Introduction of corporate tax in the UAE
Frequently asked questions

February 2022
This document has been prepared in advance of the United Arab Emirates (UAE) Corporate Tax (CT) legislation. It is based on the CT Frequently Asked Questions (FAQs) published by the UAE Ministry of Finance (MoF) on their website following an announcement in January 2022 that CT will be implemented.

Further details on the UAE CT regime are expected to be provided in due course.
Corporate tax rate

What is the rationale behind the 9% CT rate?

As part of recent international tax developments (please refer to the Pillar Two section on page 14), the UAE has introduced a competitive CT regime as part of its objective to be a leading global hub for business and investment. The 9% CT rate, which is one of the lowest CT rates globally, was most likely selected to maintain the UAE’s attractiveness for foreign investment.

In addition, the 9% CT rate should ensure that certain income streams will remain taxable in the UAE without loss of tax revenues to foreign jurisdictions. The subject to tax rule (STTR) under Pillar Two provides for an increased source taxation on certain base-eroding payments (e.g., interest and royalties) when they are not taxed at the minimum rate of 9%.

Establishing the UAE CT rate at 9% should ensure that interest and royalties earned by UAE entities will not be subject to increased source taxation outside the UAE as a result of the STTR.

This ensures that the UAE will not be considered as a “low-taxed” jurisdiction and precludes the UAE entities of a multinational group from paying top-up taxes in other jurisdictions that the multinational group operates in.

It is currently unclear how the higher rate will be implemented and whether it will just be a higher rate or a parallel tax akin to the qualified domestic minimum in line with the Qualified Domestic Minimum Tax.

To ensure that tax revenues remain in the UAE, domestic top-up tax may be introduced for UAE entities of large multinational groups that have an ETR below 15% under a Qualified Domestic Minimum Tax in line with Pillar Two. This will effectively increase UAE entities’ ETR under Pillar Two to 15%, thus ensuring there will not be any top-up taxes payable outside of the UAE.

What is the expected tax rate for UAE entities that are part of large multinationals that are also subject to Pillar Two?

According to the information published by the UAE MoF, a higher rate will apply to profits of large multinationals which are subject to Pillar Two.

No information has been provided regarding the higher rate. To remain as competitive as possible, the rate could be in line with the global minimum tax rate which is set at 15% (see further details on page 14).
According to the information published by the UAE MoF, the CT will apply to financial years starting on or after 1 June 2023. The UAE CT period for an entity is determined based on its financial year-end. As such, entities with a:

- 31 May financial year-end should file their first UAE CT return for the financial year-ending 31 May 2024
- 30 September financial year-end should file their first UAE CT return for the financial year-ending 30 September 2024
- 31 December financial year-end should file their first UAE CT return for the financial year-ending 31 December 2024

The due date for filing CT returns has not been specified yet.
When will the CT law and further details on CT be published?

Currently, it is unclear when the UAE CT law and further guidance will be published.

Given that the UAE CT regime will be effective from 1 June 2023, and the UAE MoF has expressed an intention to provide UAE businesses with ample time to prepare, it is likely that the UAE CT law and relevant guidance could be published from June 2022 onwards.
Will tax holidays continue to apply to free zone entities?
Many free zones in the UAE offer various incentives including tax-free periods of up to 50 years. According to the information published by the UAE MoF, the UAE CT regime will continue to honor these tax incentives for free zone entities that comply with the relevant regulatory requirements and do not conduct business with mainland UAE.

It is currently unclear what “conducting business with mainland UAE” entails. It remains to be seen whether the scenarios outlined below would be considered as “conducting business with mainland UAE”. It is likely that any form of contracting with onshore customers and deriving income from mainland UAE will be considered as conducting business with mainland UAE.

While free zones are treated differently for Value Added Tax (VAT) purposes under the concept of Designated Zones, the MoF FAQs stated that a consistent treatment will apply across all free zones for the MoF CT purposes. Further details on the treatment of free zone entities are expected to be provided in due course.

Looking ahead, it remains to be seen whether free zones will renew tax incentives once they expire.

Will the income of free zone entities that conduct business in both the free zone and the UAE mainland be subject to CT?
It is unclear whether such free zone entities will only be taxed on their income from conducting business with mainland UAE, or whether all their income (including income sourced in free zones or outside the UAE) will be subject to the UAE CT.

