

NAVIGATING THROUGH CORPORATE TAX REGISTRATION



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TYPE OF PERSONS COVERED



Type of Persons

Taxable Persons

Exempt Persons

Persons Covered for CT Registration–Taxable Persons

Resident Juridical Person

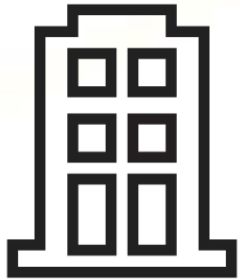
Non-resident juridical person with a Permanent Establishment(PE) in the UAE

Non-resident juridical person with a nexus in the UAE

Individual whose total turnover from business activity or activities exceeds AED 1 Mn in a Gregorian calendar year.

Resident Juridical Person in UAE with No Income

ABC LLC (Resident of UAE)



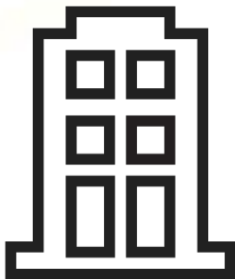
ABC LLC is a UAE incorporated entity with no Income for the year 2024.



ABC LLC resident of UAE with no income shall be required to register for UAE CT purpose

Resident Juridical Person in UAE incurring Losses

ABC LLC (Resident of UAE)



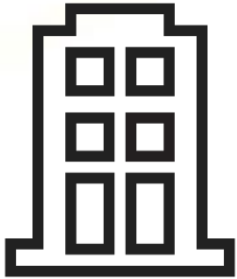
ABC LLC is a UAE incorporated entity
incurring losses of AED 50,000



ABC LLC resident of UAE incurring losses of AED 50,000 shall be required to register for UAE CT purpose.

Resident juridical person with Profits below AED 375,000

ABC LLC (Resident of UAE)



ABC LLC is a UAE incorporated entity with Profits of less than AED 375,000.

Whether ABC LLC shall be required to register for UAE CT



Non-resident juridical person with a PE in UAE

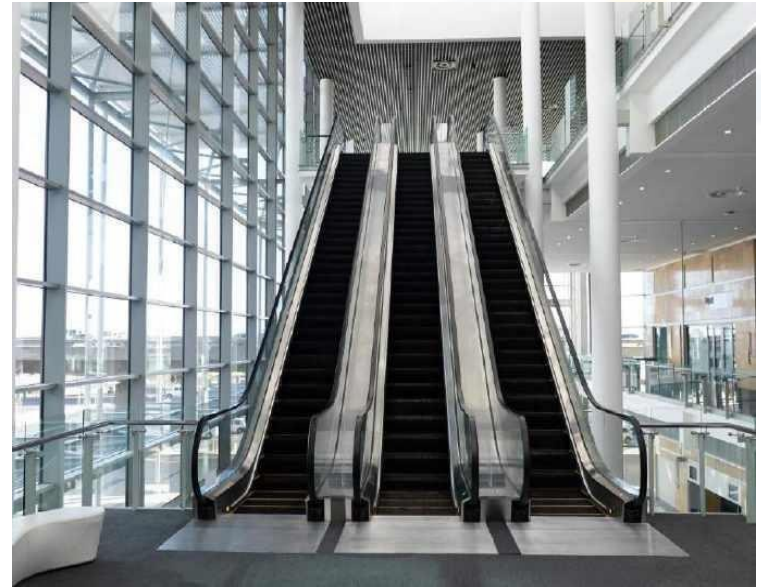
Illustration

A Ltd – US Based Entity

Provide installation service of escalators in UAE

A Ltd. provide installation service of Escalators to a Shopping Mall in UAE. The said installation service takes 10 month to complete the work.

A Ltd. is said to have **PE in UAE** as the activities has been undertaken for a period of more than 6 months



A LTD with PE in the UAE is required to register for CT

Non-resident juridical person with Nexus in UAE

ABC Co (Foreign Company in USA)



ABC is earning rental income of AED 1.75 Mn from renting of property located in UAE.

Property located in UAE

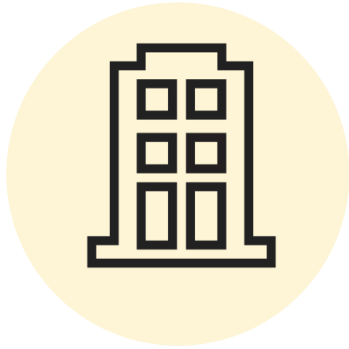


ABC Co is earning rental income from renting of Property located in UAE shall be considered to be have a nexus in the State and is require to register in the UAE for CT purpose

Non-Resident Persons derives only State Sourced Income

ABC Co. foreign company
located outside UAE

XYZ LLC located in UAE



Loan provided to XYZ LLC



Payment of Interest

ABC Co earning interest income from loan to XYZ LLC located in UAE shall be considered to be State Sourced Income and will not have to register for CT.

Calculation of Turnover for Individual



Ministerial Decision No. 49 of 2023 states that resident or non resident individuals shall be subject to CT and accordingly has to obtained CT registration if its conducts business or business activities in UAE and consolidated turnover from all business or business activities exceed AED 1 million in a Gregorian calendar year.

Below mentioned Income of Individual disregarded when determining the total Turnover and not subject to CT

- ❖ Wages- Salary and all allowances, bonus any other benefits provided for in the employment contract.
- ❖ Investment income earned in **personal capacity** that is **not** conducted or does not require to be conducted **through license** from licensing authority.
- ❖ Real estate Investment income from **sale, leasing, subleasing and rental** of land or real estate property in **personal capacity** that is **not** conducted or does not require to be conducted **through license** from licensing authority.

