



GCC Tax & Regulatory Communique February 2026





UAE Tax and Regulatory Updates

Cabinet Decision No. 1 of 2026–Exemption for certain sports entities from corporate tax

On 12 January 2026, the United Arab Emirates (UAE) Cabinet issued Cabinet Decision No. (1) of 2026 for the purposes of Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law).

The Decision grants Corporate Tax exemptions to certain International Sports Entities, Sports Entities, and Supporting Entities and is effective from 1 June 2023.

Key Takeaways of the Guide:-

- **Broad Scope of Exemption:**

The exemption applies to three categories of entities: International Sports Entities, Sports Entities, and Supporting Entities.

- **Retroactive Effective Date:**

The Decision is effective from 1 June 2023, aligning with the commencement of the UAE Corporate Tax regime.

- **Strict Compliance Requirements:**

Entities must satisfy specific conditions relating to business activities, income use, ownership structures, disclosure obligations and any additional conditions as specified by the Minister.

UAE Ministry of Finance released e-Invoicing Guidelines

On 23 February 2026, the UAE Ministry of Finance has issued the UAE's official Electronic Invoicing Guidelines, providing businesses with a detailed framework to prepare for the country's upcoming national e-invoicing system. The guidelines serve as a comprehensive reference document outlining the scope, objectives and policy rationale behind electronic invoicing, while offering clarity on compliance requirements and operational expectations for entities in the UAE.

The key takeaways have been outlined below:-

- **Temporary grace period for intra-VAT group transaction**

To support readiness across VAT groups, the Ministry has introduced a 24-month grace period, applicable from 1 January 2027. During the grace period, intra-group transactions will not be required to comply with Electronic Invoicing obligations. This applies only to transactions between members of the same VAT group.

- **E-Invoicing implementation obligation for non-UAE resident VAT registrant**

The Guidelines confirm that a non-UAE resident which registered for UAE VAT shall implement electronic invoice if it is obliged to issue tax invoice in accordance with the VAT-Decree Law.

- **Self-billed document**

The Guidelines clarify that self-billed commercial invoices and self-billed commercial credit notes are not in scope of the UAE Electronic Invoicing requirements. Self-billing applies only to self-billed electronic tax invoices and self-billed electronic tax credit notes.

- **Investment holding companies**

The guidance confirms that holding companies earning only passive income such as dividends or interest, are not in the scope of mandatory e-invoicing. However, where holding companies engage in taxable transactions, such as the recharge of management fees to a subsidiary, these will fall within the scope of e-invoicing.

- **Supplier obligation e-invoicing responsibility regardless of buyer status**

A critical principle reiterated by the new guidance is that the obligation to issue an electronic invoice lies entirely with the supplier. Even if a buyer is not yet onboarded to the e-invoicing system, or not mandated to use e-invoicing, the supplier must still issue an Electronic Tax Invoice for the sale. During the “transition period”, where buyers are not yet onboarded, suppliers must issue both e-invoices and traditional tax compliant hard copy invoices.

- **Criteria Suggested for selecting an ASP**

Choosing the right ASP is crucial. The MoF’s new guide, “Considerations for Selecting an ASP”, lays out clear suggested evaluation parameters to help businesses make informed decisions. Key criteria include:-

- Product capabilities and ownership
- Integration readiness
- Data management
- Compliance and security frameworks
- Customer support and SLAs
- Pricing transparency
- Scalability and future-proofing

By assessing ASPs against these (and other relevant) criteria, businesses can select an ASP that is a strong fit for their operations and existing systems landscape.



Qatar Tax and Regulatory updates

Pillar Two developments in Qatar

Qatar has implemented Pillar Two through Law No. 22 of 2024 (Qatar Pillar Two Law), introducing the Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT), effective from 1 January 2025. The law aligns with the OECD GloBE Model Rules, Commentary and Agreed Administrative Guidance.

On 12 February 2026, the Council of Ministers issued a Resolution amending the Executive Regulations and setting out detailed rules for applying the IIR and DMTT. As expected, the framework is closely aligned with the OECD GloBE Model Rules.

Qatar has also been recognized by the OECD as having a qualified IIR and DMTT regime. The rules apply to Multinational Enterprise (MNE) Groups with consolidated global revenues of at least EUR 750 million in at least two of the four preceding fiscal years. This includes:

- Qatar-headquartered groups with operations outside Qatar; and
- Foreign-headquartered MNEs with operations in Qatar.

Purely domestic Qatar groups are outside the scope.



International Tax updates

India Major Tax Updates

- India's 2026 budget introduces the rewritten Income Tax Act 2025 effective 1 April 2026. Corporate tax rates remain unchanged, but new incentives include a tax holiday until 2047 for foreign data centre companies and a five-year exemption for foreign suppliers of capital goods to electronics manufacturers.
- IFSC exemptions are extended to 20 years.
- The MAT rate falls to 14%, and MAT becomes final for domestic companies.
- Buybacks are treated as capital gains with higher promoter tax rates.
- Transfer pricing safe harbors are consolidated and expanded, and unilateral APAs for IT services will be fast-tracked.

- For GST, intermediary service place of supply rules shift to the recipient's location.

- Draft Income Tax Rules 2026 have been released for consultation and will replace the 1962 rules from April 2026. Comments are requested by 22 February.

Canada announced the province budget 2026

- On 26 February 2026, Alberta's Minister of Finance announced the province's budget, which includes no new income taxes or increases, but proposes amendments to the data center levy introduced in 2025.
- The budget maintains current corporate income tax rate and personal income tax rates, while increasing the tourism levy from 4% to 6%, effective 1 April 2026, affecting short-term accommodation rentals.
- A new vehicle rental tax will be introduced on 1 January 2027, applying a 6% tax on passenger vehicle rentals, excluding goods-and-services tax and itemized charges for insurance and fuel.

Singapore resident investors likely to benefit from renewed income tax treaty with Taiwan

The income tax treaty between Taiwan and Singapore entered into force on 13 February 2026 and is effective 1 January 2027. The key takeaways are:-

- Under the treaty, Singapore resident investors that are considered the beneficial owners of Taiwan-sourced dividend or interest income will be eligible for a 10% treaty withholding tax rate.
- Additionally, for treaty benefit purposes, a Singapore collective investment vehicle (CIV) defined in this renewed treaty shall be treated as a resident and the beneficial owner of the Taiwan-sourced income it receives.

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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.

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



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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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