As the UAE intends to honor tax incentives provided in free zones, it is possible that free zone entities will only be taxed on income from business conducted with mainland UAE. If free zone entities are only taxed on their income from mainland UAE, it is expected that the UAE CT law will only allow CT deductions for expenses that were incurred in connection with this income. If this was the case, businesses should expect to apportion or allocate their expenses accordingly.

Will free zone entities of large multinationals be subject to CT?
While qualifying free zone entities may not be subject to the UAE CT, free zone entities that are part of a large multinational group may be subject to the 15% Global Minimum Tax (GMT) under Pillar Two (further details can be found on page 14). In essence, multinational groups whose ETR in the UAE is less than 15% (as calculated under Pillar Two) may have a top-up tax payable outside of the UAE.

Currently, it is unclear whether the UAE CT law will have a mechanism to ensure that any top-up tax is payable in the UAE rather than in other jurisdictions. Given the potentially significant loss of revenues for the UAE, it is likely for such a mechanism to be in place.

There are a few options the UAE could use to ensure that top-up taxes do not flow out of the UAE:

• The CT rate for UAE entities of large multinational groups could be set at 15% or higher.
• A Qualified Domestic Minimum Tax (e.g., a domestic version of the income inclusion rule under Pillar Two) could be applied as a parallel tax system such that any amount of top-up tax calculated for a particular fiscal year is paid in the UAE.

It is likely that free zone entities of large multinational groups that qualify for UAE CT incentives will ultimately be subject to CT in either the UAE or in another jurisdiction due to the operation of Pillar Two.

Accordingly, tax incentives offered will, to a certain degree, be neutralized under Pillar Two rules.
Holding companies

Will UAE holding companies be exempt from CT?

Holding companies will generally be within the scope of the MoF CT.

However, certain income streams of holding companies may be exempt. The MoF FAQs explain that dividends and capital gains derived from certain qualifying shareholdings are expected to be exempt from CT. Currently, it is unclear what constitutes a qualifying shareholding. We expect that conditions to satisfy a qualifying shareholding would include a minimum level of shareholding (potentially at least 10% in line with Pillar Two rules – see below) and a minimum holding period.

For comparison, we note that the Pillar Two rules (further details can be found on page 14) exclude the following from the 15% GMT:

• Dividends except those relating to shareholdings of less than 10%.

• Capital gains except those derived from the sale of shareholdings of less than 10%.

It is possible that the MoF CT regime may mirror the Pillar Two rules in this regard. In addition to the above, holding companies may benefit from free zone incentives if they only conduct business with overseas entities.
Will offshore companies be subject to CT? If so, will they be required to prepare audited Financial Statements (FS)?

The UAE has offshore company regimes where offshore companies can be set up in Ras Al Khaimah Economic Zone (RAKEZ) and Jebel Ali Free Zone (JAFZ).

While the MoF CT FAQs do not address whether such offshore companies will be subject to UAE CT, we would expect them to be treated in line with general free zone entities.

Offshore companies are generally required to prepare audited FS. The audit requirement may vary depending on the details of the offshore regime.
Individuals

Will individuals be subject to CT?

Based on the MoF CT FAQs, it appears that individuals will only be subject to CT when they are conducting business in the UAE under a commercial license (e.g., under a freelance license). Individuals will therefore not be subject to UAE CT on:

- Salaries and other employment income, whether received from the public or private sector.
- Real estate investments in their personal capacity unless a commercial license or permit is required to conduct such activity.
- Dividends, capital gains and other income earned from holding equity investments in their personal capacity.
- Interest and other income from bank deposits or saving schemes.
Will UAE branches of foreign entities that are subject to CT in the jurisdiction of their head office also be subject to UAE CT? If so, will there be a credit for taxes paid in the UAE?

Branches of foreign entities are generally considered taxpayers for CT purposes and will thus be subject to MoF CT (unless the free zone tax incentives or other exemptions apply).

The tax treatment of all UAE branches of foreign entities needs to be determined based on the tax laws applicable in the head office jurisdiction. To prevent double taxation, foreign branch profits are either exempt (exemption method) or foreign taxes paid on branch profits may be credited against the head office tax liability (credit method).

We note that certain jurisdictions (such as the United Kingdom) provide a foreign branch exemption where the foreign branches will be exempt from corporate income tax in the head office’s jurisdiction. In such cases, there would not be any UAE CT credits available for the UAE branches and they would only be subject to tax in the UAE.

Will branches of UAE entities need to file separate CT returns from their parent entities (both mainland and FZ)?

