

Corporate Tax Return Guide **Synopsis**



Preface

The Federal Tax Authority has issued Corporate Tax Returns Guide in November 2024, to support businesses and individuals in navigating the Corporate Tax Return (CT Return) filing process.

Structured for clarity, the Guide caters to Taxable Persons across various business structures, including natural persons, juridical entities, and Free Zone entities. It consolidates essential instructions to accurately complete and submit the CT Return within the specified timelines.

We, at CLA Emirates, have summarized the Corporate Tax Returns guide for easy reference. Our summary guides through the list of details required and special points to be taken care of while filing the Corporate Tax Return. This summary is divided into two sections: CT Return Form and Schedules annexed to it, the data of which would be auto-populated in the Return. The readers may note that the schedules appear in the Return only if they are relevant to the Taxable Person.

This document provides general assistance based on the legislation effective at the time of publication. It is not legally binding and should not replace professional tax or legal advice.

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Overview of a UAE Corporate Tax Return

A Corporate Tax Return is to be filed by a Taxable Person **within 9 months from the end of its Tax Period**.

A Taxable Person is a person subject to Corporate Tax in the UAE under the Corporate Tax Law.

The Tax Return is to be filed online through EmaraTax Portal.

A Tax Return form is divided into following 9 parts, which allows a Taxable Person to report their Taxable Income after relevant adjustments such as exemptions and reliefs claimed.

Part A	Taxable Person Information
Part B	Elections
Part C	Accounting Schedule
Part D	Accounting Adjustments and Exempt Income
Part E	Reliefs
Part F	Other Adjustments
Part G	Tax Liability and Tax Credits
Part H	Review and Declaration
Part I	Schedules

Notes –

- A Taxable Person would only see the fields relevant to them in their Tax Return.
- If any of the required field is not being reflected in the Tax Return, the taxpayer should ensure that the information which they have provided during the Tax Registration process was correct.
- An election can be made if the Taxable Person meets the relevant conditions, and it will automatically apply to subsequent Tax Returns if it applies to more than one Tax Period.
- Tax calculations are done using relevant Schedules. While completing the Tax Return, taxpayers are directed to these Schedules and then returned with updated figures. They can amend the Schedules before submitting the Tax Return.
- The Tax return contains a series of fields that must be answered, which determines the applicable schedule to be filled, to arrive at the Taxable Income.
- The Tax Period of a natural person is usually the Gregorian calendar year, and for Juridical Person it is the Financial Year (generally 12-month period) for which they prepare their Financial Statements. This data is pre-populated, based on the information provided during the Tax Registration.
- All necessary documents to substantiate and validate the information provided in the Tax Return should be submitted as required.
- Certain Exempt Persons are not required to complete a Tax Return unless they have taxable business.



Part A

Taxable Person Information

Part A - Taxable Person Details/Information

This part contains certain prepopulated data based on information provided at the Corporate Tax registration process.

If any of this data is incorrect, the Taxable Person will be directed to correct this information before proceeding with the completion of their Tax Return.

The information provided in this section will tailor the rest of the Tax Return by omitting fields which are not relevant.

Pre-populated fields

Taxable Person name (in English and Arabic)

Tax Registration Number for Corporate Tax ("TRN")

Address details (country, address line, city, country code, landline number, mobile number, email ID and P.O. Box)

Tax Period

Primary Business

Type of Taxable Person

Details about all Business or Business Activity considering the registration data

Information to be Provided for Natural Persons/Juridical Persons/Free Zones/Unincorporated Partnerships/Tax Groups

Natural Persons	Juridical Persons
<ul style="list-style-type: none"> Details of Unincorporated Partnerships where Natural Person is a partner (TRN, Activity, etc.) 	<ul style="list-style-type: none"> Whether Taxable Person a member of a Multinational Enterprise Group
<ul style="list-style-type: none"> Turnover from Business and Business Activity conducted in the UAE 	<ul style="list-style-type: none"> Details of Unincorporated Partnerships where Taxable Person is a partner (TRN, Activity, etc.)
<ul style="list-style-type: none"> Financial Statements whether prepared under the cash or accrual basis 	<ul style="list-style-type: none"> Whether Return is filed by Government Entity, Government-controlled Entity, Extractive Business or Non-Extractive Natural Resource Business and confirmation on whether Business Activity conducted during the year
<ul style="list-style-type: none"> Estimate the percentage (%) of total revenue attributable to each business sector 	<ul style="list-style-type: none"> Total Revenue during the Tax Period
<ul style="list-style-type: none"> Tax Residency status of the Person 	<ul style="list-style-type: none"> System of Accounting and preparation of Financial Statements
<ul style="list-style-type: none"> Tax Residency in any other country under the relevant Double Taxation Agreement 	<ul style="list-style-type: none"> Details of Tax Residency of the Taxable Person, considering incorporation and DTAA
	<ul style="list-style-type: none"> If Non-resident, basis of filing the Tax Return (POEM or PE)
	<ul style="list-style-type: none"> Election of Free Zone entity to be taxed under normal provisions and alternatively, whether it meets the requirements to be considered a Qualifying Free Zone Person



