



GCC Tax & Regulatory Communique

October 2025





UAE Tax and Regulatory updates

Updates to Emara Tax Portal

The Federal tax Authority (FTA) has introduced two significant updates on the Emara Tax portal:

1. Option to Download Corporate Tax Return

Taxpayers can now download their Corporate Tax (CT) Return directly from the portal, similar to the VAT return process. This eliminates the need for multiple or lengthy screenshots, ensuring smoother record-keeping.

2. Introduction of “My Audit” tab

The Emara Tax portal now features a “My Audit” section for each taxable person, covering FTA assessments related to the filed returns. This new tab enables taxpayers to manage all audits in one place, making it easier to track the status of ongoing or initiated assessments and stay informed throughout the audit process.

VAT Guide on Input Tax Apportionment and Specified Recovery Percentage

Specified Recovery Percentage (SRP) is a new mechanism introduced under the amended UAE VAT Executive Regulations, effective 15 November 2024. It allows businesses making both taxable and exempt supplies to apply a single, pre-approved input tax recovery rate across all Tax Periods in a year (after obtaining FTA approval), instead of recalculating the recovery percentage for each Tax Period.

Eligibility Criteria:

- Only Registrants who are registered for VAT for at least 12 months can apply
- Applicants must have a mix of taxable supplies (where input VAT is recoverable) and exempt supplies (where Input VAT is non-recoverable), making them subject to Input VAT apportionment.
- Applications must be made by an authorized signatory, a Tax Agent, or a court-appointed representative. Importantly, tax consultants cannot apply on behalf of businesses unless legally appointed as Tax Agents.

The recovery percentage under the SRP is fixed based on the actual recovery rate from the previous year. If a business uses a special apportionment method, its SRP will be determined using the prior year's recovery rate calculated under that method – even if FTA approval for the method wasn't obtained earlier.

For businesses applying the sectoral method, a single recovery rate will be used as the basis for the SRP calculation. If no special method applies, the standard apportionment method will be used instead. Once approved by the FTA, the SRP remains valid for four years, and the business must continue using the same apportionment method for at least two years after approval.

FTA Introduces New Turnover Declaration Format for VAT Tax Group Registration

On October 15, 2025, the FTA issued an update to the turnover declaration requirements for VAT groups in the UAE. Entities under common control and with a shared economic interest can form a VAT Tax Group to simplify compliance and centralize VAT reporting. The FTA has introduced a new **Turnover Declaration** format applicable to Authorized Representative Members submitting VAT Tax Group registration applications.

The new format requires the following:

- A formal declaration confirming that all eligibility criteria for group registration are met.
- A detailed member-wise sales breakdown, including, standard-rated sales, zero-rated sales, intercompany transactions, out-of-scope supplies.
- A confirmation statement that all members meet the prescribed conditions under the UAE VAT Law and Executive Regulations to qualify as a valid tax group.



Oman Tax and Regulatory updates

Withholding Tax on Omani Flagged Ships Suspended

The Oman's Tax Authority (OTA) has announced a five-year suspension of withholding tax on service contracts provided onboard ships registered under the Omani flag. The move is part of efforts to enhance the competitiveness of Oman's maritime sector.

The suspension came into effect on September 1, 2025, and will remain valid until August 31, 2030.

It applies to withholding tax on service contracts for ships officially registered with the competent authorities in the Sultanate. The Tax Authority has urged companies and institutions operating in the maritime sector to take advantage of this initiative, highlighting that it will reduce operating costs and support business growth



Saudi Arabia Tax and Regulatory updates

ZATCA Amends Rules for Verifying Proof of Origin in Saudi Arabia

On September 19, 2025, the Zakat, Tax and Customs Authority (ZATCA) of the Kingdom of Saudi Arabia (KSA) issued Governor's Decision No. (1447-99-303), amending the Rules and Conditions for Verifying Proof of Origin. Under the prior rules, importers seeking preferential duty benefits were required to provide a cash or bank guarantee, issued by a Saudi-licensed bank, covering the customs duties, taxes, and charges due on the imported goods. Within 90 days, they were obliged to submit extensive documentation, including an accountant's certification from the exporting country verifying that the local value-added and localization thresholds were satisfied.

Only after the importer submitted and verified those materials could the importer obtain a refund of the guarantee. The recent amendment introduces a new paragraph (13) to the Rules, which substantially simplifies the verification process. Importers can now meet the proof-of-origin requirements by submitting the following three documents to ZATCA:-

- A Certificate of Origin issued by the exporting GCC member state.
- A Certificate of Localization, confirming that the product meets the required level of national value-added content.
- The supporting commercial invoices.

With these documents, the origin verification is considered complete, and the prior requirement for a guarantee, along with the subsequent refund process, is eliminated. The amendment reflects a broader effort to streamline intra-GCC trade, aligning customs practices with the policy goal of facilitating smoother movement of national goods within the customs union.



International Tax Updates

OECD Introduces Voluntary Framework for Automatic Exchange of Real Estate Information

The Organisation for Economic Co-operation and Development (OECD) has taken another step toward strengthening international tax transparency with the launch of a new Framework for the Automatic Exchange of Readily Available Information on Immovable Property for Tax Purposes.

The framework was unveiled on October 15, 2025, as part of the OECD Secretary-General's Tax Report to the G20 Finance Ministers and Central Bank Governors, coinciding with the G20 ministerial meeting in Washington, D.C. The initiative was developed at the request of the South African G20 Presidency and endorsed by the OECD Committee on Fiscal Affairs. The framework, implemented through the Immovable Property Information Multilateral Competent Authority Agreement (IPI MCAA), establishes a voluntary and modular system for countries to automatically exchange real estate-related data for tax purposes.