As branches of UAE entities are not separate legal persons, we expect that branches will not file separate UAE CT returns from their respective parent entities. We anticipate that UAE entities will file one UAE CT return which includes their UAE branches.

Further, as the MoF CT is a federal tax, we do not expect the MoF CT law to require the MoF CT returns to be filed at an Emirate level. From a UAE VAT perspective, branches do not need to be registered separately and are seen as an extension of their parent entity. The VAT return of a UAE entity includes details of its branches as well. Consequently, we expect that the MoF CT would follow a similar approach as this would reduce the administrative burden for UAE taxpayers.
Will CT apply to government-owned entities?

The MoF CT FAQs have yet to mention whether entities owned by the UAE government will benefit from any preferential CT treatment. Further details on exemptions and exclusions from CT are expected to be provided in due course.

It is important to note that the 15% GMT under the Pillar Two rules (see further details on page 14) does not apply to qualifying government-owned entities.

Broadly speaking, government-owned entities whose principal purpose is to fulfil a government function and not to conduct business will be exempt from the Pillar Two rules. It is possible that the UAE CT regime may mirror this approach and provide for similar exemptions.
Economic Substance Regulations

Is the introduction of CT expected to have an impact on Economic Substance Regulations (ESR)?

It remains unclear whether there will be any changes to the UAE ESR following the introduction of CT in the UAE.

The ESR was originally introduced to prevent multinational groups from artificially shifting profits to jurisdictions that impose little or no income tax without having substantial activities in that jurisdiction.

In light of this, it is possible that the ESR will continue to apply to UAE entities and branches that benefit from free zone incentives.

It is likely that the ESR will phase out for entities that are subject to a 9% CT rate.

Given the recent developments in the UAE’s ESR infrastructure (e.g., the formation of an ESR Permanent Committee and the continuously updated ESR MoF webpage), we do not expect the ESR to be completely abolished but there may be changes in its scope.

We expect further clarity on this matter to be provided in due course.
Grouping

Can the grouping of entities for CT purposes be different from VAT grouping? Is CT grouping possible and does it have to be in line with VAT grouping?

It is currently unclear whether the UAE CT grouping must be linked to the VAT grouping.

Based on the practices of other tax administrations, there does not appear to be any links between VAT and CT grouping. It is possible for VAT groups to have a different composition from CT groups.

By default, CT returns are expected to be filed for each entity. However, a group of UAE companies can elect to form a fiscal unity/tax group for CT purposes. Within this tax group, the tax losses of one company can be offset against the taxable income of another company so companies are taxed on a consolidated basis. A tax group will only need to file one CT return for the entire group.

Tax grouping is common in many European jurisdictions. For example, in the Netherlands, qualifying entities can form a fiscal unity which is considered as one taxpayer for Dutch corporate income tax purposes. Within the fiscal unity, the profits of one company can be offset against losses of another company. A fiscal unity is formed of 95% subsidiaries.

Separate to the fiscal unity/tax grouping, the UAE CT regime is also expected to allow tax losses of one group company to offset the taxable income of another group company under group loss utilization rules. In the United Kingdom, for example, group relief allows entities to surrender their tax losses to other entities within a relief group. A relief group is formed of 75% subsidiaries.

Considering that tax groups will have a reduced administrative burden (e.g., filing one CT return as opposed to CT returns for each group company), businesses should consider forming tax groups where possible. This should present an easier way to utilize tax losses within a group. Further details of fiscal unity/tax grouping are expected to be provided in due course.
Pillar Two

Will UAE entities that are part of large multinationals be subject to both the UAE CT regime and Pillar Two?

As background, the Organization for Economic Cooperation and Development (OECD) proposed a Two-Pillar solution to address the tax challenges arising from the digitalization of the economy, namely: Pillar One and Pillar Two.

Under Pillar Two, large multinational groups (e.g., those with consolidated revenues of more than EUR 750 million or AED 3.15 billion) must pay at least 15% tax in each jurisdiction they operate in regardless of where they are headquartered. Where the ETR of an entity in a jurisdiction is less than 15%, a top-up tax is calculated and payable to ensure the 15% tax rate is met. The Pillar Two rules are expected to apply in 2023.

It is possible that UAE entities of large multinational groups will only be subject to Pillar Two in 2023, whereas they will be subject to both UAE CT and Pillar Two in 2024.

