselves are directly responsible, not a separate "company" entity.

**When to click "Yes":** You should click "Yes" if your entity is a partner in:

- **A General Partnership**
- **A Limited Partnership**
- **A Joint Venture (that isn't a separate legal entity)**
- **Any other form of partnership where the partnership itself isn't a separate legal person for tax purposes.**

Unincorporated Partnership Details (Optional)

Corporate Tax TRN of the Unincorporated Partnership(s)

No data

If you click "Yes," a new field will appear asking for the TRN of the Unincorporated Partnership. Providing this TRN is **optional**, as not all unincorporated partnerships are required to register for Corporate Tax or have a TRN if they don't meet the registration criteria

Is the Tax Return being completed by a Government Entity, Government Controlled Entity, Extractive Business or Non-Extractive Natural Resource Business ?

Yes  No

**What they're asking:** This question wants to know if your company falls into one of these specific categories, as they often have unique tax treatments or exemptions under UAE Corporate Tax law.

- **Government Entity:** A federal or local government body.
- **Government Controlled Entity:** A business majority-owned and controlled by a government entity.
- **Extractive Business:** Companies involved in the extraction of natural resources (like oil, gas, minerals) from the ground.
- **Non-Extractive Natural Resource Business:** Companies involved in the processing or sale of natural resources (like oil, gas, minerals) that they did *not* extract themselves.

**When to click "Yes":** You should click "Yes" if your business legally qualifies as one of these types of entities. If your business is a standard commercial company, you will generally click "No."

What is the Taxable Person's Revenue derived during the Tax Period? (AED)

### Important Technical Note for Cross-Verifying Turnover

This field requires you to state your total gross revenue (turnover) from all business activities for the tax period. Unlike Small Business Relief (SBR), there is no specific revenue threshold here that determines eligibility for filing. It's crucial that this revenue amount aligns accurately with the turnover figures you have previously declared in your VAT returns for the corresponding period

Has the Taxable Person's Financial Statements been prepared under the cash or accrual basis?

Cash  Accrual

**What they're asking:** This question asks about the accounting method used to prepare your financial statements.

- **Accrual Basis:** Income and expenses are recorded when they are earned or incurred, regardless of when cash is actually received or paid. This is the standard and generally required method for UAE Corporate Tax for most businesses.
- **Cash Basis:** Income and expenses are recorded only when cash is received or paid. This method is typically only allowed for certain smaller businesses or specific circumstances. The primary criterion is if the Taxable Person's Revenue does not exceed AED 3,000,000 within the relevant Tax Period. This is a significant relief for smaller businesses, often aligning with eligibility for Small Business Relief

**How to answer:** Most businesses in the UAE, especially those registered for Corporate Tax, will have their financial statements prepared under the Accrual Basis. You should select the option that reflects how your company's official financial records are maintained.

Does the Taxable Person conduct more than one Business or Business Activity?

Yes  No

This column will be **auto-populated** based on the business activities registered under your TRN. It essentially asks if your client is engaged in more than one type of commercial or professional activity as per your trade license and FTA registration. If you have multiple registered activities, the system will automatically select "Yes."

Primary Activity	List of all Business and Business activities as per the Registration data	Estimate the percentage (%) of its total revenue attributable to each business sector in which it operates.	Actions
<input checked="" type="radio"/>	Management consultancy activities	0.00	...

The primary business activity you perform will also be **auto-populated** here, as this information was provided during registration. You have the option to add details for any additional activities if needed

Is the Taxable Person a member of a Multinational Enterprise Group?

Yes  No

**What they're asking:** This question wants to know if your company (the Taxable Person) is part of a larger international group of businesses.

A Multinational Enterprise (MNE) Group generally means a group of two or more entities that are resident in different countries, or an entity that is resident in one country and carries on a business in another country through a permanent establishment

**When to click "Yes":** You should click "Yes" if your entity is part of a group of companies that operates in more than one country. If your company is a standalone entity that only operates within the UAE and has no foreign subsidiaries, branches, or parent companies abroad, you would select "No"

Is the Taxable Person tax resident in a foreign jurisdiction under an applicable Double Taxation Agreement?

Yes  No

**What they're asking:** This asks if your client is considered a "tax resident" of another country in addition to the UAE, specifically based on the rules within a Double Taxation Agreement (DTA) between the UAE and that country. DTAs help prevent the same income from being taxed twice.

**When to click "Yes":** Click "Yes" if, according to a DTA, your company's effective management or other tie-breaker rules determine it's a tax resident in a foreign country. Otherwise, select "No."

Is the taxpayer incorporated, established, or otherwise registered in a Free Zone?

Yes  No

**What they're asking:** This asks if your client is officially registered and operating within one of the UAE's many designated Free Zones (e.g., JAFZA, DIFC, DMCC, ADGM). Companies in Free Zones may be eligible for a 0% Corporate Tax rate on "qualifying income" if they meet specific conditions, making this a very important classification.

**When to click "Yes":** You should click "Yes" if your client's legal registration documents (trade license, incorporation certificates) clearly state that it is established in a UAE Free Zone. If your business operates on the "mainland" (outside a Free Zone), you would click "No."

Is the Taxable Person making an election to be subject to Corporate Tax under the standard Corporate Tax regime? i

Yes  No

**What they're asking:** This question primarily applies to Qualifying Free Zone Persons (QFZPs). Normally, a QFZP can benefit from a 0% Corporate Tax rate on their "qualifying income" if they meet certain conditions. However, a QFZP has the option to choose to be taxed at the standard 9% Corporate Tax rate instead. This is called "making an election" for the standard regime.

**When to click "Yes":** You would only click "Yes" if your entity is a Qualifying Free Zone Person and has deliberately decided to forgo the 0% preferential rate on qualifying income and instead be taxed under the standard 0%/9% regime (0% up to AED 375,000, 9% above). This election, once made, typically cannot be reversed for several subsequent tax periods. Most QFZPs aim to maintain their 0% rate, so they would answer "No" here.

Does the Taxable Person meet the requirements to be considered a Qualifying Free Zone Person?

Yes  No

If you click "No" the above column pops up

**What they're asking:** This critical question determines if your Free Zone company qualifies for the 0% Corporate Tax rate on "Qualifying Income." To say "Yes," your business must meet *all* specific 6 conditions for the entire tax period, including maintaining adequate economic substance in the Free Zone and deriving "Qualifying Income" as defined by law.

**When to click "Yes":** Only select "Yes" if you are certain your Free Zone entity fulfills *all* QFZP requirements. Failing to meet even one condition means your income will be taxed at the standard 9% rate for the current year and the subsequent four years

*By filling in these details, you have completed the first page of your Corporate Tax filing. Please click 'Next Step' at the bottom of your screen to proceed to the second page, which is the final page you need to complete when filing Corporate Tax under Small Business Relief (SBR)*

*For the second page, we will assume our client is **not a Free Zone company**, or that you are **not electing to be treated as a Qualifying Free Zone Person (QFZP)**. If you were, there would be many additional sections to complete. For the purpose of this guide, which focuses on corporate tax filing under normal condition for mainland companies.*

Would the Taxable Person like to elect to use the realisation basis? i

Yes  No

**What they're asking:** This question refers to how your business accounts for changes in the value of certain assets (like investments, properties, or other financial instruments) that haven't been sold yet.

- Normally (under the accrual basis), you'd recognize gains or losses on these assets even if they are just "on paper" (unrealized).
- Electing for the realisation basis means you only recognize and account for gains or losses on these assets when they are actually sold or disposed of (when the gain/loss is "realized").

**When to click "Yes":** You would only click "Yes" if your business holds specific types of assets (e.g., certain investments) and you wish to defer the recognition of unrealized gains or losses on those assets until they are actually sold. This election is generally for specific financial instruments/properties and should be considered based on your accounting and tax strategy. Otherwise, the default is to recognize unrealized gains/losses as they occur.

