
United Arab Emirates

Local stock exchange

Abu Dhabi securities exchange

<http://www.adx.ae/>

Dubai Financial Markets PJSC

<http://www.dfm.ae/>

NASDAQ Dubai

<http://www.nasdaqdubai.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated and standalone/separate financial statements.

The UAE Commercial Companies Law No. 2 of 2015 which came into force on July 1, 2015 requires all companies to apply international accounting standards and practices when preparing their accounts. This is interpreted as the need to apply IFRS when preparing their financial statements. This law does not govern entities incorporated in the Dubai International Financial Centre (“DIFC”) and various free zones in the UAE. Entities incorporated in DIFC are required to prepare their financial statements in accordance with IFRS. Many of the free zones are silent on the accounting standards to be followed. However, certain free zone companies are required to follow the UAE Commercial Companies Law in cases where the law that governs them is silent on certain matters.

Entities in the DIFC regulated by the Dubai Financial Services Authority (“DFSA”), may use other acceptable accounting frameworks other than IFRS provided a waiver is obtained from the DFSA to use other acceptable frameworks.

Historic practice has been to prepare IFRS financial statements by most of the companies and particularly so, by companies audited by the Big 4.

Version of IFRS

IFRS as published by the IASB

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

No. All such entities are required to apply IFRS in their financial statements.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

As described above, the UAE Commercial Companies Law No. 2 of 2015 which came into force on July 1, 2015 requires application of IFRS when preparing their financial statements.

Some entities in the DIFC regulated by the Dubai Financial Services Authority (DFSA) may prepare and maintain their financial statements in accordance with IFRS for Small

and Medium Sized Entities (SME) where that standard applies to them. Such entities are required to meet certain requirements specified in the DFSA Rulebook – General Module.

Version of IFRS

IFRS as published by the IASB

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

The UAE Central Bank requires financial statements for banks, finance companies and investment companies operating in the UAE to be prepared in accordance with IFRS. The decision to apply IFRS was communicated by the UAE Central Bank through its Circular No. 20/99 dated January 25, 1999.

The Insurance Authority of the UAE through its Financial Regulations for Insurance Companies require insurance companies to prepare their financial statements in accordance with IFRS.

IFRS conversion plans

Plans for converging

Not applicable

Tax information

Type of tax regime

Quasi-dependent: Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

Comments on tax regime

At present only foreign banks and foreign oil companies in Sharjah, Dubai and Abu Dhabi (three out of seven Emirates that make up the UAE) are subject to income tax based on a decree. There are few adjustments made to the profit or loss as reported in these entities statutory accounts. In addition courier companies are subject to a levy on a percentage of revenue. Telecom companies are required to pay a royalty on revenue and/or profits.

Plans for IFRS converging as the basis of tax reporting

Not applicable. IFRS and IFRS for SMEs are already used as basis for tax reporting.