Illustration

Mr. A-Individual is a resident of UAE



Mr. A is earning **rental income** of AED 1.5 Mn from owning Real estate Property located in UAE



Mr. A is real estate agent who earns **commission income** of AED 2 Mn by selling real estate properties in UAE.



Real estate Property in UAE



Mr. A earning rental income from Real estate Property located in UAE shall not be considered when determining the total Turnover. However, commission income earned by selling real estate property shall be taken into consideration for determining the total Turnover.

CT Registration of Individual having Turnover below AED 1 Mn



Individual already
registered for CT with FTA



Total Turnover falls below AED 1 million threshold within a
Gregorian calendar year



- ❖ Individual should not file a Tax Deregistration application, if any of the Individual's Business or Business Activities are still active or being conducted.
- ❖ Instead he/she will retain his/her Tax Registration status. However, a Individual who remains registered whilst his/her total Turnover is under the AED 1 million threshold will only be required to file a 'nil' tax return.

Exempt Persons

Type of Person	Whether required to register for CT?
Government Entity	Are not required to register unless they conduct a Business or Business Activity under a Licence issued by a Licensing
Government Controlled Entity	Are not required to register unless they conduct a Business or Business Activity which is not their Mandated Activity.
Extractive Business	Are not required to register unless they conduct a Business which is within the scope of Corporate Tax.
Non-Extractive Natural Resource	
Qualifying Public Benefit Entity	Registration enabled from 1 October 2023 onwards
Qualifying Investment Fund	Registration to be enabled from 1 June 2024 onwards
Pension and Social Security Fund	
Juridical Persons wholly Owned and Controlled by certain other Exempt Persons	

TIMELINE FOR CT REGISTRATION



Timeline For CT Registration of Taxable Persons

- ❖ On 28 February 2024, Federal Tax Authority (FTA) has released decision no.3 of 2024 stating the Timeline for Registration of Taxable Persons for the purpose of CT
- ❖ An administrative penalty of Dh 10,000 will be imposed for late registration of UAE CT. This penalty is applicable to businesses that fail to submit their CT registration applications within the timelines prescribed.

CT Registration processing timeline

- ❖ FTA review the registration application form and respond within 20 business days from the date on which the completed registration application is received
- ❖ Where additional information has been requested by the FTA, FTA respond to the applicant within 20 business days of receiving the additional information. If the additional information is not submitted within the timeframe specified by the FTA, the application shall be rejected and a new application will need to be submitted.

Key points to be taken into consideration while determining the timeline for CT Registration

1. Effective date of this Decision is March 1, 2024.
2. In our view, first issue month (Original Issuance date mentioned in the Trade License) is to be considered for determining the deadline for CT registration.
3. The earliest Deadline for submission is 31 May 2024 for the companies that have January or February as the license issue month.
4. Penalty of AED 10,000 will be imposed on non-submission of Corporate Tax Registration application rather than on obtaining Corporate Tax Registration Number from Emara Tax Portal.

Resident Juridical Persons that are incorporated or established or recognized before March 1, 2024

Month of Issue of <u>License</u> irrespective of year of issuance of license	Deadline for Submitting a Tax Registration application
1 January - 31 January	31 May 2024
1 February - 28/29 February	31 May 2024
1 March - 31 March	30 June 2024
1 April - 30 April	30 June 2024
1 May - 31 May	31 July 2024
1 June - 30 June	31 August 2024
1 July - 31 July	30 September 2024
1 August - 31 August	31 October 2024
1 September - 30 September	31 October 2024

Resident Juridical Persons that are incorporated or established or recognized before March 1, 2024

Month of Issue of <u>License</u> irrespective of year of issuance of license	Deadline for Submitting a Tax Registration application
1 October - 31 October	30 November 2024
1 November - 30 November	30 November 2024
1 December - 31 December	31 December 2024
If a person does not have a license on March 1, 2024	3 Months from 1 March 2024 (i.e., before the end of May 2024)

For resident Juridical person that have more than one license, in such case the license that was issued earliest shall be considered.

Resident Juridical Persons incorporated after March 1, 2024

Category of Juridical Person

Resident Juridical Persons including a Free Zone Person.

Foreign Company that is **effectively managed and controlled** in the UAE.

Deadline for submitting a Tax Registration application

3 months from the date of incorporation, establishment or recognition.

3 months from the end of the Financial Year of the person.

Individuals

Category of Juridical Person

Resident Individuals whose total turnover exceeds AED 1 Mn in a Gregorian calendar year (January-December)

Non-residents Individual whose total Turnover derived in a Gregorian calendar year exceeds AED 1 Mn

Deadline for submitting a Tax Registration application

Before 31 March of the subsequent Gregorian year.

Within 3 months from the date the individual became a UAE taxpayer.

Non-Resident Juridical Persons with PE in UAE

Non-Resident Juridical Persons that have PE in UAE

Non-Resident Juridical Person before or after 1 March 2024

Is a non-resident taxpayer **before 1 March 2024**

Is a non-resident taxpayer **on or after 1 March 2024**

Deadline for submitting a Tax Registration application

Within 9 months from the date the PE came into existence.

Within 6 months from the date the PE came into existence.

Non-Resident Juridical Persons with Nexus in UAE

Non-Resident Juridical Persons that have Nexus in the UAE

Non-Resident Juridical Person before or after 1 March 2024

Is a non-resident taxpayer **before 1 March 2024**

Is a non-resident taxpayer **on or after 1 March 2024**

Deadline for submitting a Tax Registration application

Within 3 months from the date the effective date of this decision.