*If you select 'Yes' to use the realisation basis, two additional sub-questions related to this election will appear for you to complete*

Is the Taxable Person a Bank or Insurance Provider?

Yes  No

**What they're asking:** This question aims to identify if your business operates in the banking or insurance sectors. These industries have specific and often complex rules under the UAE Corporate Tax Law, particularly concerning how their taxable income is calculated, recognition of provisions, and treatment of policyholder liabilities.

**When to click "Yes":** You should click "Yes" if your company is officially licensed and operates as a bank or an insurance provider (including re-insurance). If your business is in any other sector (e.g., retail, manufacturing, consulting), you would select "No."

Would the Taxable Person like to elect for the realisation basis in respect of:

All assets and liabilities that are subject to fair value or impairment accounting  All assets and liabilities held on capital account at the end of a Tax Period

**What they're asking:** These sub-questions appear if you chose to use the "realisation basis" for accounting. They allow you to specify *which types* of assets and liabilities you want this basis to apply to.

- Fair value or impairment accounting assets/liabilities:** This refers to assets (like certain financial instruments or properties) and liabilities whose value is regularly adjusted on your books to their current market value (fair value) or tested for a drop in value (impairment). Electing "Yes" here means you'd only pay tax on gains or claim deductions for losses on these items when they are actually sold, not when their value simply changes on paper.
- Assets and liabilities held on capital account:** This refers to long-term assets (e.g., property, plant, equipment, and certain investments) and related liabilities that are not held for day-to-day trading. Electing "Yes" means gains or losses from these specific long-term items will only be taxed or deductible upon their actual disposal or sale.

**How to answer:** You will select "Yes" for either or both if you wish to apply the realisation basis to those specific categories of assets and liabilities. This choice should align with your accounting policy and tax strategy, as it affects when gains and losses are recognized for tax purposes.

*The next three columns pertain to **transitional rules**. You should only select 'Yes' and provide details if your company held the specific assets mentioned in each column **before** your first Corporate Tax period, if those assets were valued using the **historical cost method**, and if you have **sold or plan to sell** them. This allows you to potentially **exempt pre-CT gains** from your taxable income for those assets, so handle these columns with care if these specific conditions apply to your clients*

Is the Taxable Person making an election to adjust Taxable Income for gains recognised on any Qualifying Immovable Property owned prior to the first Tax Period?

Yes  No

Is the Taxable Person making an election to adjust Taxable Income for gains recognised on all Qualifying Intangible Assets owned prior to the first Tax Period? i

Yes  No

Is the Taxable Person making an election to adjust Taxable Income for gains and losses on all Qualifying Financial Assets and/or Qualifying Financial Liabilities owned prior to the first Tax Period? i

Yes  No

If you select 'Yes' for any of the above transitional rule categories, you will need to provide schedules for the relevant assets using the template provided. While typically not required for clients who were not dealing with those assets, this is a crucial step if your client needs to claim the pre-CT gain exemption. **It's vital to note that this election must be made in the first Corporate Tax return, as it cannot be claimed in subsequent tax periods if missed now.**

Would the Taxable Person like to make an election for Small Business Relief?

Yes  No

*This guide primarily focuses on scenarios where "No" is selected for SBR*

This 'Small Business Relief (SBR) election' column typically **does not appear** during normal Corporate Tax filing if the revenue declared on the first page exceeds AED 3 million. However, if a company's revenue is below this threshold, this column may still be visible. Such companies can **choose not to opt for SBR** if they prefer to carry forward tax losses into future taxable periods, a benefit not available when filing under

#### Transfers within a Qualifying Group

Did the Taxable Person transfer any assets or liabilities to a member of the same Qualifying Group during the Tax Period?

Yes  No

**What they're asking:** This question relates to Qualifying Group Relief under UAE Corporate Tax Law. It asks if your company transferred any capital assets (e.g., property, machinery, investments) or liabilities to another entity that is part of the same Qualifying Group during the tax period.

A Qualifying Group consists of two or more juridical persons (companies) that meet specific conditions, generally involving at least 75% direct or indirect common ownership, shared financial year-ends, and the use of the same accounting standards.

**Why it's important:** If such a transfer occurs within a Qualifying Group and an election for relief is made, the transfer can be tax-neutral. This means no immediate taxable gain or loss is recognized on the transfer for Corporate Tax purposes, as it's treated as happening at the asset's net book value. This facilitates internal group reorganizations without triggering an immediate tax burden.

**When to click "Yes":** You should click "Yes" if your company transferred assets or liabilities to an entity that is a member of your Qualifying Group as defined by the UAE Corporate Tax Law. This allows you to benefit from the tax-neutral treatment for qualifying intra-group transfers.

## Business Restructuring Relief

Did the Taxable Person transfer a Business or an independent part of a Business during the Tax Period under which Business Restructuring Relief may apply?

Yes  No

**What they're asking:** This question probes whether your company undertook a significant internal reorganization during the tax period by transferring an **entire business** or a clearly defined, **independent part of a business** (like a specific division or self-contained branch) to another taxable entity.

**Why it's important (Business Restructuring Relief):** Under the UAE Corporate Tax Law, such transfers would normally trigger immediate Corporate Tax on any realized gains. However, this relief allows qualifying reorganizations (e.g., certain mergers, demergers, or company conversions) to be **tax-neutral**. This means assets and liabilities are treated as transferred at their **net book value**, preventing an immediate tax burden and facilitating legitimate internal restructuring for commercial reasons.

**When to click "Yes":** You should click "Yes" if your company executed a transfer of a complete business unit or an identifiable, independent part of its business to another taxable person, and this transaction fully meets the specific conditions for **Business Restructuring Relief** as detailed in the UAE Corporate Tax Law.

Would the Taxable Person like to make an election to apply Business Restructuring Relief? i

Yes  No

By electing "Yes," you confirm that the transfer was undertaken for valid commercial reasons, was at net book value, and that all other stringent conditions for the relief are met. It's important to note that this election is generally **irrevocable** for the specific transaction once submitted, and it comes with a **clawback rule** (e.g., if certain conditions like continued ownership or operation of the transferred business are not maintained for two years post-transfer, the original relief can be reversed, and tax becomes payable retrospectively).

**When to click "Yes":** You should click "Yes" only if:

1. Your company has indeed transferred an entire business or an independent part of a business during the tax period.
2. You have thoroughly assessed that the transfer **fully complies with all the conditions** for Business Restructuring Relief as stipulated in the UAE Corporate Tax Law and its supporting Cabinet Decisions.
3. You intend for this specific transaction to be treated as tax-neutral for Corporate Tax purposes

## Foreign Permanent Establishment Income

Does the Taxable Person have any Foreign Permanent Establishments?

Yes  No

**What they're asking:** This question seeks to determine if your UAE-resident company (the "Taxable Person") has a fixed place of business or another significant taxable presence in a country outside the UAE.

**Why it's important (Foreign Permanent Establishment Exemption):** Income generated by a Foreign Permanent Establishment (PE) is typically subject to corporate or similar income tax in the foreign country where that PE is located. To prevent double taxation, the UAE Corporate Tax Law (Article 24) allows a UAE-resident company to elect for an exemption of income attributable to its Qualifying Foreign Permanent Establishments from UAE Corporate Tax. This exemption ensures that profits taxed abroad are not taxed again in the UAE, promoting international trade and investment. The foreign PE must meet specific conditions, notably being subject to Corporate Tax (or a similar tax) at a statutory rate of not less than 9% in the foreign jurisdiction.

**When to click "Yes":** You should click "Yes" if your UAE-resident company has a presence in another country that constitutes a "Permanent Establishment" under the tax laws of that foreign jurisdiction, and that PE meets the conditions to be considered a **"Qualifying Foreign Permanent Establishment"** as defined by the UAE Corporate Tax Law (including the minimum 9% foreign tax rate requirement). If all your company's operations and taxable presence are solely within the UAE, you would select "No."

