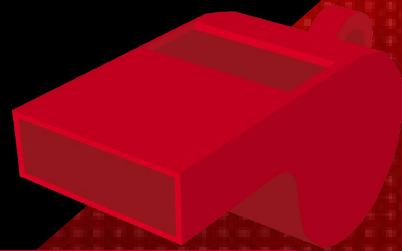


TAX UPDATE

April 18, 2025



Ministerial Decision No. 84 of 2025 on Audited Financial Statements for UAE Corporate Tax Law

Overview

The Ministry of Finance has issued Ministerial Decision No. 84 of 2025, which outlines the specific circumstances under which taxpayers are required to prepare and maintain **audited financial statements** for the purposes of the UAE Corporate Tax Law. **This new decision is effective for financial years beginning on or after 1 January 2025 and, repeals and replaces Ministerial Decision No. 82 of 2023.**

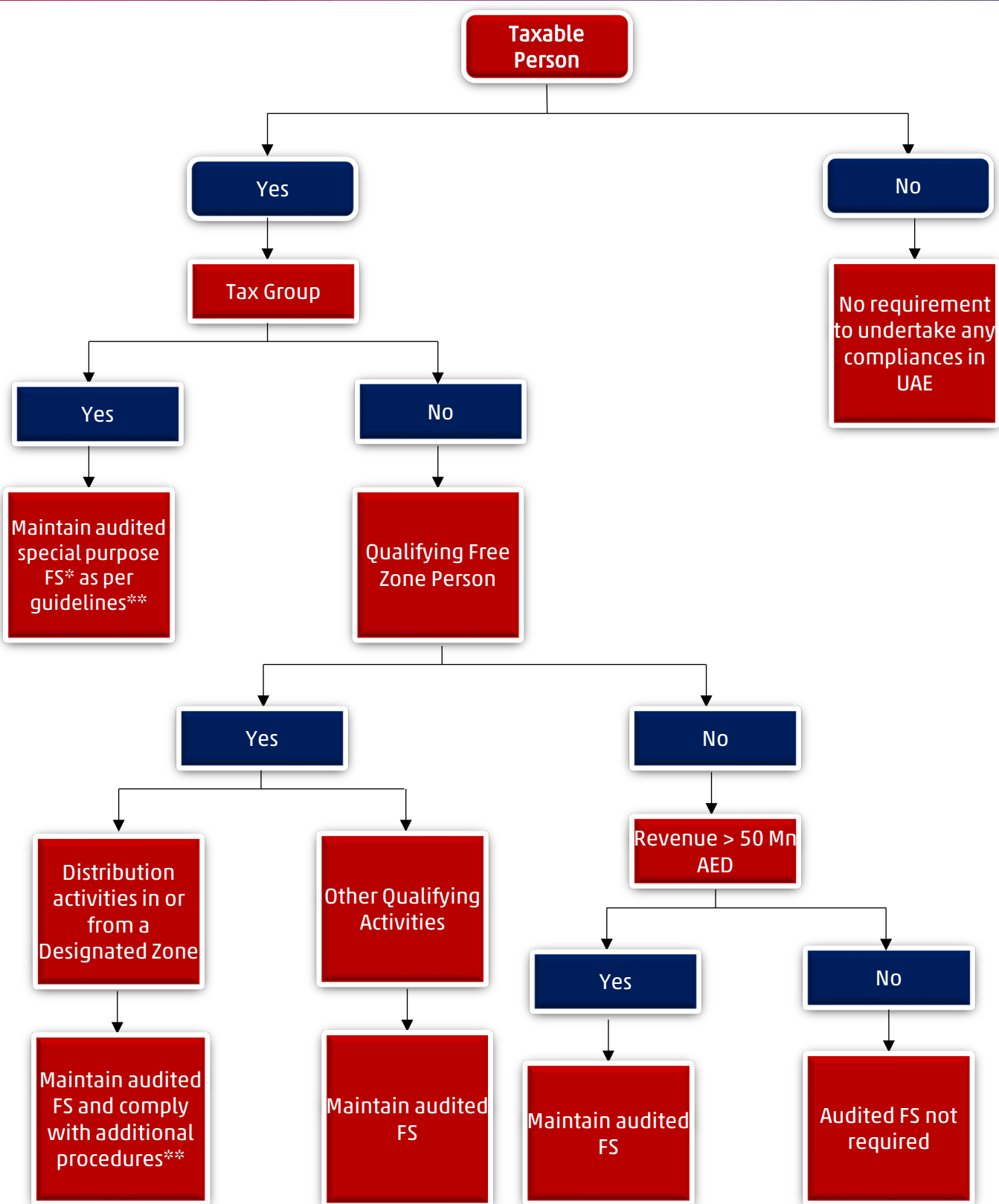
a) Key Highlights:

The key highlights of the new Decision are as under:

- The existing requirement for a taxable person (that is not a **Tax Group**) to **maintain audited financial statements** where their **revenue exceeds AED 50 million** or where it qualifies as a **Qualifying Free Zone Person ('QFZP')** continues to apply.
- The new Decision **mandates Tax Groups** to prepare **audited special purpose financial statements**, **regardless of consolidated revenue threshold of AED 50 million getting breached**, in adherence to form, procedures and rules *(to be prescribed)*.
- The Decision also provides that **QFZPs engaged in distribution activities** in or from a **Designated Zone** will be subject to **additional procedural requirements**, details of which are yet to be issued.
- The Decision clarifies that for **non-resident persons**, the revenue threshold of AED 50 million will be assessed **only with respect to income attributable to their UAE permanent establishment and/or nexus** (as expanded by new Cabinet Decision No. 35 of 2025 – *Refer to our tax alert*).

b) Snapshot of the Decision

A pictorial snapshot of the Decision is provided on the next page:






* Refer Article 1 of Ministerial Decision No. 114 of 2023

*** Additional guidance expected from FTA

Conclusion

Taxable persons in the UAE are advised to evaluate their obligations concerning the preparation and maintenance of audited financial statements to ensure compliance with the Corporate Tax Law.

Although the FTA is yet to issue detailed guidance on the format and procedures for audited special purpose financial statements, Tax Groups may consider preparing their financials for the year 2024 in line with the anticipated requirements (once issued). Doing so would facilitate the availability of comparative figures when preparing audited special purpose financial statements for the year 2025, which is the first tax year the new requirement formally applies to the tax groups.

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