Within 3 months from the date the nexus was established.

HOW TO REGISTER FOR CT



Whether Person is registered for VAT and Excise Tax?

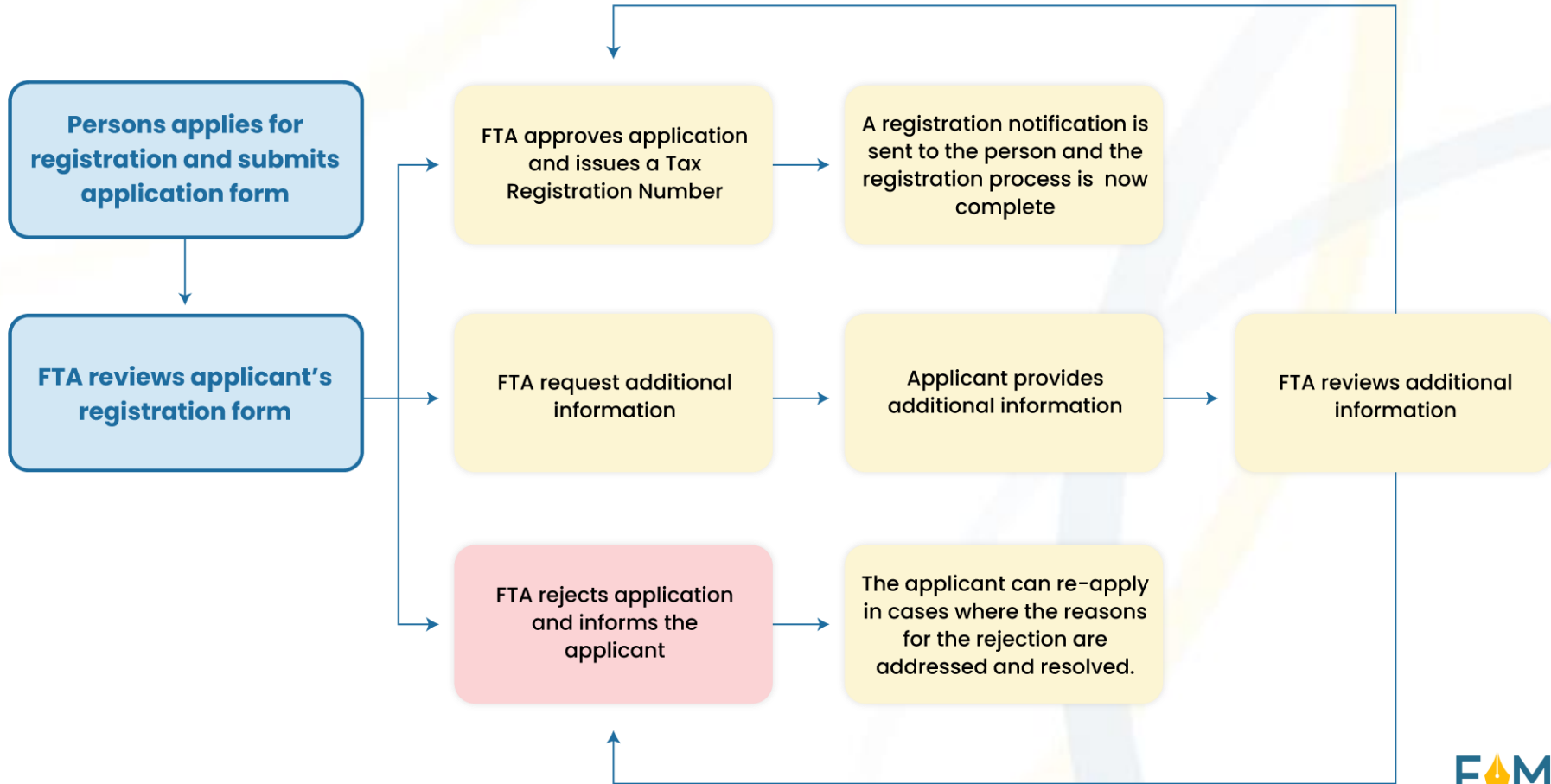
Persons already registered for VAT and Excise Tax

A Person who is already registered for Value Added Tax (VAT) and / or Excise Tax will still be required to register for Corporate Tax if they are within the scope of the Corporate Tax regime. Once registered, they will be issued with a separate TRN for Corporate Tax purposes. The Corporate Tax TRN will be similar to their existing TRN for VAT and / or Excise Tax, **but the last digit will be different from their VAT and / or Excise TRN.**