Would the Taxable Person like to make an election to exempt both income and expenditure of their Foreign Permanent Establishments?



Yes  No

**What they're asking:** If your UAE-resident company has operations abroad that qualify as a "Foreign Permanent Establishment (PE)," this question asks if you wish to **formally elect** to apply the **Foreign Permanent Establishment Exemption** as per UAE Corporate Tax Law. This choice dictates that both the **income** generated by, and the **expenditure directly attributable to**, that Qualifying Foreign PE will be excluded from your company's UAE Taxable Income.

**Why it's important:** This election is a key measure to **prevent double taxation**. It allows income already subject to corporate tax in a foreign country to be exempt in the UAE. The primary condition for a PE to be "Qualifying" is that it must be subject to Corporate Tax (or a similar income tax) at a statutory rate of **not less than 9%** in that foreign jurisdiction. If you make this election, it's crucial to understand that expenses related to generating that exempt PE income cannot be deducted against your other UAE-taxable income. This election, once made, is generally **irrevocable** for the specific PE for a prescribed period, typically at least three years.

**When to click "Yes":** You should click "Yes" only if your company's Foreign PE definitively meets all the "Qualifying" criteria under UAE CT Law, particularly the minimum 9% foreign tax rate. This election is advantageous if you want to eliminate UAE Corporate Tax on that foreign-sourced income and are prepared to forgo any corresponding expense deductions in the UAE. If the PE doesn't meet the qualifying criteria, or if you prefer to potentially claim a Foreign Tax Credit (where applicable) instead, you would select "No."

if we elect to exempt both income and expenditure from foreign PE by clicking "Yes" and then we need to provide the schedules for every foreign permanent establishment

*By providing all the information requested above, you have completed the second page of the Corporate Tax filing. To proceed to the third page, which contains further essential details, please click 'Next Step' at the bottom right of your screen.*

#### Accounting Schedules

**Statement of Profit or Loss**

**Statement of Other Comprehensive Income**

**Statement of Financial Position**

**Audit**

Have the Financial Statements been audited?

Yes  No

On this third page of the Corporate Tax filing, your main task is to accurately transcribe the figures directly from your company's **IFRS-compliant financial statements**. You will primarily be inputting details from your **Profit and Loss (Income Statement)**, **Balance Sheet**, and **Other Comprehensive Income (OCI)**.

At this stage, your focus should be on ensuring these figures precisely match your company's official accounting records. Any specific Corporate Tax adjustments, such as calculating non-deductible expenses or recognizing exempt income, are typically addressed in **subsequent sections or pages (e.g., the fourth page)** of the CT return, where you reconcile your accounting profit to arrive at taxable income. For this page, simply verify and enter the data as presented in your financials

Audited financial statements are mandatory for Corporate Tax filing if the company's annual turnover is greater than AED 50,000,000. (50M)

Does the Taxable Person account for any investments under the Equity Method of Accounting?



Yes  No

**What they're asking:** This question refers to a specific accounting method (as per IFRS) used for investments in **associates** (where your company has "significant influence," usually with 20-50% ownership). Under this method, your company recognizes its proportionate share of the investee's **net profit or loss directly in its own Income Statement**, rather than just dividends.

**Why it's important:** This question directly links to the **Participation Exemption** under UAE Corporate Tax Law. If an investment is accounted for under the Equity Method and also qualifies for the Participation Exemption (e.g., minimum 5% ownership, 12-month holding period, investee subject to 9%+ tax), the "share of profit" recorded in your P&L will be **disregarded for Corporate Tax purposes**. The CT Law aims to exempt only the actual dividends received and capital gains from such qualifying investments to prevent double taxation.

**When to click "Yes":** You should click "Yes" if your company has any investments that are accounted for using the Equity Method in its financial statements, as required by IFRS (IAS 28). **If you select "Yes," the system will then prompt you to provide the total amount of such income and losses that have been recognized in your Profit & Loss statement.**

Has the Taxable Person recognised any realised or unrealised gains or losses in the Financial Statements that will not subsequently be recognised in the Income Statement? i



Yes



No

**What they're asking:** This refers to specific gains or losses that, under IFRS, are recorded directly in **Other Comprehensive Income (OCI)** or directly in **Equity**, instead of flowing through your Profit & Loss (Income Statement). These are often unrealised changes in value (e.g., revaluation surplus on property, gains/losses on certain financial instruments).

**Why it's important:** Even though these amounts bypass the P&L, they can still impact your **Taxable Income** under UAE CT. The law allows for an **election to recognise gains and losses on a 'realisation basis'**. If this election is made, these unrealised gains/losses from OCI will generally **not be taxable or deductible until they are actually realised** (e.g., when the asset is sold). If no such election is made, the accounting treatment (including OCI movements) generally follows for CT purposes.

**When to click "Yes":** You should click "Yes" if your financial statements include items in **Other Comprehensive Income (OCI)** or direct adjustments to **Equity** that represent gains or losses not (and not expected to be) transferred to your main Income Statement. This is common for entities applying full IFRS to certain assets or liabilities.

## Transitional Adjustments

Has the Taxable Person held any Qualifying Immovable Property, Qualifying Intangible Assets or Qualifying Financial Assets or Qualifying Financial Liabilities during the Tax Period?



Yes  No

### Description of the Question:

This question in a UAE Corporate Tax Return aims to determine if the Taxable Person (a company or individual conducting business activity) owned certain specific types of assets or liabilities **before their first Corporate Tax Period began**. The purpose is to allow for an adjustment to the taxable gain or loss that arises when these assets or liabilities are eventually disposed of. This adjustment ensures that only the portion of the gain or loss that accrues *after* the Corporate Tax effective date is subject to Corporate Tax.

### Why this is important (Transitional Rules):

Imagine a company owned a piece of land for 10 years before Corporate Tax was introduced. This land appreciated significantly in value during those 10 years. If the company sells the land after Corporate Tax is effective, without transitional rules, the *entire* gain would be taxed. The transitional rules allow the company to exclude the portion of the gain that relates to the period *before* Corporate Tax.

**If you click "Yes", three other columns will pop up, saying the specific category of assets in which you take this advantage.**

This is where the details come in. If you answer "Yes" to having held such qualifying items, the tax return system will prompt you to specify which category they fall under, and subsequently, require you to provide specific schedules. This structured approach is for reporting the necessary details for the transitional relief calculation.

#### Exempt Income

Has the Taxable Person received any Dividends or Profit distributions from a UAE Resident Person?	<a href="#">i</a>	<a href="#">UAE Dividends Schedule</a>
<input checked="" type="radio"/> Yes <input type="radio"/> No		
Description		
Dividends and Profit distributions received from UAE Resident Persons (AED)		

**What they're asking:** This question directly asks if your company (the "Taxable Person") has received any dividends or other forms of profit distributions (e.g., from an LLC, public joint-stock company, or private joint-stock company) during the tax period, where the distributing entity is **also a UAE Resident Person** for Corporate Tax purposes.

**Why it's important:** This is crucial for the principle of avoiding double taxation within the UAE. Under Article 22(1) of the UAE Corporate Tax Law, dividends and other profit distributions received by a UAE Resident Person from another UAE Resident Person are generally exempt from Corporate Tax, with no specific conditions (unlike the Participation Exemption for foreign dividends, which has conditions like minimum ownership and a 9% foreign tax rate). This blanket exemption for domestic dividends prevents the same profits from being taxed repeatedly as they are distributed through a chain of UAE-resident companies.

**When to click "Yes":** You should click "Yes" if your company received any distributions of profits (such as dividends) from any other entity that is classified as a "UAE Resident Person" under the Corporate Tax Law during the relevant tax period. If you select "Yes," you will typically be prompted to declare the total amount of such dividends or profit distributions received

Has the Taxable Person derived any Income or Losses from a Participating Interest?

