Tax Law

A practical overview of **tax obligations in the UAE**: corporate tax, free zone treatment, VAT, and compliance.

CORE AREAS

CORPORATE TAX

UAE corporate tax applies to financial years starting on or after June 1, 2023. The standard rate is 0% up to AED 375,000 and 9% above that threshold.

FREE ZONES

Qualifying Free Zone Persons may benefit from 0% corporate tax on qualifying income. This depends on meeting the required substance, activity, income, and compliance conditions.

VAT

VAT applies at 5% on most taxable supplies. Mandatory registration generally applies above AED 375,000 in taxable supplies and imports, with voluntary registration available above AED 187,500.

COMPLIANCE

Tax compliance includes registration, accounting records, invoices, returns, payment deadlines, transfer pricing, and supporting documents. Corporate tax returns are generally due within 9 months after the tax period ends.

KEY CONCEPTS

RELIEFS & EXEMPTIONS

Certain entities and activities may qualify for exemptions or reliefs, subject to conditions. These may include government entities, qualifying investment funds, pension funds, natural resource businesses, and Small Business Relief for eligible taxpayers.

PENALTIES

Failure to register, late filing, incorrect returns, unpaid tax, and poor record-keeping can result in penalties. Voluntary disclosure may help reduce exposure where errors are identified before or during review.

Need a clearer picture of your tax responsibilities?

Our team can guide you through corporate tax, VAT, free zone taxation, and regulatory compliance in the UAE.

BOOK A CONSULTATION ↗

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