Part B

Elections

Part B - Elections

This part of Tax Return deals with elections to be made in the Tax Year.

Sr.No	Election	Who can elect	Comments	Relevant details to be filled in
1.	Realisation Basis	Any Taxable Person following Accrual Basis of Accounting	<ul style="list-style-type: none"> Irrevocable election (applies to all members of a Tax Group) For Banks and Insurance providers (part of Tax group) election is available only on Assets and Liabilities held on Capital account 	<ul style="list-style-type: none"> Unrealised Gains or Losses Schedule Deferred Gain or Losses Schedule
2.	Transitional Rules	All Taxable Person	<ul style="list-style-type: none"> Irrevocable election (applies to all members of a Tax Group) Election made by a member of tax group prior to joining, shall continue to apply for those assets 	<ul style="list-style-type: none"> Qualifying Immovable Property Schedule Qualifying Intangible Asset Schedule Qualifying Financial Assets Schedule Qualifying Financial Liabilities Schedule
3.	Small Business Relief	All Resident persons having Turnover not exceeding AED 3 million	Specific exclusions: <ol style="list-style-type: none"> QFZP Member of MNE Group 	The election shall appear only if Taxable Person is eligible to claim SBR considering its income
4.	Transfer within a Qualifying	Transferor	Irrevocable election (applies to all members of a tax group)	Tax Relief Schedule
5.	Business Restructuring Relief	Transferor	Election is applicable only on the business restructuring transaction	Business Restructuring Schedule
6.	Foreign Permanent	Resident Person having a Foreign PE		Foreign Permanent Establishment Schedule



Part C

Accounting Schedule

Part C - Accounting Schedule

This part of the Tax Return is for disclosure purpose only. It does not result in any inputs into the computation of Taxable Income.

Parts of Accounting Schedule	Comment
Income Statement	<ul style="list-style-type: none"> Provide breakdown of Financial Statements in accordance with IFRS
Statement of other comprehensive income	
Statement of financial position	
Audit	<ul style="list-style-type: none"> Enter '0' in irrelevant fields Amount in foreign currency to be converted into AED Fill the details of auditor Information on whether Auditor has expressed qualified opinion

Highlights



- Tax Group has to prepare Consolidated Financial Statements.
- Only Income statement is required for Cash basis of accounting.
- Enter the amount in AED to the nearest dirham where pre-populated, and where inputs are required.





Part D

Accounting Adjustment and Exempt Income

Part D - Accounting Adjustments and Exempt Income

This part of the Tax Return contains adjustments required to be made to accounting income in order to arrive at Taxable Income.

Accounting Adjustments	Highlights
Accounting Income	<ul style="list-style-type: none"> Enter Net profit as a positive value or Net loss as a negative value. In case of Qualified Free Zone Person Accounting Income to be split between : <ul style="list-style-type: none"> Qualifying Income, and Other income subject to Corporate Tax at the rate of 9% In case of Tax Group - Eliminate transactions between members to determine Net Profit.
Equity Method of Accounting	<ul style="list-style-type: none"> When equity method of accounting is adopted, the adjustment of carrying value of investment to the cost of investment needs to be reflected. Dividend to be reflected in dividend schedule.
Unincorporated Partnership which is treated as a separate Taxable Person	Partner's share to be excluded from the income of the partner and shall be taxed in the hands of the Unincorporated Partnership.
Income/Losses which will not subsequently be reported in the Income Statement	<u>Accrual Basis:</u> <ul style="list-style-type: none"> Any realised or unrealised gains/losses which will not be recognised subsequently should be adjusted. <u>Realisation Basis:</u> <ul style="list-style-type: none"> Any unrealised gain or loss recognized in the financial statements but not in the income statement should be excluded if the realisation basis is elected.
Realisation Basis adjustment	<ul style="list-style-type: none"> Details of unrealised gains / loss of current period as well as gains / loss of previous period realised in the current period needs to be provided. Adjustment in respect of depreciation to be provided.
Transitional rules Adjustment	Details of Qualifying assets disposed off during the year to be provided.
Exempt Income	<ul style="list-style-type: none"> Applicable to all Taxable Persons Whether Dividend income received from Resident Juridical Person? Income / loss from participating Interest to be declared Income previously exempted under Participation Exemption which no longer meet conditions to be informed
Foreign Permanent Establishment Exemption	Amount of Taxable Income / Tax Loss from eligible foreign Permanent Establishment.



