



Monthly Updates on Tax

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TAX NEWS LETTER

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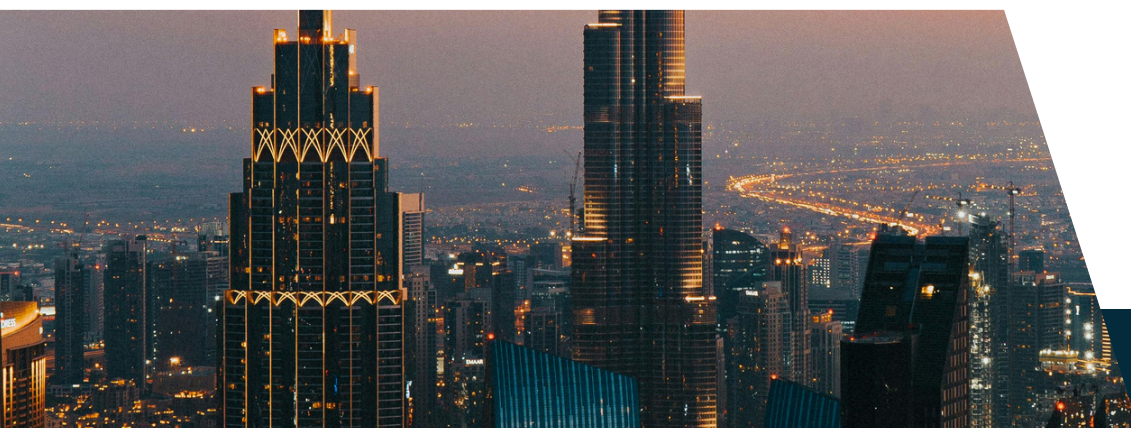
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United Arab Emirates (UAE)

CORPORATE TAX

MINISTERIAL DECISION ('M.D') NO. 173 OF 2025 ON DEPRECIATION ADJUSTMENTS FOR INVESTMENT PROPERTIES HELD AT FAIR VALUE FOR THE PURPOSE OF UAE CORPORATE TAX LAWS



The UAE Ministry of Finance (MoF) has issued M.D 173/2025 (applicable to tax periods commencing on or after 01st January, 2025) which provides a mechanism for taxable persons holding investment properties measured at fair value under IFRS to claim a notional depreciation deduction for corporate tax purposes. Taxpayers who have opted to recognize gains and losses on a realisation basis (under Article 20(3) of the Corporate Tax Law) may make an irrevocable election to apply depreciation at the lower of 4 % of the property's original cost per year or its tax written-down value. This election applies to all investment properties held at fair value and must be made in the tax return for the relevant period.

Upon realisation of an investment property—through sale, derecognition, change in accounting policy, or cessation of business—the total depreciation previously claimed must be added back to taxable income.

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MINISTERIAL DECISION ('M.D') NO. 229 OF 2025 REGARDING QUALIFYING ACTIVITIES AND EXCLUDED ACTIVITIES FOR THE PURPOSES FOR THE PURPOSE OF UAE CORPORATE TAX LAWS

Ministerial Decision No. 229 of 2025 updates and clarifies the list of Qualifying and Excluded Activities for the purposes of the UAE Corporate Tax Law and the 0% Free Zone regime. It replaces Ministerial Decision No. 265 of 2023 and introduces key refinements—most notably, the definition of “Qualifying Commodities” now focuses on commodities with a quoted price from recognized exchanges or reporting agencies, rather than limiting eligibility to those in raw form. The Decision expands on qualifying activities such as manufacturing, processing, trading of qualifying commodities, ship operations, financial services to related parties, aircraft leasing, logistics, and distribution from Designated Zones. It also provides detailed definitions for related terms like Recognised Commodity Exchange Market, Associated By-products, and Related Commodity.

MINISTERIAL DECISION ('M.D') NO. 230 OF 2025 ON SPECIFICATION OF RECOGNISED PRICE REPORTING AGENCIES FOR THE PURPOSES OF MINISTERIAL DECISION NO. 229 OF 2025 UNDER THE UAE CORPORATE TAX LAWS

M.D 230/2025 lists the recognised price reporting agencies for the purposes of Ministerial Decision No. 229 of 2025.

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PUBLIC CLARIFICATION – APPLICATION OF THE VALUATION METHOD UNDER THE TRANSITIONAL RULES AS SET OUT IN MINISTERIAL DECISION NO. 120 OF 2023 ON DISPOSAL OF QUALIFYING IMMOVABLE PROPERTY BY A REAL ESTATE DEVELOPER THAT IS A TAXABLE PERSON



The UAE Federal Tax Authority's has published the Public clarification on Application of the valuation method under the transitional rules on disposal of Qualifying Immovable Property by a real estate developer that is a Taxable Person.