Yes  No

Participation Exemption Schedule

**What they're asking:** This question asks if your company has received any income (like dividends, profit distributions, or capital gains) or incurred losses from a significant ownership stake in another entity, known as a "Participating Interest."

**Why it's important:** This is crucial for the Participation Exemption under UAE Corporate Tax Law, designed to prevent double taxation on such income. If the investment qualifies as a "Participating Interest" (generally: 5%+ ownership, 12-month holding period, and the investee is subject to at least 9% corporate tax in its jurisdiction), then the related income is typically exempt from UAE Corporate Tax.

**When to click "Yes":** You should click "Yes" if your company has received dividends, profit distributions, or recognized capital gains/losses from the sale of shares, where that investment meets the criteria to be a "Participating Interest" for the Participation Exemption.

*The fourth page of the Corporate Tax filing concludes by addressing various crucial adjustments to your accounting profit. Here, we delve into:*

- *Income recorded in your financial statements that is exempt under tax concepts.*
- *Transitional adjustments related to assets and liabilities held prior to the Corporate Tax effective date.*
- *Exempt income due to the Participation Exemption* (e.g., qualifying dividends and capital gains from significant shareholdings).
- *Exempt dividends and profit distributions received from UAE resident juridical persons*, ensuring no cascading taxation.

*Successfully filling out these sections completes this page, moving you closer to your final Corporate Tax calculation.*

#### Transfers within a Qualifying Group

Does the Taxable Person need to make any adjustments in the current Tax Period as a result of the application of the relief for transfers within a Qualifying Group?

Yes  No

**What they're asking:** This question specifically asks if your company (the "Transferee" of an asset/liability) needs to reverse, or "claw back," any previously granted Qualifying Group Relief for tax-neutral transfers. It means checking if the conditions that allowed for the tax-free transfer are still met.

**Why it's important (Clawback Provision):** The Qualifying Group Relief allows assets and liabilities to be transferred between eligible group members on a no-gain/no-loss basis (i.e., at net book value) for Corporate Tax purposes. However, this relief is conditional. If certain events occur within two years from the date of the original tax-neutral transfer, the relief is reversed, and the original gain or loss that was previously disregarded becomes taxable (or deductible) in the current tax period.

#### Common reasons for a "clawback" include:

- The asset or liability originally transferred within the Qualifying Group is subsequently transferred outside of that Qualifying Group to an unrelated party.
- The Transferor or Transferee ceases to be a member of the same Qualifying Group (e.g., due to changes in ownership structure, one entity leaving the group, or one entity becoming an exempt person/Qualifying Free Zone Person).

**When to click "Yes":** You should click "Yes" if your company, having previously received an asset/liability via a tax-neutral transfer under Qualifying Group Relief, has subsequently experienced an event during the current tax period that triggers a **clawback** as per Article 26(4) of the UAE Corporate Tax Law. If "Yes," you will then need to make the necessary adjustments to your Taxable Income to account for the previously untaxed gain or loss. If no such event occurred, you would select "No."

Has the Taxable Person received any Assets or Liabilities from a member of its Qualifying Group and the Transferor has elected for the relief for transfers within a Qualifying Group in the current Tax Period?

Yes  No

**What they're asking:** This question asks if your company (the recipient) has obtained any assets or liabilities from another company within its Qualifying Group, specifically when that transferring company has formally elected to apply the tax-neutral "relief for transfers within a Qualifying Group" (Article 26) for that transaction in the current tax period.

**Why it's important:** This ensures the consistent application of Qualifying Group Relief. If the transferor has elected this relief, the transfer is treated as occurring at net book value for Corporate Tax, resulting in no immediate taxable gain or loss for either party. Your "Yes" confirms your acknowledgment of this tax-neutral basis for the received assets/liabilities, impacting their future depreciation and disposal for tax purposes.

**When to click "Yes":** Select "Yes" if your company received assets or liabilities from a Qualifying Group member in the current period, and you've confirmed the transferring member claimed Qualifying Group Relief for that transfer.

Adjustments to depreciation which decrease Taxable Income in respect of the relief for transfer within a Qualifying Group (AED)

Adjustments to depreciation which increase Taxable Income in respect of the relief for transfer within a Qualifying Group (AED)

**What it means:** This column is for reporting **unrealised gains** related to an asset or liability that was previously transferred to your company on a tax-neutral basis under **Qualifying Group Relief (Article 26)**. It becomes relevant when a **clawback event** (as per Article 26(4)) for that original intra-group relief occurs in the current tax period. These are typically gains that arose from fair value changes in your accounting (e.g., in OCI) but were not immediately subject to Corporate Tax due to specific accounting treatments or prior elections.

**Why it's important:** When a clawback of Qualifying Group Relief is triggered (e.g., the asset is subsequently transferred outside the Qualifying Group within two years, or a group member leaves the group), the initial tax-neutral transfer is reversed. This means the original disregarded gain on the transfer becomes taxable. Additionally, any **unrealised gains** on the asset that were embedded or recognized in accounting but deferred for tax purposes (due to the tax-neutral nature of the intra-group transfer or accounting treatment) now need to be brought into the tax calculation. This ensures proper accounting for all economic gains when the relief is unwound.

**When to enter a value:** You would enter a value here if your company previously received an asset/liability under Qualifying Group Relief, and a clawback event for that specific relief has occurred in the current tax period, necessitating the recognition of previously unrealised gains for tax purposes.

Does the Taxable Person need to make any adjustments in the current Tax Period as a result of the application of Business Restructuring Relief?

Yes  No

This question checks if your company needs to "**claw back**" previously granted **Business Restructuring Relief (Article 27)**. This relief allowed tax-neutral transfer of a business or part of a business. A clawback is triggered if specific conditions (e.g., subsequent disposal of the transferred business or sale of shares in the Transferor/Transferee) are breached within two years of the original transfer, making the original disregarded gain/loss taxable in the current period. Select "Yes" if such a triggering event has occurred

Has the Taxable Person received a Business or an independent part of a Business during the Tax Period and the Transferor has elected for Business Restructuring Relief?

Yes  No

**What they're asking:** This question is directed at your company as the recipient of a significant part of, or an entire, business. It asks if you have received a business or a clearly defined independent part of a business from another taxable entity, and crucially, if the transferring entity (the 'Transferor') has formally elected to apply Business Restructuring Relief (Article 27) for that transaction in the current tax period.

**Why it's important:** This ensures consistency and proper application of the tax-neutral treatment for qualifying business reorganizations. If the Transferor has elected this relief, the transfer is treated as occurring at net book value for Corporate Tax, meaning no immediate taxable gain or loss arises for either party. By confirming this from the recipient's side, the FTA ensures both entities are aligned on the tax treatment. The Transferee is then generally required to adopt the Transferor's net book value for the transferred business assets and liabilities for tax purposes.

**When to click "Yes":** You should click "Yes" if your company received a business or an independent part of a business during the current tax period, and you have confirmed that the transferring entity has formally elected for Business Restructuring Relief for that specific transfer in their Corporate Tax filing. This acknowledges your acceptance of the tax-neutral basis for the received business.

Excluded unrealised Gains in respect of Assets or Liabilities which were previously subject to the relief (AED) 

Excluded unrealised Losses in respect of Assets or Liabilities which were previously subject to the relief (AED) 

**What it means:** This field is used to report **unrealised gains** related to assets or liabilities that were part of a **Business Restructuring Relief (Article 27)** transaction. It becomes relevant when a **clawback event** for that original BRR occurs in the current tax period. These are typically gains (e.g., from fair value changes in your accounting like in OCI) that were previously not immediately subject to Corporate Tax, perhaps due to the tax-neutral nature of the restructuring or if the "Realization Basis" election (Article 20(3)) was applied.