Part E

Reliefs

Part E - Reliefs

This section provides for the adjustments to be made to claim relief as per the tax provisions. This includes:

- Transfer within Qualifying Group
- Business Restructuring Relief

Highlights



This section would be visible only if in the Elections part of the Tax Return, such elections have been made.

On claiming such election details would be required to be filled in the 'Transfer within Qualifying Group Schedule'/'Business Restructuring Relief Schedule' as well.

The answers of the questions in this Section would determine the details to be filled in the 'Qualifying Group Schedule' / 'Business Restructuring Relief Schedule' as the case may be.

Most of the details required in this Schedule shall be pre-populated from the respective specific Schedules.

This section would require to make adjustment for depreciation on transfers in case of revaluation.





Part F

Other

Adjustments

Part F - Other Adjustments

This section details the adjustments to be made to the Taxable Income with respect to non-deductible expenses, interest expense, RP and CP transaction, income/expense derived from QIF and adjustments on account of errors made in CT Return.

Details Required:



To complete this section, following details would be required:

1. Expenses Related
 - a. Non-deductible Entertainment expenses
 - b. Pension contribution paid and/or in excess of 15% of total remuneration
 - c. Donations made to other than QPBEs (not to exceed donations in Accounting Schedule)
 - d. Expenditure incurred to generate Exempt Income (other than interest)
 - e. Dividends, profit distribution or benefits of similar nature to owners
 - f. Drawings (Natural Person)
 - g. Other non-deductible expenses (expenses not for business purposes)
2. Net Interest Expense
 - a. Interest Income
 - b. Interest Expense
 - i. Business purpose
 - ii. Non-Business purpose
 - c. EBITDA
3. Difference between actual value and Market value of all transactions with RP and CP
4. Share of income from Qualifying Investment Fund
5. Gain / loss on disposal of assets that were previously received from a Related party at non-arm's length price
6. Details of errors made in prior Tax return and tax impact thereon

Highlights



- 50% of Entertainment expenses to be disclosed and would be matched with the reported value in Accounting Schedule.
- The detailed interest capping Schedule to be filled only if interest exceeds AED 12 million.
- This section allows adjustment in Related Party and connected Person transactions for the transactions not required to be recorded in Related Party and Connected Person Schedule.
- Aggregate adjustments (upward) between Market value and actual value on transactions with RP and CP transactions to be disclosed in this section.
- Downward adjustment of RP & CP transactions is allowed only upon successful application to the FTA.
- Adjustments relating to income / expenditure derived from Qualified Investment Fund would be required when investor is a Taxable Person. Relevant information would be required to be sourced from the Fund.
- Errors identified where the tax impact is AED 10,000 or less can be corrected in the current tax return specifying the period to which the error pertains.
- Any other adjustments not captured in the categories above, either increasing or decreasing taxable income is required to be disclosed.





Part G

Tax Liability & Tax Credits

Part G -Tax Liability and Tax Credits

This section details the Taxable Income after making Tax Loss adjustments and the Tax calculation.

Details Required:



In case of Tax Group, details of losses carried forward and claimed from or surrendered to Group entity

Highlights



- Most of the tabs here would be pre-populated based on the information submitted in the other schedules.
- This section allows the option to disclose if estimated figures were used to file the Tax Return.



