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GCC Tax & Regulatory Communique

September 2026

- UAE Tax & Regulatory Updates
- Saudi Arabia Updates
- Qatar Updates
- International Tax Updates

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FTA Updates Procedures for Corporate Tax Exemptions



Summary

FTA Decision No. 15 of 2026 (dated 8 Sep 2026, effective 15 Sep 2026) replaces FTA Decision No. 7 of 2023 and sets the procedures for Exempt Persons under the UAE Corporate Tax Law.

Scope

Applies to Tax Periods starting on or after 1 June 2023, but only to applications filed on or after 15 Sep 2026. Applications filed earlier under the old Decision are unaffected.

Who it covers (Article 4(1))

- (e) Qualifying Public Benefit Entities
- (f) Qualifying Investment Funds
- (g) Qualifying pension & social security funds
- (h) UAE companies wholly owned by exempt persons
- (i) Others specified by Cabinet Decision

3-Step Process

1 Register

Categories (e) to (i) register for CT within deadlines under FTA Decision No. 3 of 2024.

2 Apply

Categories (f) to (i) file the exemption application after the Tax Period ends, within 90 Business Days.

3 Effective date

Generally from the start of the Tax Period applied for; FTA may set a different date in specific cases.

Action point

Review registration status, confirm eligibility and track all deadlines, including retrospective claims.

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Election for Investment Properties Measured at Fair Value



The fair-value investment property election is now live on the UAE Corporate Tax portal. Under Ministerial Decision No. 173 of 2025, taxpayers can elect to apply depreciation adjustments for CT purposes.

01

Irrevocable

Once made, it cannot be withdrawn and applies to all fair-value investment properties.

02

Timing

Must be made in the first Tax Period starting on/after 1 Jan 2025 in which such property is held.

03

Realisation basis

Consider this election too, if not made earlier.

04

Deadline risk

Missing the timeframe may mean losing the right to elect.

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Emara Tax Update – QFZP Election



Issue:

Some Free Zone taxpayers wrongly made the Article 19 election to be taxed at the standard 9% instead of keeping QFZP status.

Before

The election field was locked – even a Voluntary Disclosure could not fix it.

VS

Now

The field appears editable while preparing a Voluntary Disclosure for the original Tax Period.

Why it matters:

The election impacts that Tax Period and the next 4 Tax Periods.

Caution:

Editable does not mean accepted – the FTA will review each case on its facts and QFZP eligibility.
Approach case by case.

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FTA Decision No. 13 of 2026 – Verify Your Supplier Before Claiming Input VAT





Summary:

From 1 **October** 2026, taxable persons must verify their suppliers and supplies before claiming input VAT – on top of existing recovery conditions.

3 Requirements:

1



Due **diligence** on **suppliers**

2



Verification of the actual supply

3



Proper supporting documents for FTA review



Action point:

Set up supplier verification processes now to protect your input VAT claims.

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UAE VAT Executive Regulation Amendments – Effective 1 October 2026





Summary:

Cabinet Decision No. 149 of 2026 amends the VAT Executive Regulation (Cabinet Decision No. 52 of 2017). Other revisions cover medical products, profit margin scheme, tax credit notes and the Capital Asset definition (AED 5 million+, useful life of at least 10 years).

4 Key Changes:

01



No artificial splitting of supplies – inseparable components follow the VAT treatment of the principal component.

Action: review bundled packages.

02



Cash payments – no input tax recovery above a threshold (to be set by Ministerial Decision) if paid in cash.

Action: review procurement & treasury.

03



Employee benefits – recovery allowed if mandatory under labour law, contractual, or under a documented policy; accommodation stays blocked unless mandated by MoHRE.

Action: document benefit policies.

04



Financial services – "outside the State" now means presence of max 30 days not connected with the supply (aligned with export of services rule).



Note: New input tax apportionment rules apply from the first Tax Year starting after 1 Oct 2027.

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Recovery of Input Tax on Employee Expenses



Summary:

FTA Decision No. 17 of 2026 (effective 1 Oct 2026) allows input VAT recovery on free goods/services given to employees where there is a contractual obligation or documented policy, subject to conditions.

Covered expenses:

1. Employee transportation
2. Food & beverages
3. Employee accommodation
4. Accommodation for new employees
5. Mobile phones, airtime, data & home internet

Action point:

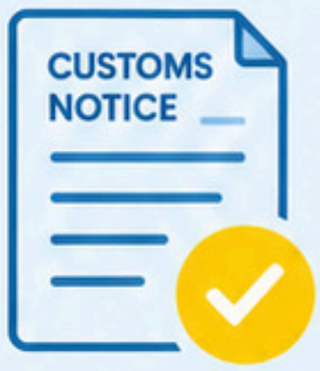
Review benefit policies and contracts, keep documents ready, and confirm conditions before claiming.