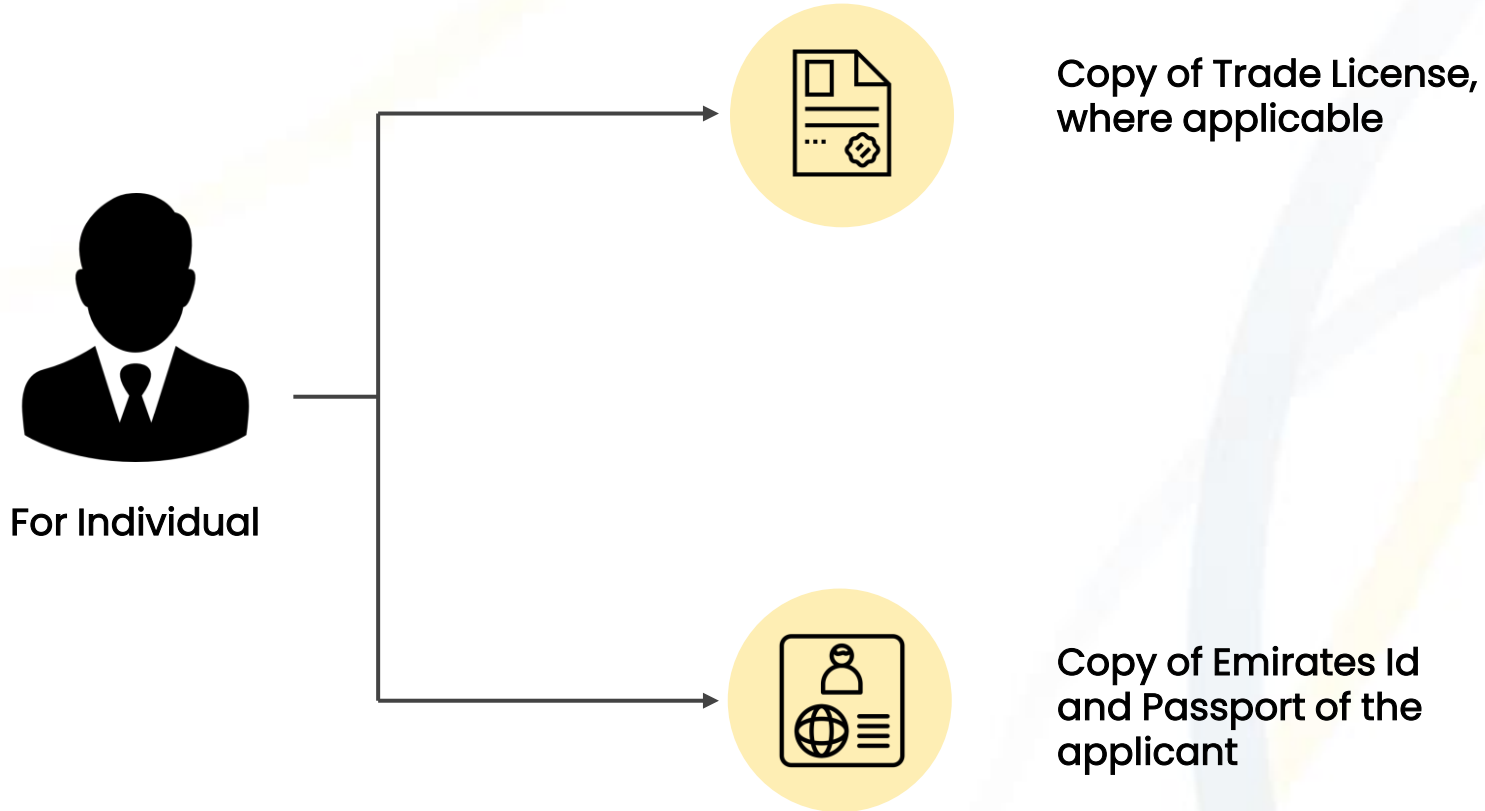
Persons not registered for VAT and Excise Tax

Taxable Persons who are not subject to VAT or Excise Tax but are within the scope of the Corporate Tax will be required to register for Corporate Tax purposes. They will first have to register on Emara Tax portal.

Overview of CT Registration Process



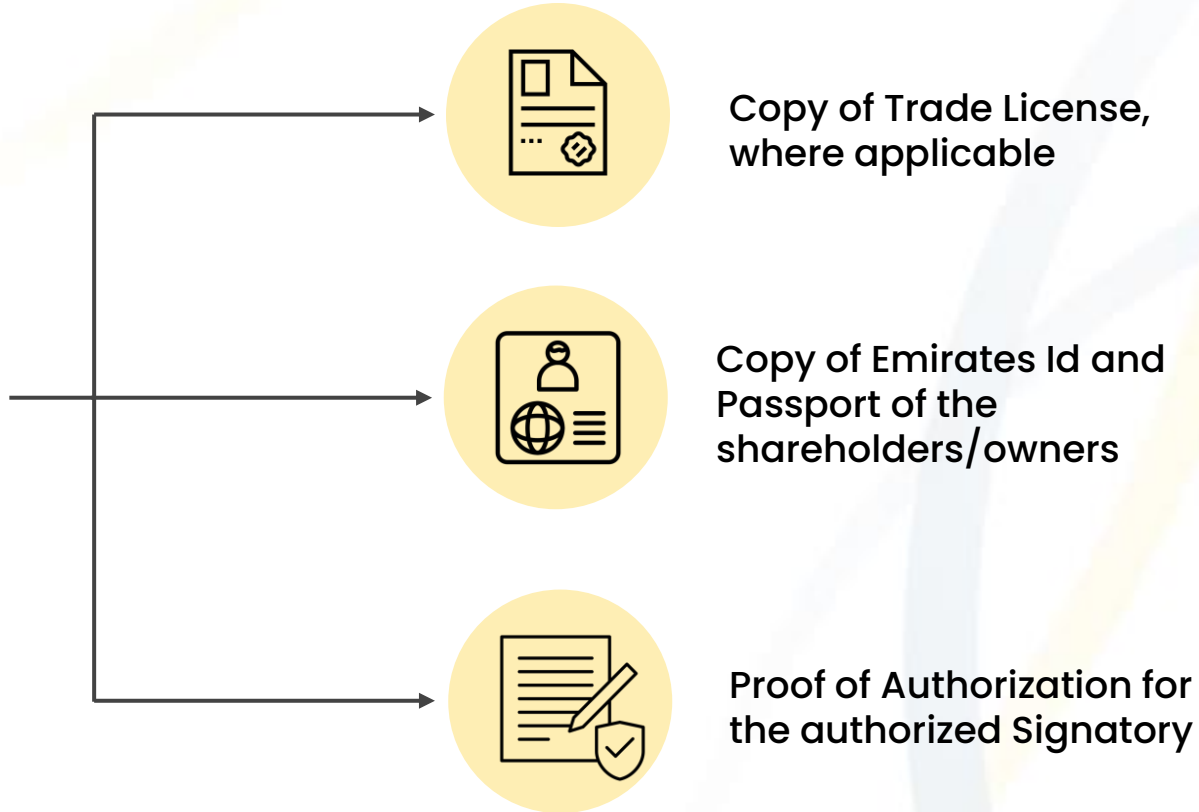
Documentation Requirement for CT registration