While there will be an additional administrative burden in complying with two separate regimes, we would expect UAE entities to be effectively taxed at a 15% rate even if they are subject to UAE CT and Pillar Two. Depending on the UAE CT law and how it interacts with Pillar Two, this 15% rate may be partly paid in the UAE and overseas.

Will entities involved in oil and gas activities, currently subject to Emirate-level taxation, be impacted by Pillar Two?

As per the MoF CT FAQs, businesses engaged in the extraction of natural resources will remain subject to the Emirate-level taxation and will be outside the scope of CT. Therefore, UAE CT should not have any impact on oil and gas extraction companies.

On the other hand, UAE service companies that are part of an oil and gas multinational group (e.g., companies not subject to tax under a fiscal letter/concession agreement), are expected to be within the scope of UAE CT.

Large oil and gas multinational groups (e.g., those with consolidated revenues of more than EUR 750 million or AED 3.15 billion) should fall within the scope of Pillar Two.

As a first step, oil and gas groups that are within the scope of Pillar Two should assess whether their ETR in the UAE (and other jurisdictions) meets the GMT rate of 15%. If not, the UAE entities of the group will be considered as “low taxed entities” and this would trigger top-up taxes to be paid in other jurisdictions that have implemented Pillar Two.

When calculating the ETR in the UAE for Pillar Two purposes, oil and gas groups should consider the following:

- The tax paid under the fiscal letter/concession agreement may be considered a “Covered Tax” for Pillar Two purposes. As this tax is usually higher than 15%, the UAE entities should meet the GMT rate.
- Royalties paid under the fiscal letter/concession agreement may potentially not be considered a “Covered Tax” for Pillar Two purposes.
Banking

Since branches of foreign banks are currently subject to CT at an Emirate level, what is the impact for these branches on the transition to the new CT regime?

UAE branches of foreign banks are currently subject to 20% tax under the respective banking decrees of each Emirate.

The MoF CT FAQs confirm that the UAE CT will apply to all UAE businesses, except for the extraction of natural resources. Therefore, banks will be subject to the UAE CT.

The interaction between the Emirate banking decrees and the UAE CT is unclear at this stage. The following could happen:

• The Emirate banking decrees will be revoked, and UAE branches of foreign banks will be subject to CT only; or

• The Emirate banking decrees will remain in force and the UAE branches of foreign banks will be subject to both UAE CT and the Emirate banking decrees. If this is the case, we expect that tax credits for tax paid under the Emirate banking decrees should be granted for UAE CT purposes.

While it is unclear, we expect the UAE CT law to have transitional provisions that will further explain the relationship with the Emirate banking decrees. It is also unclear whether the UAE CT law will mirror the Emirate banking decrees.

If the Emirate banking decrees are revoked, it remains to be seen whether tax losses can be carried forward to the new CT regime.
Will Withholding Tax (WHT) paid outside of the UAE be allowed as a CT credit in the UAE?

As per the MoF CT FAQs, foreign corporate income tax paid on income that is taxable in the UAE will be allowed as a CT credit in the UAE.

As such, it is expected that WHT paid outside of the UAE should be allowed as a CT credit for UAE CT purposes provided the WHT relates to taxable income in the UAE. Free zone entities that fully benefit from tax incentives should not be able to claim a UAE CT credit.

While we expect WHT to be allowed as a CT credit, the amount may be limited to the lesser of the actual WHT paid or the UAE CT applicable to the foreign-sourced income. In addition, it is possible that the CT credit can only be used if the UAE entity is in a tax-paying position and CT credits will be forfeited if the UAE entity has a tax loss. Further details on foreign tax credits are expected to be provided in due course.
Technical matters

What types of expenses are expected to be deductible for CT purposes?
The CT FAQs do not provide any details of expenses that will be deductible for UAE CT purposes.

Under other corporate income tax regimes, expenses are generally deductible where they have been incurred to generate taxable income. Businesses are also expected to maintain the relevant supporting documents to substantiate their expenses.

Deductible expenses generally would include:

- Interest expenses, which may be limited by thin capitalization or anti-abuse rules.
- Payments to foreign related parties, to the extent that they are in line with Transfer Pricing rules.
- Depreciation calculated in accordance with CT rules as opposed to accounting rules.
- Salaries and wages.
- Overheads (e.g., rental expenses, utilities etc.).

Non-deductible expenses would typically include:

- Excessive depreciation.
- Expenses incurred to derive exempt income.
- Expenses of a private nature.
- Fines and penalties.

We expect further details on deductible expenses to be provided in due course.