**Why it's important:** When a clawback of Business Restructuring Relief is triggered, the original tax-neutral transfer is reversed. This means the underlying gain that was initially disregarded now becomes taxable. This column ensures that any **unrealised gains** on the asset that were embedded or recognized in accounting but deferred for tax purposes also get correctly included in the taxable income calculation upon the clawback, preventing long-term deferral or avoidance of tax on realized economic gains.

**When to enter a value:** You would enter an amount here if your company was involved in a Business Restructuring Relief transaction, and a clawback event for that specific relief has occurred in the current tax period, requiring the recognition of previously unrealised gains for tax purposes.

*On the fifth page of the Corporate Tax filing, the focus shifts to various reliefs that a company may have applied, and any resulting adjustments for the current tax period. This page specifically addresses the implications of two key reliefs: Qualifying Group Relief for intra-group transfers and Business Restructuring Relief. Here, you'll provide details on how these reliefs have been utilized, and report any necessary adjustments stemming from their application or potential clawback events during the current year*

*On the sixth page of the Corporate Tax filing, we will primarily focus on the adjustments required to convert the accounting profit (or loss) that was determined on the third page into the company's Taxable Income. This crucial section is where specific provisions of the Corporate Tax Law are applied to reconcile accounting figures with tax-deductible expenses, non-taxable income, and other tax-specific treatments, ultimately leading to the final amount on which Corporate Tax will be calculated.*

#### Adjustments for Non-deductible Expenditure

Description	Total Amount (AED)
Non-deductible Entertainment expenditure (AED) <span style="color: #0070C0;">i</span>	
Non-deductible Pension contributions (AED) <span style="color: #0070C0;">i</span>	
Charitable donations made to entities that are not Qualifying Public Benefit Entities (AED) <span style="color: #0070C0;">i</span>	
Expenditure incurred in deriving Exempt Income other than Interest expenditure (AED)	
Dividends, profit distributions or benefits of a similar nature paid to an owner of the Taxable Person (AED)	
Expenses not wholly and exclusively incurred for the purposes of the Business (AED)	
Other non-deductible expenditure (AED)	

your financial statements, are **not allowed as deductions for Corporate Tax purposes** under the UAE CT Law. Therefore, you will need to 'add back' these amounts to your accounting profit. This involves making all seven of the adjustments we've just discussed, ensuring your final income figure correctly reflects what is subject to tax.

Non-deductible Entertainment expenditure (AED) i

#### 1. Non-deductible Entertainment expenditure (AED)

- Difference from Accounting:** In accounting (IFRS), all legitimate entertainment expenses are typically fully expensed.
- Tax Change:** For CT, entertainment expenses provided to clients, customers, or suppliers are only 50% deductible. The other 50% is non-deductible.
- What to Enter:** Enter the **50% portion** of client/customer/supplier entertainment expenditure that is **not deductible** for Corporate Tax.

Non-deductible Pension contributions (AED) 

## 2. Non-deductible Pension contributions (AED)

- **Difference from Accounting:** In accounting, all reasonable pension contributions are expensed.
- **Tax Change:** For CT, pension contributions are deductible only up to **15% of the employee's remuneration** for the relevant Tax Period. Contributions exceeding this limit are non-deductible.
- **What to Enter:** Enter the amount of pension contributions that **exceeds the 15% deductible limit**.

Charitable donations made to entities that are not Qualifying Public Benefit Entities (AED) 

## 3. Charitable donations made to entities that are not Qualifying Public Benefit Entities (AED)

- **Difference from Accounting:** In accounting, all donations made are typically expensed.
- **Tax Change:** For CT, donations are **only deductible if made to a "Qualifying Public Benefit Entity"** (an officially recognized list issued by a Cabinet Decision). Donations to any other entity are non-deductible.
- **What to Enter:** Enter the total amount of donations made to charities or organizations that are **NOT on the official list** of Qualifying Public Benefit Entities.

Expenditure incurred in deriving Exempt Income other than Interest expenditure (AED)

#### 4. Expenditure incurred in deriving Exempt Income other than Interest expenditure (AED)

- **Difference from Accounting:** Expenses are typically recognized to derive any income, regardless of its tax status.
- **Tax Change:** For CT, expenses incurred specifically to derive **Exempt Income** (e.g., expenses related to a Qualifying Foreign Permanent Establishment if its income is elected as exempt, or costs related to qualifying dividends) are **not deductible**. The principle is: if the income isn't taxed, the costs to generate it aren't deductible.
- **What to Enter:** Enter the amount of expenditure (excluding interest) that was incurred to earn income that is **exempt from Corporate Tax**.

Dividends, profit distributions or benefits of a similar nature paid to an owner of the Taxable Person (AED)

#### 5. Dividends, profit distributions or benefits of a similar nature paid to an owner of the Taxable Person (AED)

- **Difference from Accounting:** These are typically treated as distributions of profit (from equity) or sometimes as expenses if structured as remuneration.
- **Tax Change:** For CT, these payments/distributions to an owner (e.g., shareholder, partner) that are effectively a distribution of profits, rather than genuine arm's length remuneration for services, are **non-deductible**. This prevents disguised profit extraction as deductible expenses.
- **What to Enter:** Enter any amounts paid to owners (or connected persons) that represent **profit distributions or benefits in lieu of salary/services** which are not genuinely "wholly and exclusively" incurred for the business at arm's length.

## Expenses not wholly and exclusively incurred for the purposes of the Business (AED)

**6. Expenses not wholly and exclusively incurred for the purposes of the Business (AED)**

- **Difference from Accounting:** Accounting recognizes all legitimate expenses of the entity, even if they have a minor non-business element.
- **Tax Change:** This is a fundamental CT principle. Any expense that was **not incurred "wholly and exclusively" for the purpose of generating business income** (e.g., personal expenses of owners/employees, lavish expenses without clear business purpose) is **non-deductible**.
- **What to Enter:** Enter any expenditure that clearly does not serve a direct business purpose or has a personal element that is not justifiable as part of an arm's length transaction.

## Other non-deductible expenditure (AED)

**7. Other non-deductible expenditure (AED)**

- **Difference from Accounting:** This is a catch-all for accounting expenses not explicitly listed elsewhere.
- **Tax Change:** This serves as a residual category for any other expenses recognized in your financials that are **explicitly non-deductible** under the CT Law or its Cabinet Decisions, or otherwise do not meet the "wholly and exclusively" test, but don't fit the specific categories above. Examples could include certain fines/penalties (if not specifically listed in another field), illicit payments (bribes), or certain capital expenditures mistakenly expensed.
- **What to Enter:** Aggregate and enter the total of any remaining expenses that are **non-deductible for CT purposes** but were included in your accounting profit.

Has the Taxable Person incurred Net Interest Expenditure in the current Tax Period which together with any Net Interest Expenditure carried forward exceeds AED 12 million i

Yes  No

**What they're asking:** This question aims to identify if your company's **Net Interest Expenditure** (meaning total interest expense less total interest income) for the current tax period, when combined with any Net Interest Expenditure that was **carried forward** from previous tax periods, surpasses the specific threshold of **AED 12 million**.

**Why it's important (Interest Deduction Limitation Rule):** The UAE Corporate Tax Law includes a significant **Interest Deduction Limitation Rule (Article 30)**. This rule is designed to prevent excessive interest deductions that could erode the tax base, particularly for highly leveraged companies. If your combined net interest expenditure (current + carried forward) exceeds AED 12 million, your deduction for interest will generally be capped at **30% of your Adjusted Taxable Income (ATI)** for the Tax Period. Any interest expense exceeding this 30% cap can usually be carried forward and deducted in future tax periods (up to 10 years), subject to the same limitation. The AED 12 million threshold acts as a de minimis rule, meaning if your net interest is below this, the 30% ATI rule typically won't apply.

**When to click "Yes":** You should click "Yes" if, after calculating your Net Interest Expenditure for the current tax period and adding any unutilised Net Interest Expenditure carried forward from prior periods, the total amount is greater than AED 12 million. If you select "Yes," you will then be required to calculate and apply the 30% of ATI limitation.