Documentation Requirement for CT registration

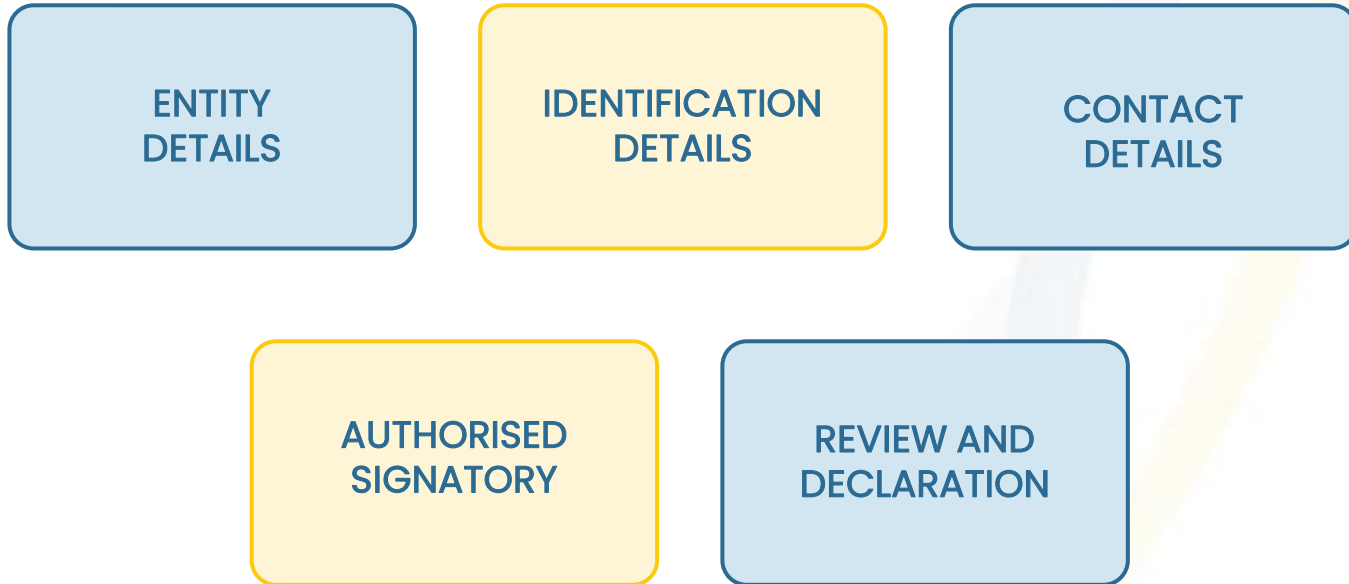


For Juridical
Person



CT Application Sections

The application is divided into a number of short sections which deal with various aspects of the registration process , these short sections are outlined below:-



Entity Details Tab

MARATAX What are you looking for? User Type Q UAE -A A

Home > Corporate Tax Registration

Corporate Tax Registration

1 Entity Details 2 Identification Details 3 Contact Details 4 Authorized Signatory 5 Review and Declaration

Entity Details

Entity Type Legal Person - Incorporated Entity Sub-Type UAE Private Company (incl. an Establishment)

Country of Registration/Incorporation United Arab Emirates **Date of Incorporation** DD/MM/YYYY

Are you a Qualifying Public Benefit Entity? Yes No

Upload Certificate of Incorporation

[Add/View\(\)](#) Drag files here

Max file size: 15 MB Formats: PDF, DOC Max No. of Files: 3

Corporate Tax Period Details

Corporate Tax Period

First Corporate Tax Period Start Date First Corporate Tax Period End Date

First Corporate Tax Return Filing Due Date

Identification Details Tab

EMARATAX الهيئة الاتحادية للضرائب FEDERAL TAX AUTHORITY

What are you looking for?

User Type عربي

Corporate Tax Registration

Corporate Tax Registration

Identification Details

Main License Details

Trade License Issuing Authority	<input type="text"/>	Trade License Number	<input type="text"/>
Trade License Issue Date	<input type="text" value="DD/MM/YYYY"/>	Trade License Expiry Date	<input type="text" value="DD/MM/YYYY"/>
Legal Name in English	<input type="text"/>	Legal Name in Arabic	<input type="text"/>
Trade Name in English	<input type="text"/>	Trade Name in Arabic	<input type="text"/>

Upload Trade License

Drag files here

Max file size: 15 MB | Formats: PDF, DOC | Max No. of Files: 3

Business Activities Details

[+ Add Business Activity](#)

Primary Activity	Industry	Main Group	Sub-Group	Business Activities	Activity Code	Actions
No data						

Do any of the owners hold more than 25% of the ownership?

Yes No

Local Branch Details

Do you have branches in the UAE related to the Trade License provided above?

Yes No

Owners with more than 25% shareholding

Do any of the owners hold more than 25% of the ownership?

