

# GCC Tax & Regulatory Communique

April 2026



## UAE Tax and Regulatory Updates

### Amendments to the Executive Regulations of the Tax Procedures Law

The UAE Cabinet has issued Cabinet Decision No. 17 of 2026, effective from 1 April 2026, amending Cabinet Decision No. 74 of 2023 concerning the Executive Regulations of Federal Decree - Law No. 28 of 2022 on Tax Procedures.

The following are the key amendments to the Executive Regulation:

- Taxpayers are now required to retain records for an additional two-year period (beyond the standard retention period) where a refund application has been submitted and no decision has yet been issued by the Federal Tax Authority, provided that such application is filed within the prescribed statutory limitation period.

- It provides clarity on the treatment of incorrect refund applications. Errors exceeding AED 10,000 must be rectified through a voluntary disclosure within 20 business days. Errors of less than AED 10,000 may be corrected in the next eligible tax return or, where no such return is available, through a voluntary disclosure.
- The amendments allow the FTA to extend the prescribed period for the seizure and retention of documents or assets, subject to notifying the concerned person.
- The disclosure of taxpayer information to competent government entities is now required to be governed by formal agreements to ensure confidentiality and data protection, for safeguarding taxpayer information.

## FTA Clarification CTP010: Director vs Officer in UAE Corporate Tax

The Federal Tax Authority (FTA) has clarified the meaning of “director” and “officer” for payments to Connected Persons under Article 36 of the Corporate Tax (CT) Law. The purpose of this clarification is to explain exactly what “director” and “officer” mean beyond the title. A “Connected Person” (CP) under Article 36(2)(b) includes a director or officer of the company

### Who is a Director as Per the Public Clarification (CTP010)?

A “director” is a person who holds a position on the board of directors (BoD) as long as they are appointed on the BoD, including any member of a board committee. This includes Executive directors, Non-executive directors, Temporary directors, Permanent directors and Alternative directors.

If the company does not have a BoD, then “director” refers to a person holding a position on any equivalent governing body – including but not limited to Board of trustees and Board of governors as determined under the applicable law governing the company’s incorporation, or the company’s constitutional documents, including but not limited to Memorandum of association, Articles of association, Partnership deed and Trust deed.

Just having the word “director” in a job title does not make someone a director for the purposes of Article 36(2)(b).

However, it is still necessary to check whether that person could be considered an “officer.

### **Who is an Officer as Per the Public Clarification (CTP010)?**

An “officer” includes any person who meets at least one of the following three criteria:

- The person has the authority and responsibility for planning, directing, and controlling the activities of the Taxable Person, in accordance with the framework of International Accounting Standard 24 on Related Party Disclosures.
- The person has the authority to make strategic decisions related to the financial, operational, or commercial matters of the Taxable Person.
- The person has the authority to enter into agreements or approve actions that legally or contractually bind the Taxable Person.

Officer does not include a person who does not have the ultimate strategic decision-making or binding authority. An officer may include, but is not limited to Chief Executive Officer, General Manager, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer. An authorised representative with discretionary authority together referred to as “C-suite.”

A formal appointment or job title may be used as an indicator when assessing whether someone is an officer but it should not be relied upon as the sole criterion.

If a person does not have a formal appointment or C-suite job title, that person is still considered an “officer” if through their actual conduct the person effectively has:

- The authority and responsibility for planning, directing, and controlling, or
- The authority to make strategic decisions, or
- The authority to take or approve actions that legally or contractually bind the company.

The concept of “officer” applies to all Taxable Persons, including trusts, foundations, and unincorporated partnerships that are treated as fiscally opaque for Corporate Tax purposes.

### Other Key Considerations

- Only a natural person can be a “director” or “officer” of a Taxable Person.
- If a person is considered both a Related Party and a CPs of a Taxable Person, that person will be treated only as a Related Party for Corporate Tax purposes.

## UAE Introduces E-Invoicing 4-Corner Model for Businesses

The Ministry of Finance (MoF) has announced the launch of the E-Invoicing 4-Corner model. This model enables businesses to seamlessly exchange electronic invoices through accredited service providers, enhancing interoperability, automation, efficiency, and compliance across the invoicing ecosystem.