Does the Taxable Person wish to deduct any brought forward Net Interest Expenditure in the current Tax Period?

Yes  No

This question asks if your company wishes to claim a deduction for **Net Interest Expenditure** that was incurred in **previous tax periods but could not be fully deducted** at that time due to the Corporate Tax interest limitation rules. Selecting "Yes" allows you to utilize these prior disallowed amounts, subject to the current period's deduction limits (e.g., the 30% of Adjusted Taxable Income cap and the AED 12 million threshold).

Description
Amounts which are non-deductible as a result of the Specific Interest Deduction Limitation Rule (AED)

**What it means:** This field requires you to state the exact amount of **Net Interest Expenditure** that your company **cannot deduct** in the current Tax Period. This figure is the direct result of applying the Interest Deduction Limitation Rule (Article 30 of the CT Law).

**Why it's important:** As discussed, if your combined Net Interest Expenditure (current + carried forward) exceeds **AED 12 million**, or if the amount is greater than **30% of your Adjusted Taxable Income (ATI)**, then the excess portion becomes non-deductible for the current period. This column is where you report that disallowed amount. This non-deductible interest is generally eligible to be **carried forward** and potentially deducted in future Tax Periods, subject to the same limitations, for up to 10 years.

**What to Enter:** Enter the precise monetary value of your **Net Interest Expenditure** that, after applying the rules of Article 30 (including the AED 12 million threshold and the 30% of ATI cap), is **not permitted as a deduction** against your Taxable Income in the current Tax Period.

Were there any transactions with Related Parties in the current Tax Period?

Yes  No

**What they're asking:** This question seeks to determine if your company (the "Taxable Person") engaged in any transactions with entities or individuals that are considered "**Related Parties**" during the current tax period. A Related Party is broadly defined as a person or entity that can control, or be controlled by, your company, or that is under common control with your company. This includes partners, certain individuals (e.g., owners, directors, their relatives), and other group entities where there's influence.

**Why it's important (Transfer Pricing):** This question is the gateway to **Transfer Pricing** compliance. The UAE Corporate Tax Law requires that all transactions between Related Parties be conducted at "**arm's length**", meaning on terms and conditions that would have been agreed upon by independent parties in comparable uncontrolled transactions. If Related Party transactions exist, they are subject to scrutiny to ensure fair market pricing, preventing artificial shifting of profits.

**When to click "Yes":** You should click "Yes" if your company conducted any form of transaction (e.g., sales, purchases, loans, services, leases of property, transfer of intangibles) with any entity or individual that meets the definition of a "Related Party" as per the UAE Corporate Tax Law. If you answer "No," it implies you had no such transactions

Did the aggregate value of all transactions with Related Parties exceed AED 40 million?

Yes  No

**What they're asking:** This question asks for the **total combined value** of all transactions (both income and expenses) that your company conducted with all its Related Parties during the current tax period.

**Why it's important (Documentation Threshold):** The AED 40 million threshold is a critical figure for **Transfer Pricing documentation requirements**. If the aggregate value of your Related Party transactions exceeds this amount, your company will generally be required to maintain **Transfer Pricing documentation**, specifically a **Master File** and a **Local File**. These documents provide detailed information about your group's global business, the nature of your Related Party transactions, and the analysis demonstrating that they comply with the arm's length principle.

**When to click "Yes":** You should click "Yes" if the sum of all transactions (sales, purchases, loans, services, etc.) with all your Related Parties in the current Tax Period adds up to **more than AED 40 million**. If you select "Yes," it signals that you will likely need to comply with the Master File and Local File documentation requirements for Transfer Pricing.

#### Additions as a result of adjustments to transactions which were not at arm's length (AED)

**What it means:** This field is where you report the total amount by which your **Taxable Income needs to be increased** because your transactions with **Related Parties** (or Connected Persons) during the current tax period were **not conducted at arm's length**. "Arm's length" means the terms and prices of the transaction were not what independent parties would have agreed upon in similar circumstances. If your company's accounting profit was too low (e.g., you sold goods to a related party at a price lower than market value, or bought services from a related party at a price higher than market value), this section requires you to add back the difference to increase your taxable profit.

**Why it's important:** The UAE CT Law mandates that all Related Party transactions adhere to the **Arm's Length Principle**. If a transaction is found to be outside the arm's length range, the FTA (or the Taxable Person making a self-adjustment) has the power to adjust the taxable income to reflect what it *should have been* if the transaction was at arm's length. This addition ensures that profits are not artificially shifted out of the UAE or understated.

**What to Enter:** Enter the positive amount by which your accounting profit (or loss) needs to be increased to bring the non-arm's length transactions in line with arm's length conditions.

**Deductions as a result of adjustments to transactions which were not at arm's length (AED)**

**What it means:** This field is where you report the total amount by which your **Taxable Income needs to be decreased** because your transactions with **Related Parties** (or Connected Persons) were **not conducted at arm's length**. This typically occurs when your company's accounting profit was too high (e.g., you bought goods from a related party at a price lower than market value, or sold services to a related party at a price higher than market value), and a downward adjustment is required for tax purposes.

**Why it's important:** While less common for a taxpayer's self-assessment (as downward adjustments resulting in reduced taxable income usually require pre-approval from the FTA as per current guidance), this field allows for adjustments where a non-arm's length transaction has led to an overstatement of taxable income. This ensures fairness and adherence to the Arm's Length Principle. Such deductions may arise from corresponding adjustments following an upward adjustment by a foreign tax authority under a Double Taxation Agreement, or specific approved domestic adjustments.

**What to Enter:** Enter the positive amount by which your accounting profit (or loss) needs to be decreased to bring the non-arm's length transactions in line with arm's length conditions. (Note: While a decrease, it's entered as a positive value in this deduction field)

Gains in relation to assets or liabilities previously received from Related Parties at a non-arm's length price (AED) 

Losses in relation to assets or liabilities previously received from Related Parties at a non-arm's length price (AED) 

These fields are for reporting **adjustments to your taxable gains or losses** when you **dispose of an asset or settle a liability** that you had previously acquired from a **Related Party at a price that was not at arm's length**. If the original transfer price was artificially low, it would artificially inflate your subsequent accounting gain (requiring an "Addition" for tax); conversely, if the original price was artificially high, it would artificially reduce your accounting gain or increase your loss (requiring a "Deduction" for tax). This ensures that the ultimate gain or loss recognized for Corporate Tax purposes reflects what it would have been if all prior Related Party transactions had occurred at arm's length. Enter the amount of the required adjustment in the respective "Gains" (for additions) or "Losses" (for deductions) field.

Were there any gains / losses realised in the current Tax Period in relation to assets/liabilities previously received from a Related Party at a non-arm's length price?

Yes  No

**What they're asking:** This question seeks to determine if your company has, in the current Tax Period, disposed of an asset or settled a liability that you had previously acquired from a Related Party (or Connected Person) at a price that was *not* consistent with the arm's length principle. It's looking for the realization (through sale, disposal, or settlement) of an asset or liability whose initial acquisition price was distorted by related party influence.

**Why it's important:** This question is crucial for ensuring the Arm's Length Principle is upheld throughout the asset's lifecycle, not just at the initial transaction. If an asset was acquired from a Related Party at an artificially low (or high) price, the gain or loss recognized upon its subsequent disposal could be distorted. The UAE Corporate Tax Law requires an adjustment to ensure the taxable gain or loss reflects what it would have been if the asset had been acquired at its arm's length price initially. Answering "Yes" here triggers the need to make those specific adjustments.

**When to click "Yes":** You should click "Yes" if your company sold an asset or settled a liability in the current Tax Period, and that asset or liability was originally acquired from a Related Party (or Connected Person) at a price that deviated from market value. If you select "Yes," you will then be prompted to quantify the specific "Gains" or "Losses" adjustments required due to this non-arm's length initial acquisition.