Yes No

Owners List

[+ Add Owner](#)

Owner Type	Name in English	Name in Arabic	ID Number	Shareholding Percentage	Actions
Natural Person	[REDACTED]	[REDACTED]	[REDACTED]	100.00	...

Contact Details Tab

إمارات تاكس
EMARATAX

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY

What are you looking for?

User Type عربي

Home Corporate Tax Registration

Corporate Tax Registration

Entity Details Identification Details **Contact Details** Authorized Signatory Review and Declaration

Contact Details

If you have a trade license in the UAE, please ensure that the address details that you enter are identical to the information on the trade license.
For natural persons, enter the address details of your house.

Country
United Arab Emirates

Street

City

Country Code +971 (United Arab Emirates)

Mobile Number

Email ID

Building Name & Number

Area

Emirate
Dubai

Country Code +971 (United Arab Emirates)

Landline Number

P.O. Box (Optional)

Authorized Signatory Tab

Authorized Signatory

First Name in English

First Name in Arabic

Country Code

Mobile Number

Designation

Does the authorised signatory hold a valid Emirates ID?
 Yes No

Emirates ID Number

Emirates ID Expiry Date

Upload Emirates ID
Max file size: 15 MB | Formats: PDF, DOC | Max No. of Files: 3

Passport Number

Passport Issuing Country

Passport Expiry Date

Upload Passport
Max file size: 15 MB | Formats: PDF, DOC | Max No. of files : 3

Source of Authorization

Memorandum of Association

Power of Attorney

REVIEW AND DECLARATION

The screenshot displays the 'Corporate Tax Registration' application form. The 'Declaration' section is highlighted, showing the following fields:

Declaration	
First Name in English	Last Name in English
ABC Web	Test
First Name in Arabic	Last Name in Arabic
	ABC Web
Country Code	Mobile Number
+971 (United Arab Emirates)	788454015
Submission Date	Email
26/12/2022	ABC@ABC-WEB.COM

I declare that all information provided on this application is true, accurate and complete to the best of my knowledge and belief

Buttons: Previous Step, Cancel, Save as Draft, Submit

Step	Action
(1)	Click 'Submit' to submit the Corporate Tax Registration application.

Application Submitted Successfully

[Home](#) ▶

▶ Corporate Tax Registration

Corporate Tax Registration

Application Submitted Successfully

● Pending Approval

Entity Name

:

[REDACTED]

Applicant Name

:

[REDACTED]

Reference Number

:

101000108591

Submission Date & Time

:

8 January 2024, 12:08 GST



Certificate of Registration for CT

شهادة تسجيل لضريبة الشركات في الإمارات العربية المتحدة

Certificate of Registration for Corporate Tax in the United Arab Emirates (as per Federal Decree-Law Number 47 of 2022 on the Taxation of Corporations and Businesses)

The Federal Tax Authority certifies that the entity below is a registered person for Corporate Tax in the UAE

تشهد الهيئة الاتحادية للضرائب أن الجهة التالية مسجلة لضريبة الشركات في الإمارات العربية المتحدة

Tax Registration Number

123456789xxxxxx

رقم التسجيل الضريبي

Legal Name of Person/Entity (Arabic)

[REDACTED]

الاسم القانوني للشخص / الكيان (باللغة العربية)

Legal Name of Person/Entity (English)

[REDACTED]

الاسم القانوني للشخص / الكيان (باللغة الانجليزية)

Registered Address, and Contact Number

[REDACTED]

العنوان المسجل ورقم التواصل

Effective Registration Date

01/06/2023

تاريخ التسجيل الفعلي

Corporate Tax Period

الفترة الضريبية للشركات

Corporate Tax Period	First Corporate Tax Period Start Date/ تاريخ ابتداء الفترة الأولى لضريبة الشركات	First Corporate Tax Period End Date/ تاريخ انتهاء الفترة الأولى لضريبة الشركات	First Corporate Tax Return Filing Due Date/ أول تاريخ استحقاق تقديم الإقرار لضريبة الشركات	الفترة الضريبية للشركات
1 January - December	01/01/2024	31/12/2024	30/09/2025	يناير - ديسمبر

Certificate of Registration for CT

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY



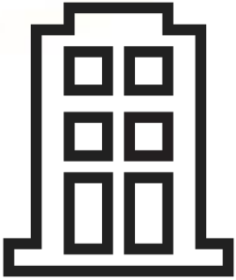
United Arab Emirates

List of sole establishments and branches under the registered taxable person:

قائمة المؤسسات الفردية والفروع المندرجة ضمن التسجيل الضريبي:

	Legal Name	Licensing Authority	License Number/رقم الرخصة	جهة الترخيص	الاسم القانوني
1	[REDACTED] DUBAI BRANCH	Dubai Economy and Tourism	[REDACTED]	دبي للاقتصاد والسياحة	[REDACTED]
2	[REDACTED]	Dubai Multi Commodities Centre of Jumeirah Lakes Towers Free Zone	[REDACTED]	مركز دبي للسلع المتعددة في المنطقة الحرة لأبراج بحيرات الجميرا	[REDACTED]

CT registration for Branches of UAE companies



A UAE branch of a Resident Person shall be treated as one and the same Taxable Person

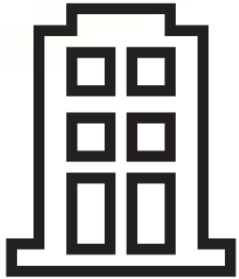
A UAE branch of a domestic juridical person is regarded as an extension of its head office and, therefore, is not considered a separate juridical person.

As a result, a branch of a UAE company will not be able to register for Corporate Tax individually.