It focuses on two key modules:-

- **Ownership and acquisitions** – enabling a one-off exchange of existing immovable property holdings and annual reporting on new acquisitions.
- **Disposals and income** – providing for annual exchanges of data on property disposals and rental income.

These modules aim to give tax administrations clearer visibility into the foreign-owned real estate held within their jurisdictions, a long-standing challenge in combating tax evasion and undeclared offshore wealth.

Other relevant developments

Malaysia- The 2026 Budget includes:-

- Introduction of a carbon tax in 2026, focused on iron, steel, and energy sectors.
- Extension of foreign-sourced income exemptions (dividends and capital gains) until 31 December 2030.
- Accelerated capital allowances (20% initial, 40% annual) for qualifying capital expenditure between 11 October 2025 and 31 December 2026.

Portugal-The 2026 Budget proposals:

- Corporate income tax rate reduction to 19% (2026), 18% (2027), 17% (2028).
- SMEs to benefit from 15% rate on first €50,000 of taxable profit.
- Introduction of VAT group system from 1 July 2026.

Tax Developments across GCC Countries

October 2025 showed several updates regarding Double Tax Treaties (DTTs) as well as other international agreements across the GCC countries:-

- On October 1, 2025, the CEPA between Malaysia and the UAE, signed on January 14, 2025, entered into force. The agreement will progressively reduce tariffs, foster private-sector cooperation, and enhance trade and investment flows.
- Also on October 1, 2025, the CEPA between Australia and the UAE, signed on November 6, 2024, also entered into force. Once fully implemented, it will eliminate tariffs on more than 99% of Australia's exports to the UAE.
- On October 7, 2025, KSA's Ministry of Investment confirmed that Morocco and the Kingdom of Saudi Arabia had signed an Investment Protection Agreement (IPA) in Rabat (Morocco) to strengthen bilateral investment relations.

Join the Conversation:
**A UAE Corporate Tax
FAQs Platform**

As a part of our commitment to keeping you informed on the latest tax developments in the region,
we are excited to announce the launch of

UAE CT FAQs

a dedicated platform for professionals and business owners to discuss and stay up to date with all things Corporate Tax in the UAE.

Whether you're navigating new tax regulations, understanding filing procedures, or seeking clarity on recent legislative changes, UAE CT FAQs offers a trusted space to:

- Ask questions and get answers from tax experts.
- Stay updated with the latest Corporate Tax developments.
- Share knowledge and learn from a community of professionals.

We invite you to explore this new platform and connect with like-minded peers to ensure your business stays compliant and informed.



As pioneers of strategic & multi-service business solutions in the region, we are committed to making advisory simple and accessible through highly bespoke services, industry-leading expertise, and cutting-edge technologies. Our core emphasis is educating clients, thereby empowering them to make informed decisions.

FAME Advisory is headed by Mr. Nirav Shah with the sole ambition of providing clients with better corporate governance, compliance & investment prospects in the local and global markets. His noteworthy organizational skills have immensely contributed to the success of the company. Taking complete responsibility in the matters of the company, adopting a personal approach to business, building trust among the clients reflects on his remarkable business acumen.

200+

Projects
Executed

100+

Companies
Set-Up in GCC

25+

Industry
Awards

Better future with FAME Advisory



Vision

To be the region's first choice for business and tax advisory.



Mission

As pioneers of Business and Tax Advisory & Family Services in the region, we are committed to making consulting simple and accessible through a highly customer-centric approach, industry-leading expertise and cutting-edge technologies with core emphasis on educating clients thereby empowering them to make an informed decision.

Our Team

Mr. Nirav Shah

Director at FAME Advisory

With over two decades of experience in corporate advisory, consultancy, and compliance, CA Nirav Shah is a qualified Chartered Accountant and a stalwart in the industry, being recognized as amongst the top corporate structuring, international tax, and compliance experts in the UAE, India, and other countries.

For more than 15 years, Mr. Nirav has had a distinguished journey consulting global clients on Corporate Structures and Governance and family asset holding structures and has served as a specialist in providing strategic inputs to organizations.





Udit Chokshi

Senior Manager VAT and Compliance Services

Udit has been working with FAME Advisory since 2014 & has been entrusted with the responsibility of the Corporate Training division for the company. He supervises a team of 6 & has a proven track record of managing 40 plus VAT Returns monthly with his team.

During his career, Udit has held a pivotal role in executing training projects for the company with a result-oriented approach while building high-performance teams & collaborating across departments.



Hemang Agravat

Senior Manager Corporate Services

As a Business Development Manager at FAME, Hemang has had a long professional career with a focus on growing the company's client base.

He holds a successful track record of nurturing clients & has been instrumental in building high-performing teams. He specializes in building programs that add value to the client relationships. Hemang brings in a wealth of experience bridging the gap between Sales & Advisory teams.



Juned Halai

Manager Corporate Tax Services


With enriched experience in Corporate Tax at FAME, CA Juned Halai, provides strategic tax advisory services to a diverse portfolio of domestic and international clients. Specializing in tax planning, he has a proven track record of optimizing tax liabilities and enhancing client profitability.

Skilled in navigating complex regulatory frameworks, he offers expert tax guidance to multinational corporations and local businesses across the UAE and GCC region, ensuring compliance while maximizing tax efficiency.

He is actively engaged with international clients to provide expert advice on various international tax issues.



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