Businesses can now access the Federal Tax Authority’s EmaraTax system to select their preferred Accredited Service Provider (ASP), accredited by the Ministry of Finance, and commence their E-Invoicing journey. To onboard, businesses are required to enter into a commercial agreement with their chosen ASP, after which they can complete the onboarding process and begin exchanging E-Invoicing.

With this capability now in place, businesses can initiate E-Invoice exchange between Corner 1 (Supplier) and Corner 4 (Customer), enabling more efficient, secure, and compliant operations. This supports enhanced transparency, streamlined processes, and stronger connectivity across the business ecosystem.

## FTA has Updated VAT Refund Guide for Nationals Building New Residences

The FTA has released an updated April 2026 version of the VAT Guide (VATGRH1) for UAE nationals constructing new residential properties. The guide outlines the VAT refund process for eligible construction expenses, incorporates the use of EmaraTax and the Maskan app, and now includes practical examples along with a section highlighting common application errors.

Only a natural person who is a UAE national and holds “Family Data” may submit a Refund Request.

A “residence” is a newly constructed building (including villas and townhouses) that is used predominantly as a private home of a natural person, including fixtures and fittings, and comprising at least cooking, washroom/bathroom and sleeping facilities. Extensions/second units on the same plot may qualify if they include sleeping, washroom and cooking facilities and can function as an independent private residence.

One of the key compliance conditions is that the property must be used solely as a residence by the applicant and their family and should not be leased or used for any commercial purposes. If this condition is breached, even after the VAT refund has been granted, the applicant may be required to repay the refunded amount to the Federal Tax Authority (FTA).

The application must be submitted within 12 months from the date of completion of the residence. This completion date is determined based on occupancy, certification, or as determined by FTA based on other factual evidence.



## KSA Tax and Regulatory Updates

### KSA Advances SEZs Framework with New Draft Regulations

To accelerate economic diversification and create a new route for investors to do the business in KSA, KSA has launched its first wave of four Special Economic Zones (SEZs) with special commercial regulations.

These drafts which recently went under consultation via the Istilaa platform include the following SEZs:

- Ras Al-Khair SEZ
- Jazan SEZ
- King Abdullah Economic City SEZ
- Cloud Computing and Informatics SEZ

From a first reading of the draft regulations, a layered regulatory architecture emerges. ECZA sits at the center as rule-maker and supervisor, issuing regulations and ensuring consistency across zones. Operational and licensing functions are handled by the relevant zone entity and, where applicable, by developers or operators thereby creating a clear distinction between oversight and execution.

In launching these zones, KSA offers a platform for investors to accelerate their regional and international growth through a globally connected market.



## Qatar Tax and Regulatory Updates

### General Tax Authority of Qatar introduces Excise Tax Warehouse Licensing Service

As part of its continuous efforts to enhance the implementation of excise tax and streamline related procedures, the General Tax Authority (GTA) of Qatar has introduced a new excise tax warehouse licensing service. This initiative enables storage and management of excise goods under a tax suspension framework, allowing deferment of excise tax payments.

#### What is a Tax Warehouse?

A tax warehouse is a designated place where the warehouse keeper is allowed to produce, process, hold, store and receive Excise goods under a tax suspension arrangement. As of now, Excise tax is being levied on excise goods at the point of production or import. This leads to working capital / cash flow impact as the excise tax is being paid by the taxable person on the import or production and not on the sales. Under the tax warehouse provisions, the excise tax liability is deferred until the goods are released from the tax suspension arrangement, enabling more effective working capital management.

The service began on April 1, 2026, targeting companies that produce excise goods. Businesses can utilize licensed warehouses to manage excise goods, benefiting from deferred tax liabilities until goods are marketed locally. The service is designed to import processes and enhance tax relief frameworks, enabling import of raw materials under tax suspension, thereby easing refund procedures and reducing administrative tasks. This initiative aims to boost cash flow, support effective supply chain management, and reduce administrative burdens related to tax refunds on imports and exports, enabling streamlined financial and operational planning.

## **Qatar Introduces New Excise Tax Mechanism on Sweetened Drinks**

As part of its continuous efforts to enhance the implementation of excise tax and align with global practices, the GTA has published Law No. (2) of 2026 amending Law No. (25) of 2018 concerning excise tax. The amendment introduces a tiered volume model for calculating excise tax on sweetened beverages based on sugar or sweetener content. The Law is effective from 6 July 2026.