The head office must register for Corporate Tax on behalf of all of the UAE branches

This is also applicable for Free Zone branches of mainland UAE juridical persons and also for mainland branches of Free Zones Persons

CT registration for persons eligible for Small Business Relief(SBR)



Where the SBR election is made, the business will be treated as having no Taxable Income during the relevant Tax Period.

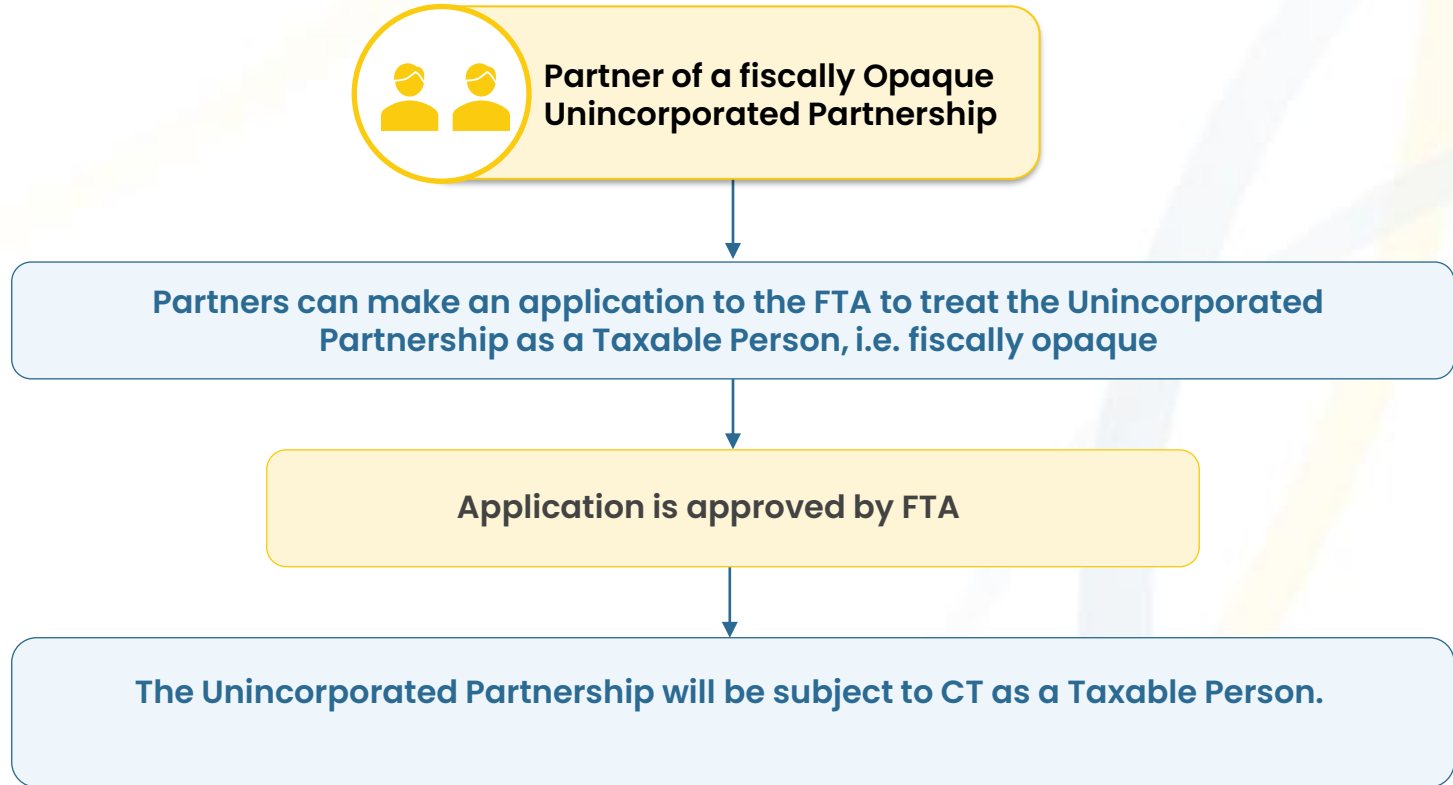
This means that they will have no CT liability. However, meeting the conditions to elect for SBR does not exempt that Taxable Person from meeting their CT compliance obligations such as registering for CT and filing a Tax Return.

As the election must be made in the CT Return, the Taxable Person electing for SBR must register for Corporate Tax before they can make the election

CT Registration of Fiscally transparent Unincorporated Partnership



CT Registration of Fiscally Opaque Unincorporated Partnership



Illustration–Fiscally transparent Unincorporated Partnership

Particulars	Amount in AED
There is an unincorporated Partnership in UAE having 2 partners X Ltd & Mr.B	-
X Ltd Profit Share	75%
Mr. B Profit Share	25%
Revenue Earnings during Tax Period	2,000,000
Expenses Incurred during Tax Period	200,000

Illustration

Particulars	X Ltd.	Mr. B
Share of Profit	75%	25%
Allocation of Revenue base on their distributive share of Profit (AED 2 million)	1,500,000	500,000
Allocation of Expenses base on their distributive share of Profit (AED 200,000)	(150,000)	(50,000)
Taxable Income	1,350,000	450,000
CT Payable	AED 87,750 (AED 975,000 x 9%)	Nil

CT Registration

X Ltd. Shall be require to register for CT irrespective of the amount of turnover.

Mr. B shall not be required to register for CT as the Turnover is less than AED 1 Mn

CT Registration of the Tax Group and its members

The **Parent Company and each Subsidiary that wants to apply to form a Tax Group** should register individually first and obtain **Tax Registration Number**. Subsequently, Parent Entity along with its member entities shall apply for CT Grouping.

