



GCC Tax & Regulatory Communique November 2025



UAE Tax and Regulatory updates

Revised administrative penalty framework for violation of tax laws

In October 2025, the UAE Cabinet approved Cabinet Decision No. 129 of 2025, introducing significant changes to the administrative penalties applicable to violations of UAE tax laws.

The decision was officially published on 10 November 2025 and will come into effect on 14 April 2026.

Businesses should use this transition period to review their compliance processes and prepare for the new penalty framework.

Key amendments introduced in Cabinet Decision No. 129 of 2025:

Description of violation	Amendments introduced
Failure to submit requested information in Arabic	Penalty reduced from AED 20,000 to AED 5,000.
Failure to update tax record kept by the FTA	<ul style="list-style-type: none"> • First violation penalty reduced from AED 5,000 to AED 1,000. • Repeated violation penalty reduced from AED 10,000 to AED 5,000 within 24 months.
Failure to notify appointment of Legal Representative	Penalty reduced from AED 10,000 to AED 1,000.
Failure to pay Payable Tax on time	New flat penalty at an annualized 14% rate, accrued monthly on outstanding tax, replacing the previous 2% penalty on due day and 4% monthly penalty
Incorrect Tax Return	<ul style="list-style-type: none"> • Penalty reduced to AED 500 (first violation) and AED 2,000 (repeated violation). • Waiver applies if the tax return is corrected by the due date or via Voluntary Disclosure (VD) that does not impact the tax due.
Voluntary Disclosures	<ul style="list-style-type: none"> • Flat penalty of 1% monthly on tax difference until VD submission, replacing previous 5%–40% fixed penalty structure. • If a VD is filed after audit notification, an additional 15% fixed penalty applies.
Voluntary Disclosures after audit notification is issued	<ul style="list-style-type: none"> • Fixed penalty reduced from 50% to 15%. • Monthly penalty of 1% continues until VD submission.

FTA issued a user manual on CT payments

On 18 November 2025, the Federal Tax Authority (FTA) issued a user manual on Corporate Tax Payments (CT) payments. This manual is part of a set of updated guides designed to help registered taxpayers use the EmaraTax portal effectively. The CT Payments user manual details the mechanism for settling CT dues, providing step-by-step instructions with screenshots for navigating the EmaraTax platform. The FTA confirms that payments can be made using both UAE-issued bank cards and those issued by international banks. Additionally, for payments via GIBAN, the manual provides comprehensive details, including FTA's bank account information, SWIFT/BIC codes, and internal bank codes required for processing.

FTA issued a user manual on the registration of deactivated CT TRN

On 18 November 2025, the FTA issued a user manual on the registration of deactivated CT TRN. This update is especially important for businesses whose Corporate Tax TRNs were previously deactivated. This manual covers the following:-

- Step-by-step process for re-registering a deactivated CT TRN
- Updated requirements in EmaraTax
- Clarifications on supporting documents
- Guidance for seamless submission and approval

With the UAE's Corporate Tax framework now fully in action, ensuring your CT TRN is correctly registered is non-negotiable for compliance.



Saudi Arabia Tax and Regulatory updates

Saudi Arabia to Implement Tiered Volumetric Excise Tax on Sweetened Beverages from 1 January 2026

The GCC Economic and Financial Cooperation Committee has approved a new sugar-based excise tax methodology for locally produced sweetened beverages, replacing the current flat 50% tax on retail selling price with a tiered approach based on grams of sugar per 100 ml. Saudi Arabia is expected to implement the new methodology from 1 January 2026. The key highlights are mentioned below:-

- This model applies exclusively to sweetened beverages, including carbonated beverages that meet the definition of a sweetened beverage. Definition of sweetened beverages – includes any drink (ready-to-drink or in concentrate/powder/gel/extract form) that contains added sugar or other sweeteners, including natural sweeteners such as honey.

- Beverages are excluded from the definition of sweetened beverages includes energy drinks (taxable at 100% of RSP), any milk/ dairy-based product or beverages and beverages/ concentrates formulated for special nutritional or medical purposes.

- Sweetened beverages has been classified into four sugar-based tiers:-

Tiers	Sugar Content	Excise Tax
Tier 1 - No added sugar	Sweetened only with artificial sweeteners	0 SAR/liter
Tier 2 - Low sugar	< 5 g per 100 ml	0 SAR/liter
Tier 3 - Medium sugar	5-7.99 g per 100 ml	0.79 SAR/liter
Tier 4 - High sugar	≥ 8 g per 100 ml	1.09 SAR/liter



International Tax Updates

OECD Launches Public Consultation on International Tax Challenges of Global Mobility of Individuals

On November 26, 2025, the Organisation for Economic Co-operation and Development (OECD) opened a public consultation to gather stakeholder input on the international tax implications arising from the increasing global mobility of individuals. Interested parties may submit comments until December 22, 2025, and all submissions will be published on the OECD website. A public consultation meeting is expected to take place in January 2026. The consultation document highlights several areas where the existing international tax framework may require further reflection:-

- Personal income tax
- Corporate income tax
- Compliance and administration

The consultation aims to gather practical insights, evidence, and experiences to inform future work on how tax rules should apply to modern working arrangements. Stakeholder participation will play an important role in developing coherent international approaches that support economic growth, mobility, and fair taxation.

Tax Developments across GCC Countries

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

- On November 1, 2025- the Parliament of Montenegro confirmed that negotiations are underway with the Kingdom of Saudi Arabia (KSA) to conclude a bilateral income tax treaty. The prospective agreement is expected to address double taxation relief, tax evasion prevention, and the facilitation of investment flows, reflecting Montenegro's intent to expand its treaty network and KSA's ongoing international tax strategy.

- On November 3, 2025-Bahrain and India agreed to commence negotiations for a bilateral tax treaty during the Fifth High Joint Commission meeting held in New Delhi. In parallel, negotiations are also underway for an Investment Protection Agreement (IPA) and a Comprehensive Economic Partnership Agreement (CEPA), signaling a broader effort to deepen bilateral economic ties.

- On November 21, 2025-The General Directorate of Taxes of the Ivory Coast confirmed the entry into force of the Ivory Coast-United Arab Emirates Income Tax Treaty (2021). While the treaty has been effective since January 1, 2024, an internal memorandum formally reiterated its status for administrative purposes. The treaty enhances tax cooperation, allocates taxing rights, and supports Emirati investment in sectors such as logistics, energy, services, construction, and agribusiness.

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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