



GCC Tax & Regulatory Communique March 2026



UAE Tax and Regulatory Updates

Dubai Customs Introduces Temporary Transit Measures

In response to ongoing operational disruptions affecting regional ports and shipping routes, notably the strait of Hormuz, Dubai Customs has issued Customs Notices No. 03/2026 and No. 04/2026, introducing facilitation mechanisms to ensure continuity of cargo movement into Dubai and its free zones.

The Key Takeaways are:-

- **Temporary Transit from UAE Ports to Dubai**

Under Customs Notice No. 03/2026, containers discharged at the ports of Khorfakkan or Fujairah may be transported directly by road to Jebel Ali Port and Dubai free zones under a secure bonded transit arrangement, without undergoing standard customs clearance at the port of arrival. Upon arrival in Dubai, containers are received in designated yard areas pending completion of customs procedures. This effectively shifts customs processing to Dubai while preserving the goods' underlying customs treatment.

- **Expanded Oman–Dubai “Green Corridor”**

Framework–Complementing this measure, Customs Notice No. 04/2026 introduces a temporary “Green Corridor” between the Emirate of Dubai and the Sultanate of Oman. This mechanism applies to all types of goods, except those listed in the annex, and is designed to address cargo diversions caused by current exigent circumstances. The Green Corridor applies across multiple logistics scenarios, including Sea freight (containers). Containers destined for Jebel Ali Port from the rest of the world that have been diverted to Omani ports may be transported directly to Dubai via bonded trucks with sealed containers, following expedited customs procedures in Oman.

- Air cargo shipments (including ULDs and loose cargo) originally destined for Dubai airports but diverted to Omani airports may be transported via a bonded road feeder service that connects Omani airports to Dubai airports under controlled transit conditions.

- Road imports into the Dubai mainland–Goods imported from the rest of the world and routed through Oman may be transported by road into the Dubai mainland, benefiting from the same facilitated and bonded transit procedures.

Across all scenarios, shipments are subject to expedited Omani customs processing, followed by secure, sealed transit into the UAE, where final customs clearance is completed in Dubai.

UAE Introduces R&D Tax Credit Cabinet Decision No. 215 of 2025 and Ministerial Decision No. 24 of 2026

The UAE Ministry of Finance has issued the much-anticipated Cabinet Decision No. 215 of 2025 and Ministerial Decision No. 24 of 2026, establishing a Research and Development (R&D) Tax Credit regime under the United Arab Emirates (UAE) Corporate Tax Law and its implementation. Effective for tax periods beginning on or after 1 January 2026, the decisions introduce a significant incentive for businesses undertaking qualifying R&D activities in the UAE.

Key Takeaways are:-

• **Qualifying entity**

CD 215 of 2025 provides, that for an entity to be considered a qualifying entity, the requirements are:-

- It should be a juridical person, which is either a UAE juridical person, including a Free Zone Person, that is subject to CT and/or top-up tax and carries on Qualifying R&D Activities, or foreign juridical persons undertaking such activities through a UAE permanent establishment.
- It should carry on R&D activities.
- It should be subject to CT and/ or Top-up Tax.

• **Qualifying R&D expenditure**

CD 215 of 2025 categories Qualifying R&D Expenditure as below

- Staff costs
- Consumable costs
- Subcontracting fee
- Arm's length share of contributions under cost contribution arrangements,
- Any other category of expenditure that may be specified by the Minister.
- Certain capitalized costs relating to internally generated intangibles arising from qualifying R&D activities may fall within the scope of qualifying expenditure

- Further, MD 24 of 2026, defines the above categories and provides specific conditions for inclusions and exclusions. For example, in staff cost a 30% upliftment is to be applied, it shall not include employee stock option plans, it shall not include intra-group recharges etc.