Once the **application for forming a Tax Group is approved by the FTA**, that **Tax Group will be issued a separate Tax Registration Number**

This **Tax Registration Number will be used for the Tax Group for CT purposes.**

Tax Grouping Registration

- HOME
- VAT
- EXCISE TAX
- CORPORATE TAX**
- MY PAYMENTS
- MY CORRESPONDENCE
- USER AUTHORIZATION
- OTHER SERVICES

My Favorites

Corporate Tax Applications

CT Group - Form Tax Group

View All

Pending Requests

View All

Corporate Tax Group Request History

View All



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- OUR LOCATION**
- Emirates Property Investment Company Building, P.O. Box 2440, Abu Dhabi, U.A.E
 - Central Park Business Towers - DIFC, P.O. Box 2440, Dubai, U.A.E
 - 800 82923
 - info@tax.gov.ae



Obligations once registered for CT

Filing a CT Return and paying any CT due within 9 months of the end of their Tax Period

Retaining all records and documents which support their tax position for a period of 7 years following the end of the Tax Period to which they relate

Ensuring that all of their registration details are up to date and informing the FTA of any changes within 20 business days, in order for administrative penalties not to be imposed

FTA power to register for CT

If the FTA believes that a Person is a Taxable Person and should have registered for CT but has failed to do so,

FTA can, at its discretion and based on information available to the FTA, register a Person for CT

A Person has the right to appeal against a tax assessment issued following a registration initiated by the FTA if they disagree with such a decision

PRACTICAL CHALLENGES



Practical Challenges Involved In CT Registration

Amend Taxable Person Details

Firstly, **taxable person details are to be amended—which requires updating of expired documents information in VAT application.** Which means, if any document has expired such as passport, trade license, etc. then first taxpayer must update VAT application by using “Amend Taxable Person Details” and **only then the CT application can be processed further.**

Application processing time for amendments

Amendment details in VAT portal submitted takes a long time to process. Hence, we cannot proceed for CT application before the amendments are approved

Practical Challenges Involved In CT Registration

No Foreign trade licensing Authority option for Corporate Foreign Shareholder

In CT application, under owner details tab, while mentioning details for corporate shareholders which is a foreign entity, the drop down does not contain any option for foreign trade license issuing authority.

UAE Trading Licensing Issuing Authority

<p>Own</p> <p>Dubai Department of Economic Development</p> <p>Agricultural Bank of China</p> <p>Community Development Authority</p> <p>Department of Tourism and Commerce Marketing</p> <p>Dubai Academic City</p> <p>Dubai Airport Free Zone</p> <p>Dubai Aviation City Corporation</p> <p>Dubai Biotechnology & Research Park (DuBiotech)</p> <p>Dubai Car and Automotive City Free Zone (DUCAMZ)</p> <p>Dubai Chamber of Commerce</p>	<p>Trade Name in English</p> <p>Trade Name in Arabic</p> <p>Trade License Number</p> <p>Upload Trade License</p> <p>Max. File size : 15 MB</p> <p>Formats: PDF, DOC</p> <p>Max. No. of files : 3</p> <p>Shareholding Percentage</p>
<p>Trade License Expiry Date</p> <p>DD/MM/YYYY</p> <p>Ownership Start Date</p> <p>10/12/2009</p> <p>Corporate Tax TRN (Optional)</p>	<p>Trade Name in English</p> <p>Trade Name in Arabic</p> <p>Trade License Number</p> <p>Upload Trade License</p> <p>Max. File size : 15 MB</p> <p>Formats: PDF, DOC</p> <p>Max. No. of files : 3</p> <p>Shareholding Percentage</p> <p>Add</p>

Practical Challenges Involved In CT Registration

Exact Business activities not available

The emara portal **list of business activities is not precisely in line with a trade license**. Therefore, it is necessary to choose an activity that is close to the activity specified in the trade license.

Exact Business Activities List not available

Tax Registration

Business Activities ✕

Industry

Main Group

Activity

Add

Cancel **Save as Draft**

- Agriculture, forestry and fishing
- Mining and Quarrying
- Manufacturing
- Electricity, gas, steam and air conditioning supply
- Water supply; sewerage, waste management and remediation activities
- Construction
- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Transportation and storage
- Accommodation and food service activities
- Information and communication
- Financial and insurance activities

Practical Challenges Involved In CT Registration

Business activities for Foundations and Single Family Offices(SFO)

The emara tax portal's list of business activities does not comprises of any activity which is closer or nearer to the activities conducted by Foundation and SFO

CT registration for Offshore Companies

Offshore companies can currently file CT applications; however, the applications are still under FTA approval, CT Registration Numbers are not being issued yet.

CT registration for Companies under liquidation

There is no guideline on the CT registration for entities that are under liquidation.

CT Deregistration

If a taxable person is no longer subject to CT, they should deregister. This will most commonly occur when a Business or Business Activity ceases, but could also occur due to dissolution or liquidation or other circumstances.

A taxable person is required to file a Tax Deregistration application within 3 months of the date the entity ceases to exist, cessation of the Business, dissolution, liquidation or otherwise.

In order to be deregistered, a taxable Person must meet all of their tax compliance obligations such as filing all of the relevant Tax Returns and paying all CT liabilities and administrative penalties due

Contact Us



Communication Address

Office No. 405, Office Court Building, Opposite to Oud Metha Metro Station

Dubai, PO Box – 103904, United Arab Emirates

Email: hemang@fame.ae



THANK YOU

