



Corporate Tax Filing Guide Under SBR

What is Small Business Relief (SBR)?

The Small Business Relief (SBR) is a key provision under Article 21 of the UAE Corporate Tax Law (Federal Decree-Law No. 47 of 2022). It allows eligible Resident Persons (both juridical and natural persons conducting business activities) to elect to be treated as having no Taxable Income for a specific Tax Period. In essence, it provides a 0% Corporate Tax rate for qualifying small businesses, significantly easing their tax burden and compliance requirements. This relief is available for tax periods starting from June 1, 2023, and ending on or before December 31, 2026.

Which Businesses Can Use SBR?

To be eligible for SBR, a business must meet the following key criteria:

- **Resident Person Status:** The business must be a Resident Person for UAE Corporate Tax purposes.
- **Revenue Threshold:** The total revenue of the business must not exceed AED 3,000,000 for the relevant Tax Period and for all previous Tax Periods ending on or before December 31, 2026. This is a cumulative threshold, meaning if revenue exceeds AED 3 million even once, the business becomes ineligible for SBR in that and all subsequent periods.
- **Exclusions:** The business must not be a Qualifying Free Zone Person or a member of a Multinational Enterprise (MNE) Group with consolidated group revenues exceeding AED 3.15 billion. It also generally excludes financial institutions and holding companies.
- **Election:** The relief is not automatic; the eligible business must formally elect for SBR in its Corporate Tax Return for each relevant Tax Period.

It is generally advisable for a company incurring a Tax Loss in the current period to carefully reconsider electing for Small Business Relief (SBR). This is because, under the UAE Corporate Tax Law, any tax losses incurred during a Tax Period for which SBR is elected cannot be carried forward to offset future taxable income. Furthermore, a company electing for SBR cannot be a part of a Tax Group, which means its losses also cannot be shared or surrendered to offset the taxable income of other eligible group members

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 i			

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 question requires you to confirm if your client's business is officially registered and operating within one of the UAE's many designated Free Zones (e.g., JAFZA, DIFC, DMCC, ADGM). While Free Zone companies may be eligible for a 0% Corporate Tax rate on "qualifying income" if they meet specific conditions to be a "Qualifying Free Zone Person (QFZP)", it is vital to remember that **a business cannot be both a QFZP and elect for Small Business Relief (SBR)**. These are mutually exclusive reliefs.

Why it's important (SBR Context): For a client seeking Small Business Relief, the answer to this question is critical for validating their SBR eligibility. The UAE Corporate Tax Law's Ministerial Decision on SBR explicitly states that a **Qualifying Free Zone Person is NOT eligible to claim Small Business Relief**. Therefore, if your client is indeed a Free Zone entity and meets the criteria to be a QFZP, they would typically fall under the Free Zone tax regime and cannot simultaneously benefit from SBR. This question helps ensure compliance with these specific exclusion rules.

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)

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



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 "Yes" is selected for SBR

This particular column presents a crucial election for your company. Based on the revenue figures declared on the initial pages, your business appears to meet the primary revenue threshold (currently AED 3 million or less) for eligibility for Small Business Relief (SBR).

While electing for SBR offers the significant benefit of a 0% Corporate Tax rate and simplified compliance for the current Tax Period, it's vital to understand the trade-offs. If your company opts for SBR, any tax losses incurred in this period cannot be carried forward to offset future taxable income. Furthermore, a company electing SBR cannot be a part of a Tax Group for the purpose of sharing or surrendering losses to other group entities.

By selecting 'Yes' for the Small Business Relief (SBR) election, you have essentially completed your SBR filing! This is typically all that's required to file under SBR. While you have the option to attach the company's financial statements, it's generally not mandatory for CT filing and therefore often isn't provided.

For the comprehensive purpose of this guide, we have deliberately delved into every available election and adjustment field within the Corporate Tax filing Under SBR, 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.



FINHIVE Consulting LLC - FZ
4010, The Citadel Tower
Business Bay - Dubai - UAE

letstalk@fin-hive.com
04 552 7971 | 058 100 7397
www.fin-hive.com