Will a CT deduction be allowed for interest expenses? Are interest deductions expected to be limited?

As interest expenses are perceived as a profit-shifting technique, it is possible that the UAE will limit the deductibility of interest like many other jurisdictions.

In line with OECD BEPS Action 4 (Limitation on Interest Deductions), it is possible that the UAE CT law will limit the deduction of interest to between 10% and 30% of the UAE entity’s EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization).

In addition, thin capitalization rules, which are common in many jurisdictions, could also be featured in CT law. In general, these rules will limit the interest deduction for entities that are thinly capitalized (e.g., those with a higher level of debt than equity).

Can losses from periods prior to the implementation of CT be used to offset taxable income?

It does not appear this will be allowed as tax losses cannot be incurred prior to the start of the UAE CT regime.

Only tax losses generated during the first UAE CT period can be carried forward and offset against future taxable income.
Affected UAE businesses will need to comply with Transfer Pricing rules and documentation requirements set with reference to the OECD Transfer Pricing guidelines, which are underpinned by the ‘Arm’s Length Principle’, and seek to replicate pricing between related parties, as if these parties were unrelated. The expected Transfer Pricing rules in the UAE will be applicable to intra-group transactions for entities subject to CT in the UAE. Multinational groups with entities in the UAE that have not recently updated their Transfer Pricing policies are recommended to do so at the earliest opportunity and certainly before the UAE CT regime becomes effective.

What are the CT implications of the Transfer Pricing rules?

It is expected that Transfer Pricing rules will be published within and as part of the detailed UAE CT regime-related rules. No official communication has been made by the UAE MoF as to when these rules will be published. However, it is known from the MoF’s FAQ that the UAE CT regime will become effective for financial years starting 1 June 2023 and it is expected that Transfer Pricing rules associated with the CT regime will also be effective for financial years from this date.

Will Transfer Pricing rules impact the transactions between related parties in the UAE and cross-border?

The Transfer Pricing rules will certainly impact the cross-border intra-group transactions of multinational groups with entities that are subject to CT in the UAE. With respect to domestic intra-group transactions, it remains to be seen whether the Transfer Pricing rules will affect these entities that are subject to CT in the UAE. This will likely depend on further and final details relating to the treatment of free zone businesses, the rules around loss relief and tax groupings. It should be noted, however, that in a few countries, Transfer Pricing rules can apply to domestic intra-group transactions, especially those that could potentially confer an overall tax advantage to the group. Hence, the possibility of such transactions being subject to the new Transfer Pricing rules cannot be excluded.

When does the UAE expect to publish Transfer Pricing rules applicable to UAE-based businesses and when will these rules come into effect?

It is expected that Transfer Pricing rules will be published within and as part of the detailed UAE CT regime-related rules. No official communication has been made by the UAE MoF as to when these rules will be published. However, it is known from the MoF’s FAQ that the UAE CT regime will become effective for financial years starting 1 June 2023 and it is expected that Transfer Pricing rules associated with the CT regime will also be effective for financial years from this date.
How will CT returns be filed and what supporting documents are expected to be provided?

It is expected that CT returns will be filed electronically via an online portal similar to the VAT and ESR filings.

At this stage, no information has been provided regarding the supporting documents to be filed.

Based on the practices in other jurisdictions, the following documents may be required:

- Financial statements.
- Taxable income calculation showing adjustments made to the accounting net profit.
- Tax depreciation schedules and worksheets.
- Transfer Pricing documentation.
- Details of related party transactions.
- Movement of provisions.
Financial statements

Are entities expected to prepare their FS based on International Financial Reporting Standards (IFRS) and will other accounting standards be accepted (e.g., U.S. Generally Accepted Accounting Principles (GAAP))? For the UAE mainland registered entities which are subject to Federal Decree-Law No. 32/2021 on Commercial Companies, they can apply International Accounting Standards and Practices which include IFRS/U.S. GAAP. For the entities registered in various free zones, they will need to follow the respective regulations of the free zone authorities. For example, for the Dubai Multi Commodities Centre (DMCC) registered entities, IFRS should be applied mandatorily as per the DMCCA Company Regulations. Further, based on the FAQs released by the UAE MoF, internationally acceptable accounting standards are permitted for the preparation of the financial statements, including IFRS.

What is the impact of CT on the FS and audit of those FS? CT should be accounted for in accordance with the requirements of the Financial Reporting Standards followed for the preparation of the financial statements (e.g., if IFRS, then under IAS 12 (Income Taxes)). The scope of external auditors will include testing the recognition and measurement, as well as disclosures with respect to income taxes.