Were there any transactions with Connected Persons in the current Tax Period?

Yes  No

**What they're asking:** This question seeks to determine if your company engaged in any transactions with individuals or entities classified as "**Connected Persons**" during the current tax period. The definition of a "Connected Person" under UAE CT Law is very specific and generally includes:

- An owner of the Taxable Person (a natural person who directly or indirectly controls or holds ownership).
- A director or officer of the Taxable Person.
- An individual related to an owner, director, or officer (up to the fourth degree of kinship or affiliation).
- Any other partner in an unincorporated partnership (if the taxable person is one).
- A "Related Party" of any of the above.

**Why it's important (Specific Deductibility Rules):** While "Related Parties" generally involve entities with common control, "Connected Persons" often include key management, owners, and their close family members. The UAE CT Law (Article 37) has specific rules for payments or benefits provided by a Taxable Person to a Connected Person. Such payments are only deductible for Corporate Tax purposes if they:

1. **Reflect the market value** of the service or benefit received (i.e., comply with the arm's length principle).
2. Are **incurred wholly and exclusively** for the purposes of the Taxable Person's Business. This question acts as a flag for the FTA to identify and potentially scrutinize such transactions, ensuring that profit is not artificially shifted out of the taxable entity through non-arm's length payments to individuals.

**When to click "Yes":** You should click "Yes" if your company has made any payments or provided any benefits (e.g., salary, bonus, loan interest, rent, services) to an individual or entity that meets the definition of a "Connected Person" during the current tax period. Answering "Yes" will typically trigger further questions about the nature and value of these transactions.

Did the aggregate value of transactions with at least one Connected Person exceed AED 500,000?

Yes  No

**What they're asking:** This question requires you to determine if the **total combined value** of all payments or benefits provided by your company to **any single Connected Person** (including their own related parties) exceeded **AED 500,000** during the current tax period. This applies to the aggregate of all transactions with *each individual* Connected Person, not the sum of all transactions with *all* Connected Persons.

**Why it's important (Specific Disclosure Threshold):** This **AED 500,000 threshold** is a key trigger for detailed disclosure regarding transactions with Connected Persons. While all transactions with Connected Persons are subject to the arm's length principle and deductibility rules (Article 37), exceeding this specific monetary threshold for **any one** Connected Person (or that Connected Person and their related parties) requires more granular reporting. It flags these higher-value relationships for closer review to ensure that the payments or benefits provided reflect market value and were incurred wholly and exclusively for the business's purposes.

**When to click "Yes":** You should click "Yes" if, for at least one specific individual or entity classified as a "Connected Person," the total value of all transactions (payments or benefits) your company had with them (and their related parties, if any) sums up to more than AED 500,000 in the current tax period. Selecting "Yes" will prompt you to provide further details on these significant transactions.

#### Additions as a result of adjustments to transactions which were not at arm's length (AED)

This field is for reporting the amount by which your company's accounting profit needs to be **increased** because payments or benefits provided to **Connected Persons** (such as owners, directors, or their relatives) during the Tax Period **did not reflect market value** and/or were not incurred wholly and exclusively for the business. The UAE CT Law only allows deductions for such payments if they meet these arm's length conditions. Therefore, any excess amount paid above market value, or for non-business purposes, must be added back to your taxable income.

Has the Taxable Person been an Investor in a Qualifying Investment Fund in the current Tax Period or any previous Tax Periods?

Yes  No

**What they're asking:** This question seeks to establish if your company (the "Taxable Person") has held an investment, either currently or in any past tax period, in an entity that qualifies as a "Qualifying Investment Fund (QIF)" under the UAE Corporate Tax Law. A QIF is a specific type of investment fund that, upon meeting certain conditions (e.g., regulatory oversight, diversified ownership, main purpose not tax avoidance), can apply for an exemption from Corporate Tax on its income.

**Why it's important (Tax Neutrality for Investors):** The UAE CT Law aims to provide tax neutrality for investors in qualifying investment funds. Generally, if a QIF is exempt, the income distributed by that QIF to its taxable investors may also be exempt from Corporate Tax in the hands of the investor (subject to specific conditions regarding investor ownership/control thresholds). By asking this, the FTA identifies taxable persons who may be eligible for such an exemption on income derived from their QIF investments or who might need to make specific adjustments related to their investment in such funds.

**When to click "Yes":** You should click "Yes" if your company currently holds an investment, or has held an investment in any previous tax period, in an investment fund that meets (or met) the criteria to be recognized as a "Qualifying Investment Fund" under the UAE Corporate Tax Law and relevant Cabinet Decisions. Answering "Yes" may lead to further questions about the nature of the investment and any income derived from it.

Taxable Person's share of net Interest income attributed by the Qualifying Investment Fund(s) during the Tax Period (AED)

Taxable Person's share of net rental income attributed by the Qualifying Investment Fund(s) during the Tax Period (AED)

Taxable Person's share of net Exempt Income attributed by the Qualifying Investment Fund(s) during the Tax Period (AED)

Taxable Person's share of other income attributed by the Qualifying Investment Fund(s) during the Tax Period (AED)

Dividends or other distributions declared by the Taxable Person from Qualifying Investment Fund(s) in the current Tax Period (AED)

**What they're asking:** These fields collectively require the Taxable Person (as an investor) to report their specific share of various income types (Interest, Rental, Exempt, Other) that were **attributed** by a Qualifying Investment Fund (QIF) during the Tax Period. Additionally, the last field asks for the total **dividends or other distributions** the Taxable Person actually received from QIFs during the current period.

**Why it's important:** While a QIF itself may be exempt, the UAE CT Law often attributes the QIF's underlying income directly to its investors for tax purposes, based on their proportional share. This ensures **tax neutrality**, treating the investor as if they earned the income directly. Income types like "net interest income" or "net rental income" from the QIF will generally be taxable to the investor, while "net exempt income" (e.g., qualifying dividends received by the QIF) might remain exempt for the investor. The final "dividends or other distributions" field helps reconcile actual cash received with the attributed income, preventing double taxation as previously attributed income should not be taxed again when distributed.

**What to Enter:** For each specific income category (Interest, Rental, Exempt, Other), enter your company's proportional share of that income as reported or attributed by the Qualifying Investment Fund in its financial statements for the current period. For the "Dividends or other distributions" field, enter the total amount of cash or in-kind distributions actually received from QIF(s) during the current Tax Period.

Any other adjustments not captured above?

Yes  No

**What they're asking:** This is a catch-all field designed to capture any remaining adjustments to your accounting profit or loss that are required by the UAE Corporate Tax Law but haven't been specifically provided for in the preceding fields of the tax return. It allows for flexibility in reporting unique or less common tax adjustments.

**Why it's important:** This field ensures that the reconciliation from accounting profit to Taxable Income is complete and accurate. Even with a comprehensive tax form, there might be specific scenarios or new guidance that requires an adjustment not covered by predefined categories. This acts as a residual category to include such items, ensuring full compliance with the law's intention to arrive at the correct Taxable Income.

**What to Enter:** You should enter the net amount of any adjustments (positive or negative) that are required by the UAE Corporate Tax Law but are not specifically catered for in any other line item of the tax return. This could include very specific circumstances outlined in Ministerial Decisions, clarifications from the Federal Tax Authority, or highly unique transactions requiring a bespoke adjustment for tax purposes. You would typically need to maintain clear supporting documentation for any amounts entered here.

## Page 7: Tax Liability, Loss Relief, and Payment Summary

This page serves as the final reconciliation of your company's tax position for the current period. Your **Taxable Income** will be automatically populated here, incorporating all the accounting profit figures, exempt income calculations, non-deductible expense add-backs, relief applications, and arm's length/Connected Person adjustments made on the earlier pages (Pages 3 to 6).