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Dubai Customs Extends Suspended Duty Periods by 60 Days





Summary:

Customs Notice No. 17/2026 (issued 23 Sep 2026) adds 60 days, making the total duty suspension period 180 days for goods imported for re-export, temporary admission or transit.

Applies to suspended statuses expiring between 27 Feb 2026 and 31 Oct 2026.

120 days — Original period

\+

60 days — Extension

=

180 days — Total period

3 Action Points:

01



Recalculate revised expiry dates

02



Re-export, regularise or pay duty before the new deadline

03



Track all affected declarations to avoid penalties



Note: This is temporary – do not expect further extensions.

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Dubai Customs Extends Guarantee-Free Free Zone Exports to All Destinations





Summary:

Customs Notice No. 18/2026 (effective 30 Sep 2026) allows goods in Jebel Ali Free Zone, Dubai Logistics City and Dubai Airport Free Zone to be exported anywhere outside the UAE without a cash or bank guarantee (earlier limited to outside the GCC).

- Jebel Ali Free Zone
- Dubai Logistics City
- Dubai Airport Free Zone

Key rules:

1. FZ Transit In / FZ Transit Out through the same customs office
2. Export within 30 days
3. Close the declaration within 45 days with proof of exit
4. Extra 45 days available with a late penalty
5. Non-compliance = duties + penalties

Day 30
Export within 30 days

→

Day 45
Close declaration within 45 days

→

+45 days (with penalty)
Extra 45 days available with a late penalty

Benefit: Better working capital – but keep tight shipment tracking and declaration controls.

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Saudi Arabia Publishes Special Economic Zone Regulations



Summary:

ECZA approved rules for 4 SEZs – Jazan, King Abdullah Economic City, Ras Al-Khair (physical zones) and Cloud Computing & Informatics. Effective 16 Sep 2026.

3 Physical Zones

Jazan, King Abdullah Economic City, Ras Al-Khair

CIT	5% on qualifying income for 20 years
WHT	Exempt on payments linked to licensed activities
VAT	0% on qualifying goods from within KSA; qualifying imports outside VAT scope; services not covered
Customs	Duty suspended (not exempt) while conditions are met

Cloud Computing & Informatics Zone

CIT/WHT	Standard 20% applies, but no deemed PE from data storage in Saudi data centres, OECD-aligned related-party rules, TP deductions and MAP access.
VAT & Customs	No specific relief.

Action point:

Check zone-specific licensing, activities and thresholds before relying on incentives.

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Qatar – Electronic Approval of Sweetened Drink Lab Certificates from 1 Nov 2026



Summary:

From 1 Nov 2026, lab certificates for sweetened-drink registration will be approved electronically on Dhareeba, linked directly with MoPH-accredited, GTA-registered labs.

Excise rates (from 6 July 2026):

Sugar content / type	Rate
Below 5g sugar/100ml	Exempt
5g to 7.99g/100ml	QAR 0.77 per litre
8g+/100ml	QAR 1.06 per litre
Artificial sweeteners only	Exempt

Process:

1. Apply on Dhareeba
2. Send sample to lab
3. Lab tests
4. Lab uploads certficate to Dhareeba

Warning: No valid lab report = product may be taxed at the highest tier.

Action point:

Use approved labs, test early, prioritise products near thresholds and review existing registrations.

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UAE Pillar Two Information Return – Who Must File

Ministerial Decision No. 133 of 2026 sets out who must file the Pillar Two Information Return under the UAE Top-up Tax regime (Cabinet Decision No. 142 of 2024), in line with OECD GloBE Rules.

Who must file with the FTA:

UAE Constituent Entities
(excluding Investment Entities)

UAE Joint Ventures and JV Subsidiaries

Stateless Reverse Hybrid Entities
created under UAE law

Who can file:
The entity itself or a Designated Local Entity on its behalf.

Applies to:
Fiscal Years starting on or after 1 January 2025.

FY starting on/after
1 Jan 2025

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Tax Treaty Updates

Oman

Signed income tax treaties with Rwanda (8 Sep 2026) and Angola (18 Sep 2026), expanding its Sub-Saharan Africa network.

8 Sep 2026 & 18 Sep 2026



UAE

Signed its first income tax treaty and a promotion and protection of investments agreement with El Salvador (26 Sep 2026).

26 Sep 2026



Qatar

Signed an income tax treaty with Tanzania (29 Sep 2026); who has UAE and Oman treaties also pending, leading to 3 GCC states awaiting ratification with Tanzania.

