



WTS Dhruva Tax Alert – Timelines for Corporate Tax registration and application for Exemption for certain class of Exempt Persons

Overview

Article 51 of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) mandates a Taxable Person to register for Corporate Tax (CT) with the Federal Tax Authority (FTA) and obtain a Tax Registration Number.

Clause 1 of Article 51 of the UAE CT Law provides that CT registration shall be exempted in circumstances prescribed by the Ministry of Finance (MoF). The MoF had earlier issued Ministerial Decision No. 43 of 2023 stating the exceptions from registration of CT for certain class of persons viz. Government Entities, Government Controlled Entities, persons engaged in extractive / non-extractive natural resource business and non-residents not having a PE in UAE, upon satisfaction of certain conditions.

Clause 3 of Article 4 of UAE CT Law provides that certain categories of Exempt Person would have to file an application to FTA for seeking exemption from UAE CT Law. In this regard, FTA has issued Decision No. 7 of 2023 (Decision), stating the timelines for obtaining a corporate tax registration and applying for exemption.

In detail

[CT registration and application for exemption](#)

1. Qualifying Public Benefit Entity (QPBE) shall apply and obtain tax registration as of October 01, 2023;
2. Following categories of Person shall apply and obtain tax registration as of June 01, 2024:
 - Qualifying Investment Fund (QIF);
 - Public pension or social security fund or private pension or social security fund; and
 - UAE juridical person that is wholly owned and controlled by specified categories of Exempt Person viz. Government Entity / Government Controlled Entity, QPBE, QIF and public / private pension or social security fund and satisfies other conditions for CT exemption. Once the registration application is approved by FTA, these persons can file an application seeking exemption under CT Law within 60 business days from the end of tax period in which exemption conditions are met.



3. FTA may request the exempt person (as covered in Para 1 and 2 above) to file an annual declaration confirming continuous fulfilment of the exemption condition.

Effective date for exemption

Generally, if FTA approves the exemption it shall be effective from the start date of the tax period specified in the application. However, in following scenarios, effective date of the exemption shall be a different date:

- a. If tax period specified in registration form is incorrect - exemption shall be effective from correct date.
- b. If the applicant is acquired by one or more specified exempt person - FTA shall determine the date after ensuring that date of exemption starts only after fulfilment of all remaining tax obligations.
- c. If the tax period mentioned in exemption application is incorrect – If FTA receives supporting information and documents that necessary conditions have been met in the later tax period, exemption shall be effective after the date of fulfilment of the conditions.
- d. Any other instances as may be issued *vide* a Cabinet Decision.

Dhruva Observations

FTA had recently issued a Cabinet Decision on exemption from seeking CT registration to certain class of exempt persons viz. Government Entities, Government Controlled Entities and persons engaged in extractive / non-extractive natural resource business, subject to fulfilment of certain conditions.

Exempt Persons not covered under the aforesaid clause will have to apply for CT registrations and file an exemption application in accordance with this Decision.

Exempt Persons covered by this Decision will have to adhere to the timelines for seeking tax registrations and filing CT exemption application. Further guidelines are expected to facilitate tax registration and application for seeking exemption.

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