The primary focus of this page is to apply any available **Tax Loss Relief**. If your company incurred tax losses in previous periods, you will have the opportunity here to offset those losses against the current period's Taxable Income, subject to the **75% limitation** (meaning you can generally only offset up to 75% of your current taxable income with brought-forward losses). After applying any eligible tax loss relief, the page will display your **net Taxable Income** for the current period, which is the amount subject to the Corporate Tax rate.

Finally, this page will also present the **remaining Tax Losses available for carry forward** to future tax periods (which can generally be carried forward indefinitely, subject to certain conditions). Crucially, it will clearly show the **Net Tax Payable** by your company to the Federal Tax Authority (FTA) for the current Tax Period, after accounting for any applicable foreign tax credits. This is the ultimate figure you are required to pay to the FTA by the due date.

Does the Taxable Person wish to claim Tax Losses from, or surrender Tax Losses to, another group entity? i

Yes  No

**What they're asking:** This question allows your company to indicate whether it intends to either **receive and utilize (claim)** tax losses from another eligible entity within the same Qualifying Group, or to **transfer (surrender)** its own tax losses to another eligible group entity, for the purpose of reducing that entity's (or your own) taxable income in the current period. This is distinct from carrying forward your own losses.

**Why it's important (Tax Loss Transfer / Group Relief):** The UAE Corporate Tax Law permits the transfer of tax losses between certain group entities, even if they are not part of a formal Tax Group (which files a single return). This enables a group to offset the profits of one entity with the losses of another, thereby reducing the overall Corporate Tax liability for the group as a whole. This transfer is subject to strict conditions, including a minimum 75% common ownership, both entities being Resident Juridical Persons, having the same financial year-end and accounting standards, and neither being an Exempt Person or Qualifying Free Zone Person.

**When to click "Yes":** You should click "Yes" if your company has incurred a tax loss that you wish to surrender to an eligible group entity, or if your company has taxable income and wishes to claim a tax loss from another eligible group entity, provided all the conditions for tax loss transfer under Article 38 are met. Answering "Yes" will prompt you for further details about the transferring or claiming entity and the amount of loss involved.

#### Tax Losses utilised in current Tax Period (AED)

**What it means:** This field is where you input the total amount of **prior period tax losses** (either generated by your company and carried forward, or claimed from another eligible group entity) that you are specifically choosing to **offset against your current Taxable Income**. This directly reduces the profit amount on which your Corporate Tax will be calculated.

**Why it's important:** This field is the core mechanism for **Tax Loss Relief (Article 37)**, designed to provide relief to businesses by allowing them to recover from periods of loss-making. The amount you can utilize in any given tax period is generally limited to **75% of your current Taxable Income** (before applying any loss relief). Any unused portion of available tax losses can typically be carried forward for an indefinite period (subject to certain conditions like continuity of ownership/business).

**What to Enter:** Enter the specific monetary value of tax losses you are applying as a deduction against your current period's Taxable Income, ensuring the amount does not exceed the 75% utilization limit for the current period.

#### Tax Losses claimed from other group entities (AED)

**What it means:** This field is where your company (the 'recipient' entity) enters the specific amount of **tax losses that it has formally claimed and received** from one or more other eligible entities within its **Qualifying Group** during the current Tax Period, as per Article 38 of the UAE Corporate Tax Law.

**Why it's important:** This allows your company to **reduce its current Taxable Income** by utilizing losses generated by other profitable group members, thereby optimizing the overall tax position of the group. These claimed losses are then included in the total "Tax Losses utilised in current Tax Period" field, and are subject to the same **75% utilization limit** of your current period's taxable income, just like your own brought-forward losses. This mechanism offers significant tax efficiency for qualifying groups even without forming a formal Tax Group.

**What to Enter:** Enter the total amount of tax losses that your company has received and is utilizing from other eligible group entities in the current Tax Period, ensuring all conditions for tax loss transfer are met.

Does the Taxable Person wish to use any available Tax Credits?

Yes  No

**What they're asking:** This question prompts your company to indicate whether it intends to utilize any eligible **Tax Credits** to directly reduce its Corporate Tax payable for the current period. These credits are distinct from deductions or exemptions; they are typically amounts that reduce the *tax liability itself*, not just the taxable income.

**Why it's important (Foreign Tax Credit):** The primary tax credit available under the UAE Corporate Tax Law is the **Foreign Tax Credit (Article 47)**. This is crucial for preventing **double taxation**. If your company (as a UAE Resident Person) has earned income from a foreign jurisdiction that is also subject to UAE Corporate Tax, and you have already paid corporate tax (or an equivalent income tax) on that income in the foreign country, you can claim a credit for the foreign tax paid. This credit directly reduces your UAE Corporate Tax liability on that same income. The credit is usually limited to the amount of UAE Corporate Tax due on that specific foreign income. Any unutilized foreign tax credit cannot be carried forward or back.

**When to click "Yes":** You should click "Yes" if your company has paid Corporate Tax (or an equivalent income tax) in a foreign jurisdiction on income that is also included in your UAE Taxable Income for the current period, and you wish to claim this as a credit to reduce your UAE Corporate Tax liability. Selecting "Yes" will prompt you to provide details of the foreign tax paid and the relevant income.

Have any estimated figures been included in the Corporate Tax Return?

Yes  No

**What they're asking:** This question requires you to declare whether any of the financial figures or other data provided in your Corporate Tax Return are based on **estimates**, rather than on final, precise, and fully reconciled accounting records.

**Why it's important:** The Federal Tax Authority (FTA) expects Corporate Tax Returns to be based on accurate and complete financial records. Including estimated figures means that the final, auditable data may differ from what has been reported. While the UAE CT Law recognizes that in some limited circumstances, reasonable estimates may be unavoidable (e.g., for very recent transactions at the financial year-end), this declaration allows the FTA to be aware of such instances. It also places a responsibility on the Taxable Person to ensure that these estimates are reasonable and to be prepared to substantiate them or to submit an amended return once final figures are available.

**When to click "Yes":** You should click "Yes" if any amount entered in your Corporate Tax Return (e.g., revenue, expenses, adjustments, etc.) is not based on final, actual, reconciled figures from your accounting system but is instead based on an estimate. If you select "Yes," you may be required to provide further details or ensure that proper documentation and justification for these estimates are maintained.

## Page 7 & Final Review: Computation Summary and Declaration

This page represents the culmination of all your detailed work in the preceding sections of the Corporate Tax Return. Based on the figures and adjustments you have meticulously entered from your accounting profit through to various tax-specific modifications (including exempt income, non-deductible expenses, reliefs, and transfer pricing adjustments), your company's Taxable Income will be automatically calculated and displayed here.

On this page, you will primarily focus on the application of Tax Loss Relief. If your company has any available tax losses from previous periods (either carried forward from your own operations or transferred from other eligible group entities), this is where those losses are applied against your current period's Taxable Income, up to the 75% utilization limit. You'll then see the resulting net Taxable Income after applying these losses, as well as any remaining Tax Losses available for carry forward to future periods. Finally, after accounting for any applicable tax credits (such as Foreign Tax Credits), the Net Corporate Tax Payable to the Federal Tax Authority (FTA) will be clearly presented.

The very last page of the filing process (often a confirmation or declaration page) typically serves as a final, non-editable review opportunity. It provides a summary of all the key figures and declarations you've made. This is your ultimate chance to meticulously review every detail of your Corporate Tax Return before final submission to the FTA, ensuring accuracy and compliance.

*For the comprehensive purpose of this guide, we have deliberately delved into every available election and adjustment field within the Corporate Tax filing, discussing each in considerable detail. It is important to note, however, that for a typical client, many of these specific fields and elections may not be applicable. We emphasize that you should disregard any sections and elections that do not pertain to your client's specific financial activities or tax position. Our intention was to provide an exhaustive overview of all possibilities; this level of detail will therefore not be universally required for every single client's tax filing.*

**THANK YOU**



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