- CD 215 of 2025 also lay down baseline conditions for such expenditure to qualify. In particular:
 - the expenditure must be incurred wholly and exclusively for qualifying R&D activities;
 - must amount to at least AED 500,000 (excluding upliftment) per R&D project in the relevant tax period or fiscal year;
 - must constitute deductible expenditure under CT law;
 - must not be funded by a government grant, to the extent recorded in financial statement; and
 - must not already benefit from any other incentive, credit, exemption or relief under the CT Law or any other legislation in the UAE.

- **Qualifying R&D Activities**

The R&D tax credit is available in respect of Qualifying R&D Activities carried out by a Qualifying Entity. For this purpose, an activity will be regarded as a Qualifying R&D Activity only where it is undertaken in the UAE as part of an R&D Project and satisfies all the below mentioned five prescribed conditions:

Novel

aims to produce new findings

Creative

involves original concepts or hypotheses

Uncertain

the outcome or means of achieving it are not known in advance

Systematic

follows a plan and budget

Transferable or reproducible

results can be applied or replicated in other contexts

- MD 24 of 2026 expressly states that this assessment should be made with reference to the OECD Frascati Manual. Activities in the fields of social sciences, humanities and the arts are excluded.

- **Conditions to Claim the R&D Tax Credit**

A Qualifying Entity may claim the R&D tax credit for Qualifying R&D Expenditure only where it satisfies the following conditions:

- The Qualifying Entity meets the minimum number of employees engaged in Qualifying R&D Activities
- The Qualifying Entity obtains the necessary pre-approvals from the Council and complies with ongoing compliance requirements
- The Qualifying Entity bears the financial burden of carrying out the Qualifying R&D Activities.
- The Qualifying Entity is beneficially entitled to a share in the returns derived from exploiting the intangibles or other results of the Qualifying R&D Activities.
- The relevant R&D Project has a specified objective to increase the stock of knowledge or devise new applications of available knowledge, and the Qualifying R&D Activities are directly undertaken with the purpose of addressing such objective.

Please refer to our separate communication in this regard for further details.



KSA Tax and Regulatory updates

Critical Excise Tax Recovery and Compliance Deadlines

Following the recent amendments to the implementing regulations of the Excise Tax (“ET”) law in the Kingdom of Saudi Arabia (“KSA”), introducing the tiered-volumetric model effective 1 January 2026 (“Amended Regulations”), it is essential for affected businesses to remain fully informed and promptly address the key ET recovery and compliance deadlines falling in March 2026. Timely action will enable optimization of cash flow, mitigate ET-related risks, and ensure compliance.

Please find below a summary of the relevant critical deadlines:-

- **ET Refund on Transitional Stock**

Where the ET rate on excise goods released for consumption has decreased as a result of the effective implementation of the Amended Regulations, the ET registrants may be eligible to claim a refund for excess ET paid to the Zakat, Tax and Customs Authority (“ZATCA”) on closing inventory as of 31 December 2025, subject to fulfilling certain conditions. Such refund applications must be submitted by 31 March 2026.

- **Deduction of Paid ET on Excisable Raw Materials**

Taxpayers holding a tax warehouse license (“Licensees”) may recover ET by deducting the tax paid on excisable raw materials used to produce taxable excise goods for local release for consumption or export. The ET deduction can be claimed in the relevant or subsequent returns, provided it occurs within 24 months from the raw materials’ release for consumption in KSA.

- **Changes to ET Return Format and to the Filing and Payment Deadline**

The ET return filing and payment deadline has been extended from 15 days to the last day of the month following the end of the tax period. Accordingly, the January–February 2026 tax return is due by 31 March 2026. Notably, the ET return template has been revised to require reporting of quantities released by each tiered category for sweetened drinks.

- **Registration of Excise Goods Under the New System**

The Amended Regulations mandate that taxpayers register their excise goods with ZATCA via the new Excise Product Identification Service on the ZATCA portal, prior to their release for consumption in KSA. Registration must be completed separately for each excise product variant (e.g., different flavours).