The purpose of this Public Clarification is to clarify the application of the valuation method under the transitional rules to real estate developers that are Taxable Persons making off-plan sales and recognising the revenue from those sales over the period of construction in line with IFRS 15, or equivalent standard under IFRS for SMEs, in respect of projects under construction (and not yet completed before the start of the first Tax Period) in the following situations:

- Where land was owned before the first Tax Period and the construction commenced after the start of the first Tax Period.

- Where the project is work in progress at the start of the first Tax Period and the construction commenced before the first Tax Period.

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PUBLIC CLARIFICATION – FINANCIAL STATEMENTS AND RELATED AUDIT REQUIREMENTS FOR A TAX GROUP



The UAE Federal Tax Authority's has published the Public clarification on financial statements and related audit requirements for a Tax group. This public clarification explains how the Aggregated Financial Statements should be prepared for a tax group and the associated audit requirements for such Aggregated Financial Statements.

As per the clarification, the Aggregated Financial Statements will be prepared in accordance with a special purpose framework, which will depart from certain IFRS accounting standards as issued by the International Accounting Standards Board ("IASB").

Whilst a group may have prepared consolidated Financial Statements under IFRS, the starting point for Tax Group purposes is the annual standalone Financial Statements, i.e., unconsolidated Financial Statements.

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PUBLIC CLARIFICATION – CORPORATE TAX TREATMENT OF FAMILY WEALTH MANAGEMENT STRUCTURES



The UAE Federal Tax Authority's has published the Public clarification on Corporate Tax treatment of family wealth management structures. The purpose of this Public Clarification is to provide clarity on the Corporate Tax implications of family wealth management structures, including a Single-Family Office ("SFO") or a Multi-Family Office ("MFO").

A family wealth management structure typically includes the following entities:

- 1.a Family Foundation,
- 2.a holding company,
- 3.a Special Purpose Vehicle ("SPV"),
- 4.SFO or MFO,
- 5.family members.

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TAXPAYER USER MANUAL – CORPORATE TAX RETURN

The UAE Federal Tax Authority's has published the Taxpayer User Manual – Corporate Tax Payments which provides guidance and details the steps to be followed for submitting the Corporate Tax Return on the Emara Tax Portal.

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INDIRECT TAX

AMENDMENT VAT EXECUTIVE REGULATIONS ARTICLE 59 & ARTICLE 60

Articles 59 (Tax Invoices) and 60 (Tax Credit Notes) are now aligned with the Electronic Invoicing System (EIS). Once a business is in scope of EIS, either mandatorily or voluntarily, it must issue full, standard e-invoices. The relaxations including exception for wholly zero-rated supplies and simplified tax invoice no longer apply. Credit notes follow the same rule and must be issued and exchanged through the EIS.

Until your phase begins (or you voluntarily opt in), the legacy invoice and credit-note rules remain in force. Rollout is phased from July 2026, with large taxpayers (revenue $\geq$ AED 50m) live by 1 January 2027 and later waves following during 2027.

[Click here to download amended Executive Regulations](#)



EXCISE GOODS, EXCISE TAX RATES AND THE METHODS OF CALCULATING THE EXCISE PRICE

Effective 9 September 2025, Cabinet Decision 99/2025 updates Cabinet Decision 52/2019 on excise goods, tax rates, and how to calculate the Excise Price. Excise applies to tobacco and tobacco products, liquids and devices for electronic smoking, carbonated drinks, energy drinks, and sweetened drinks taxed at 100% for tobacco/e-liquids/e-devices/energy drinks and 50% for carbonated and sweetened drinks. The Excise Price is the higher of the FTA standard price list or the designated retail sales price (DRSP) net of tax; for back-calculation, tax equals one-third of DRSP for 50% goods and one-half for 100% goods. Definitions confirm heated tobacco is included while smoking-cessation products are excluded. Sweetened drink exclusions continue for beverages with at least 75% milk or milk substitutes, infant formula, and specified dietary/medical beverages. Conflicting provisions of Decision 38/2017 are cancelled, and the FTA may set procedures for product classification and evidence.

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KINGDOM OF SAUDI ARABIA



VALUE ADDED TAX

ANNOUNCEMENT OF 24TH WAVE FOR IMPLEMENTATION OF E-INVOICING PHASE 2

The Zakat, Tax and Customs Authority (ZATCA) determined the criteria for selecting the targeted taxpayers in the twenty-fourth wave for implementing the integration phase of e-invoicing, as it clarified that the twenty-fourth wave included all taxpayers whose revenues subject to VAT exceeded SAR375,000 during 2022, 2023, or 2024. VAT registered taxpayers meeting the criteria should integrate their e-invoicing solutions with the Fatoora platform by no later than 30 June 2026.

[Read the official update-click here](#)

TAX AUTHORITY LAUNCHES DIGITAL SERVICES AT COMEX 2025

As part of its ongoing digital transformation strategy, the Tax Authority is set to unveil the visual identity of the E-Invoicing Project, marking a major milestone in modernizing the national tax system. The initiative aims to enhance efficiency, promote transparency, and strengthen compliance across all tax processes.