29 Sep 2026

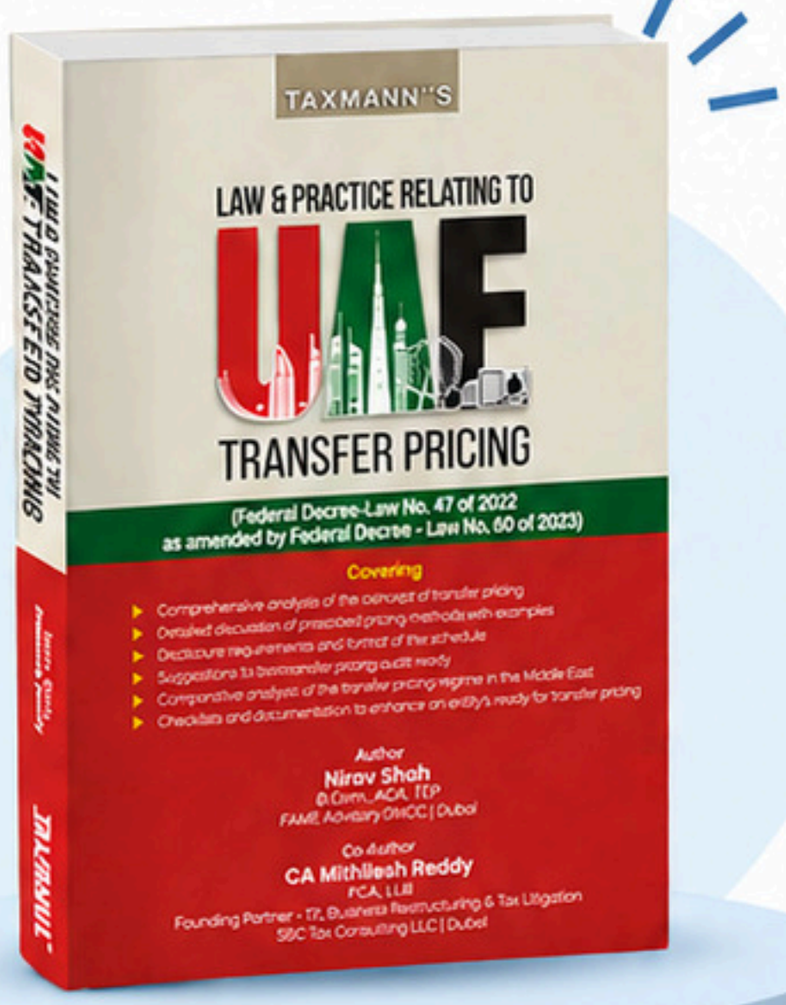


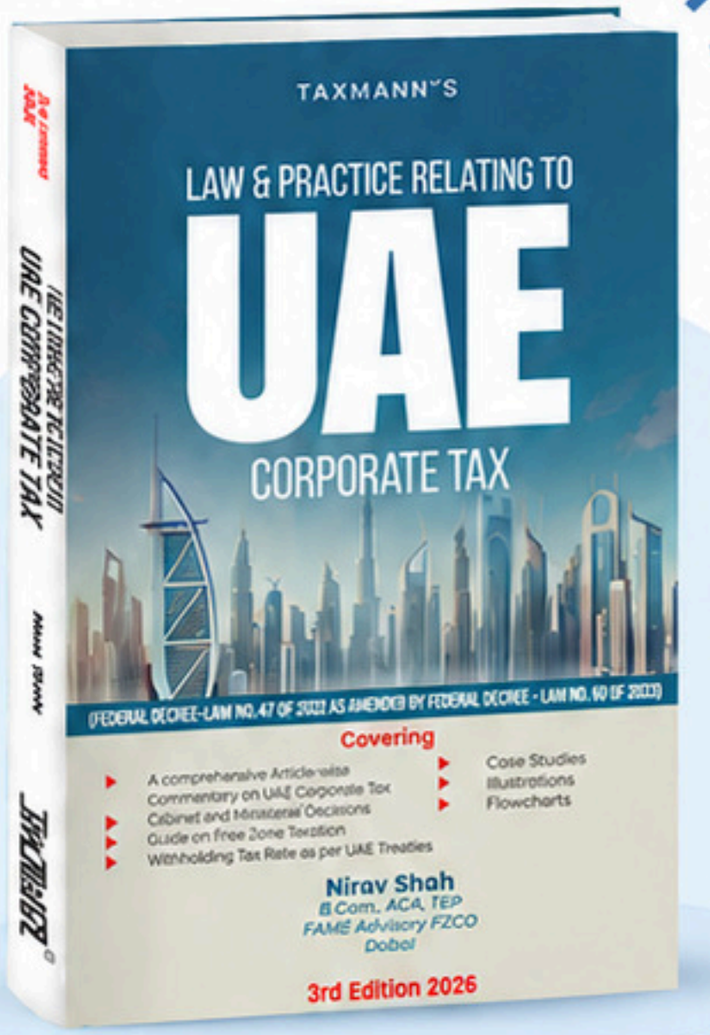
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