This applies to products produced and imported into Qatar containing sugar or sweeteners, including soft drinks, juices, beverages, concentrates, powders, extracts, or products convertible into sweetened beverages. The Excise Tax rate is as follows:

- Low sugar (<5g/100ml): Nil
- Medium sugar (5–7.99g/100ml): QR 0.77/litre
- High sugar (≥8g/100ml): QR 1.06/litre
- Only artificial sweeteners: Nil

Transitional provisions include submitting audited stock statement to GTA within 90 days and paying tax due or claiming refund within 30 days from submission. 1% of excise tax revenue from sweetened beverages shall be allocated to the Ministry of Public Health for health awareness.

Further, Article 18 specifies scenarios that may lead to 'tax evasion'. It has been clarified that the statute of limitation of five years from the end of the year in which the tax becomes due shall apply in all such cases of tax evasion.



## Kuwait Tax and Regulatory Updates

### Kuwait – Key Updates on 5% Tax Retention and DMTT Framework

The Kuwait Ministry of Finance has issued the Executive Rules for the State Budget for FY 2026/2027, providing further clarity on the application of the 5% tax retention mechanism and its interaction with the Domestic Minimum Top-Up Tax (DMTT) regime introduced under Law No. 157 of 2024.

#### Key Highlights

- The 5% retention requirement continues to apply to payments made by ministries, government authorities, and public institutions to contractors and suppliers.
- The retained amount can only be released upon submission of a valid tax clearance certificate.

- Government entities are restricted from dealing with taxpayers that do not meet the required tax compliance obligations.
- Tax gross-up clauses are not permitted in government contracts.
- Retained amounts will continue to be withheld until the taxpayer regularizes their tax position and compliance status.
- Zakat compliance requirements for Kuwaiti shareholding companies remain applicable under Law No. 46 of 2006, and non-compliant entities may face restrictions in accessing government services.



## International Tax Updates

### Singapore - Enhanced Corporate Tax Rebate for 2026 Assessment Year

With heightened uncertainties in the global environment leading to higher costs, the Singapore Government has announced a set of targeted support measures on 7 April 2026 to help businesses and households manage the near-term challenges. The measures emphasize cost containment, cash-flow relief, and continuity of essential services, with several initiatives taking effect immediately.

Measures introduced to help businesses include an increase to the Corporate Income Tax (CIT) rebate from 40% (as announced earlier in the Budget 2026) to 50%, with the minimum benefit raised from \$1,500 to \$2,000. The maximum benefit a company can receive has also been increased from \$30,000 to \$40,000.

## Pillar Two – Australia’s Combined Global and Domestic Minimum Tax Return (CGDMTR)

The Australian Taxation Office has released the format and instructions for the CGDMTR, combining Australia’s foreign lodgment notification, Australian Income Inclusion Rule (IIR) and Undertaxed Profits Rule (UTPR), Tax Return (AIUTR) and Domestic Minimum Tax Return (DMTR) in one form. Note that any amount disclosed in the CGDMTR needs to be reported in Australian dollars (AUD).

## Recent International Tax Treaty Developments

### New Zealand – Saudi Arabia Tax Treaty

New Zealand and Saudi Arabia are expected to resume talks on a tax treaty in April 2026, aiming to prevent double taxation and support trade and investment, building on discussions that started in 2017.

### New Zealand – Qatar Tax Treaty

New Zealand is also set to begin its first income tax treaty negotiations with Qatar in November 2026, reflecting efforts to strengthen economic ties and provide greater tax certainty for cross-border businesses.

### Austria – UAE Tax Treaty

Austria has approved negotiations to update its existing income tax treaty with the UAE (signed in 2003 and revised in 2021). The proposed changes aim to modernise the agreement, support cross-border investment, and align it with current international tax standards.

### Saudi Arabia – Bahrain Tax Treaty

On 21 April 2026, the Saudi Arabian Council of Ministers has approved the Double Tax Treaty (DTT) between Saudi Arabia and Bahrain. This approval is part of ongoing negotiations for a DTT, which aims to enhance tax cooperation between the two countries.

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

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### Mr. Nirav Shah

Director at FAME Advisory

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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

Associate Director - Indirect Tax & Compliance

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

Associate Director - 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 International & Corporate Tax

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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