Will all entities that are subject to CT be required to have audited FS? The UAE Commercial Companies law requires all LLCs, private joint stock entities, public joint stock companies and foreign branches to issue audited financial statements. In addition to this, free zones such as DMCC and JAFZA, require audited financial statements to be submitted to the free zone authority within a stipulated time after the year-end.
For tax purposes, how can businesses analyze data from several Enterprise Resource Planning (ERP) and non-ERP systems, as well as flat files? Do businesses have a system in place that automatically gathers all financial data in one location?

Yes, businesses have a system that centralizes all financial data from several ERP and non-ERP systems, as well as flat files. For example, Oracle EPM has a module called Oracle Financial Consolidation and Close Cloud Service (FCCS) that allows users to aggregate financial data from many ERP/non-ERP systems and flat files in one location and combine it using the Oracle EPM Data Management module.

Is it possible to file a tax return using the tax reporting solution?

Yes, it is possible. For example, in some countries, businesses may file a tax return directly with tax authorities utilizing Corptax and OneSource Compliance tax solutions.

Is the tax reporting solution flexible enough to be utilized for submitting tax returns with external tax authorities?

Yes, it is flexible enough. In a report, the data can be transformed and aggregated in a variety of presentational modes. Depending on the tax reporting option used, the report can be Excel, PDF, or Word, and the output can be utilized to display the data to various stakeholders in a specific way. In addition, businesses may apply security to reports based on the client’s needs in order to keep them safe.

Is it possible to get General Ledger (GL) data straight into tax reporting solutions without having to go via a consolidation system?

Yes, it is possible. There are various tax reporting solutions that allow you to get financial data straight from ERP systems without the need for intermediary consolidation solutions. For example, Oracle EPM has a module/component called Data Management which performs the ETL (Extract, Transform and Load) process.

What are the various tax reporting solutions available in the market? What are the advantages of using them?

Oracle Tax Reporting Solutions, Thomson Reuters OneSource Systems, Longview, and Corptax are widely used. These solutions help with CT compliance, workflow management, country-by-country reporting, and regional taxes. These are one-stop solutions that allow users to produce reports automatically, monitor dashboards, send tax information to tax authorities, and prepare CT returns.

Is there a workflow feature in the tax reporting software?

Yes, most tax reporting platforms, such as Oracle TRCS and OneSource, provide workflow features that allow businesses to assign different jobs to different individuals or groups of users. The job is passed to the approver when the designated user submits it. At Deloitte, we also offer built-in reports/dashboards that allow the users to see all open, closed, and rejected jobs at a glance.

How safe are tax-reporting-software-as-a-service systems?

Most tax reporting systems have robust security, allowing users to safeguard every module, including webforms, reports, dashboards, dimensions, and so on.

Technology
Next steps

What should businesses do now?

With the announcements made, there is certainty around the key design principles including but not limited to timing, scope, tax base and rate. Businesses can start the thought process in terms of what the implications will be. The implications can be far-reaching and tax and finance teams should work on developing a roadmap. As a first step, businesses should gain a good understanding of the proposed changes to fully assess the implications. These implications may require changes to the legal structure, business model, contracting and (transfer) pricing, accounting and profit, systems and data and organizational structure (e.g. tax function). Tax and finance teams should be ready to start conversations with the different departments and stakeholders within the business around the anticipated impacts.

Deloitte’s phased approach

With these end goals in mind, Deloitte has developed a four-phased approach to help businesses achieve day one readiness taking into consideration their own individual needs. Below is an overview of the various phases:

- **Phase 1:** Impact assessment - before issuance of the CT law and regulations.
- **Phase 2:** Detailed assessment, design and planning - after issuance of the CT law and regulations.
- **Phase 3:** Implementation support - before CT effective date.
- **Phase 4:** Post-implementation support - ongoing.

In phase one, businesses should start performing a high-level qualitative/conceptual impact assessment based on the announcement made with a view to identify gaps as well as opportunities. Such review can include the elements/components set out below:

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<td>Fit/gap analysis/maturity assessment including roadmap and opportunities</td>
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We have a dedicated corporate tax team based in the UAE who have in-depth experience and can support you throughout your readiness journey.

If you require assistance at any stage during the CT implementation, please get in touch with one of our tax experts listed on the following page.

You can also contact us and submit all your queries on this email cituae@deloitte.com.
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