Qatar Tax and Regulatory updates

Qatar Introduces Direct Application Mechanism for Tax Treaty Benefits

On March 12, 2026, Qatar published Cabinet Decision No. 4 of 2026 in its Official Gazette, introducing a significant reform to the application of Double Taxation Agreement (DTA) benefits. The Decision amends Article 22(2) of the Executive Regulations of the Income Tax Law (Law No. 24 of 2018) and establishes, for the first time, a formal legislative framework for applying treaty benefits directly at source.

- **A Shift from Refund to Relief at Source**

Historically, non-residents seeking treaty relief in Qatar were required to follow a post-payment refund process. The newly introduced provisions—Articles 22(2)—create a structured alternative, enabling eligible taxpayers to grant treaty benefits at the time of payment, subject to defined conditions.

- **Introduction Approved Debtor Regime**

At the core of the reform is the introduction of the “Approved Debtor” concept, also referred to as a “Trusted Entity”. Under this regime, Qatari payers may apply to the tax authority for approval to grant treaty benefits directly to qualifying non-resident recipients. To obtain this status, applicants must:-

- Be registered with the tax authority,
- Demonstrate adequate administrative, human, technical, and financial capabilities through a formal questionnaire, and
- Meet minimum thresholds for withholding tax (WHT) transactions or volumes. According to the GTA's policy that is that the entity is remitting WHT equivalent to QAR 14 million, or more than 1,250 WHT transactions reported in the preceding fiscal year.

- **To access this relief, non-resident recipients must submit a formal request confirming:-**

- Their tax residency,
- Beneficial ownership of the income,
- That the income is not connected to a Qatari permanent establishment, and
- The specific treaty provisions being relied upon.

This request must be supported by a valid tax residency certificate issued by the relevant treaty jurisdiction.



International Tax updates

Hong Kong's 2026–2027 Budget proposes enhancements to tax-incentive measures

The Financial Secretary of Hong Kong announced the 2026–2027 Hong Kong Budget, which proposes various enhancements to tax-incentive regimes, including:-

- Offering a preferential policy package that includes a 5% or 8.25% concession rate tax incentive, land grant arrangements and financial subsidies based on the merits of each case.
- Enhancing the existing 8.25% tax concession for qualified corporate treasury centers by introducing additional tax incentives and flexibility in the regime, as well as a preapproval mechanism.
- Relaxing the tax deduction for certain intellectual property (IP) from associates and lump-sum licensing fees for acquiring the rights to use IP; the tax deduction for research and development (R&D) expenditure is also under review for enhancement.

- Introducing a new 8.25% tax concession for eligible commodity traders in international maritime businesses, potentially covering taxpayers that own the cargo and manage their fleet for cargo delivery; a tax deduction would be provided for ship acquisition costs for ship lessors under an operating lease, and deductibility rules of related finance cost would be relaxed.
- Expanding the scope of eligible tax-exempted funds to cover specific funds-of-one (e.g., pension and endowment funds) and broadening qualifying investment categories to include digital assets, precious metals and specified commodities.

Recent International Tax Treaty and Investment Agreement Developments

- **Ukraine Ratifies CEPA with UAE**

On March 25, 2026, the President of Ukraine signed Law No. 4802-IX, ratifying the Comprehensive Economic Partnership Agreement (CEPA) with the UAE, which had been signed on February 17, 2025. The ratification was published in Official Gazette No. 56 of March 24, 2026. The CEPA is expected to enhance trade and investment relations between the two countries, with further implementation details anticipated in due course.

- **UAE Continues to Expand Its Investment Protection Network**

These developments build on the UAE's expanding network of investment protection agreements, including:-

- New Zealand-UAE Investment Protection Agreement (2025), effective from November 14, 2025
- Australia-UAE Investment Protection Agreement (2024), effective from October 1, 2025

Both agreements provide enhanced investment certainty, protection standards, and long-term legal stability, typically structured with a 10-year duration.

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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