In addition, the Authority will launch a new electronic portal featuring a modern, multilingual, and highly accessible interface. The portal includes innovative features designed to support users with disabilities, such as sign language options, color blindness adjustments, and guided assistance tools, ensuring inclusive access for all taxpayers.

Another key highlight is the introduction of a Tax Refund Service for the diplomatic corps, allowing embassies, missions, and international organizations to submit and process refund requests electronically. This service aligns with international standards, reduces paperwork, and promotes digital governance and operational efficiency.

These developments reflect the Tax Authority's commitment to institutional integration, sustainability, and a fully digital tax ecosystem. The Authority encourages stakeholders and the public to follow the official launch event at COMEX 2025 for further announcements and demonstrations.

[Read the official Update-Click Here](#)

SULTANATE OF OMAN PARTICIPATES IN THE 15TH MEETING OF THE COMMITTEE OF HEADS AND DIRECTORS OF TAX ADMINISTRATIONS IN GCC COUNTRIES



The Sultanate of Oman, led by H.H. Nasser bin Khamis Al Jashmi, Chairman of the Tax Authority, participated in the 15th meeting of the Committee of Heads and Directors of Tax Administrations in GCC countries, held in Kuwait. The meeting focused on enhancing cooperation among Gulf tax authorities, improving efficiency and unifying tax policies to align with global economic developments and promote Gulf economic integration.

Discussions also covered information exchange and collaboration to combat tax evasion and prevent double taxation, aiming to establish a fair and transparent Gulf tax system. H.E. Al Jashmi highlighted the importance of joint Gulf coordination in addressing international tax challenges and reaffirmed Oman's commitment to supporting the shared economic objectives of the GCC.

[Read the official update-click here](#)

THE TAX AUTHORITY SHEDS LIGHT ON ZERO-RATED VAT GOODS



The Tax Authority, in collaboration with the Consumer Protection Authority, has launched an awareness campaign to educate consumers about goods subject to 0% Value Added Tax (VAT). The campaign includes distributing lists of zero-rated goods, accessible through a QR code, across 900 commercial establishments in Muscat. Its goal is to empower consumers, ensure proper VAT application, and enhance understanding of tax rights and regulations. This initiative forms part of the Tax Authority's broader efforts to promote transparency and ensure accurate information reaches both consumers and businesses.

[Read the official update-click here](#)

THE TAX AUTHORITY LAUNCHES THE VISUAL IDENTITY OF "FAWTARA" PROJECT AND SHOWS ITS DIGITAL SERVICES AT "COMEX2025"



As part of its ongoing digital transformation, the Tax Authority participated in COMEX 2025 to showcase its latest innovations, including the unveiling of the visual identity for the electronic invoicing project "Fawtara" and enhancements to its digital services portal.

The "Fawtara" project represents a major step toward full digital invoicing, promoting efficiency, transparency, and fairness within Oman's business environment. Its modern visual identity symbolizes innovation, reliability, and clarity.

The new e-portal offers a simplified, user-friendly interface, supports multiple languages, and meets AAA digital accessibility standards, ensuring inclusivity for users with disabilities. It also features interactive tools and introduces the Tax Refund for Diplomatic Missions service, enabling electronic submission of VAT and Excise Tax refund requests, replacing traditional paper-based processes.

Yousef Al-Sarmi, Director of the Tax Awareness and Support Department, emphasized that the Authority's digital journey continues, with upcoming phases focusing on full service digitization and system integration. He encouraged taxpayers to register, file returns, and make payments online to ensure compliance and enjoy seamless digital services.

[Read the official update-click here](#)

FSA HOSTS SEMINAR ON ACCOUNTING AND AUDITING AND LAUNCHES NEW ELECTRONIC SYSTEM



The Financial Services Authority (FSA) of Oman hosted a seminar titled “Accounting and Auditing, Reality and Development Opportunities” at its headquarters in Al Irfan Hall. The event gathered accounting and auditing professionals to discuss regulatory updates, share insights, and explore growth opportunities for the sector.

Ahmed bin Ali Al Mamari, Executive Vice President of the FSA, emphasized the sector’s transformation following Royal Decree No. (20/2024), which transferred regulation of the accounting and auditing profession to the FSA. He noted that the authority is modernizing the legislative framework, strengthening oversight, and enhancing professional standards through a specialized team working on new regulatory foundations.

During the seminar, the FSA officially launched its integrated electronic system for licensing and renewal of accounting and auditing firms – a major digital milestone that enables full online application processing and improved transparency.

The program also included discussions on professional requirements, auditor responsibilities, the FSA’s regulatory role, and key findings from the Professional Conduct Committee. Participants exchanged ideas and suggestions to enhance collaboration between the FSA and professional firms and further improve the supervisory and regulatory environment in Oman.

[Read the official update-click here](#)



"Reach out and let's connect!"



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