Part H

Review and Declaration

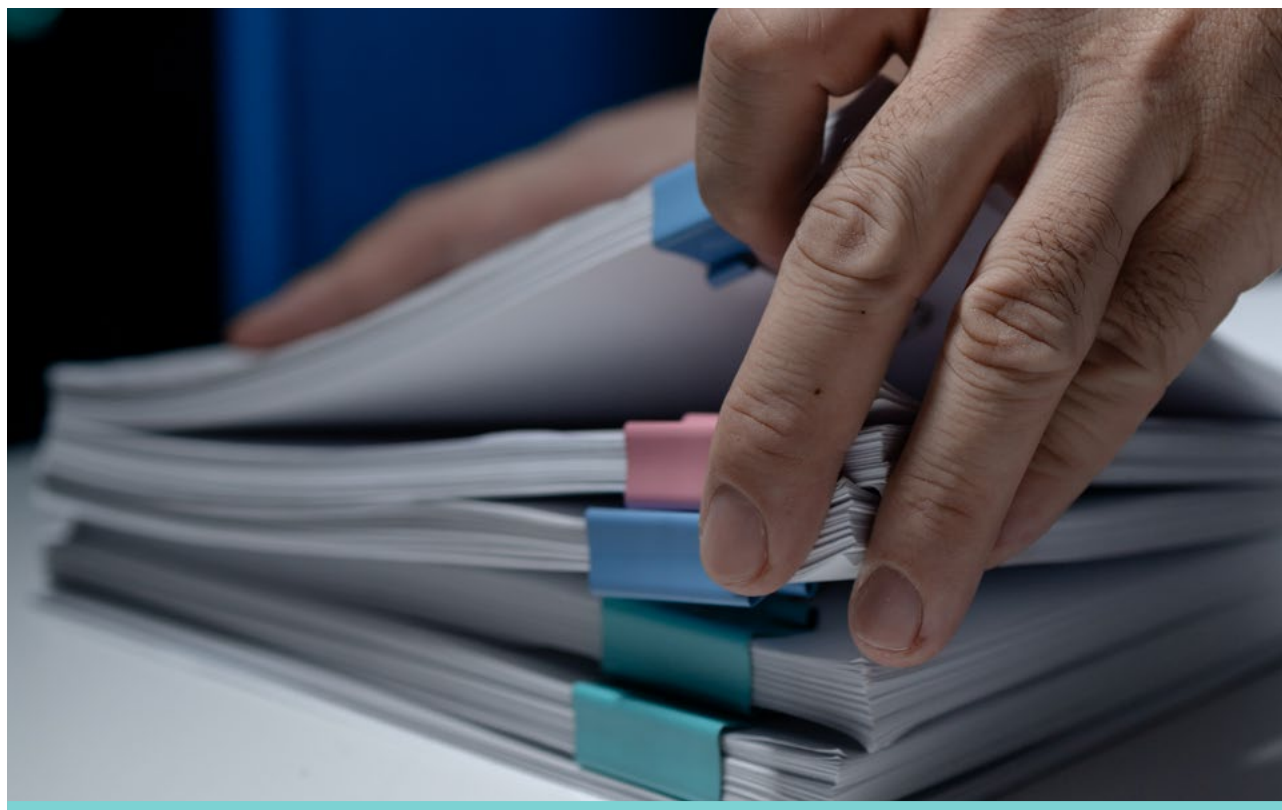
Part H - Review and Declaration

The person responsible for filing the Tax Return must make a declaration under this section.

This section includes:

- The date of filing.
- Confirmation of whether the Tax Return is filed by the Taxable Person, Tax Agent, or Legal Representative.
- A power of authority to file, if submitted by someone other than the Taxable Person.
- The capacity of the person signing the Tax Return.

The Authorized person is required to confirm on the completeness and accuracy of the information provided.





Part H

Schedules

Part I - Schedules

Schedule 1: Free Zone Schedules

This schedule needs to be completed by a Qualifying Free Zone Person.

Details Required:



1. Details of revenue:

- a. Revenue as per the Financial Statements
- b. Revenue attributable to a Domestic or Foreign Permanent Establishment, if any
- c. Breakup of revenue (other than Excluded Activities) as follows:
 - i. For transactions with Free zone Persons where the customer is not the beneficial recipient
 - ii. For transactions with Non-Freezone Persons determine non-qualifying income
 - iii. Revenue from Excluded Activities
- d. Revenue from immovable property located in Free zone (to be bifurcated as follows:)
 - i. Commercial Property
 - Transactions with Free zone Persons
 - Transactions with Non-Free zone Persons
 - ii. Other than Commercial Property

2. Details regarding Substance

- a. No. of full-time employees
 - at the beginning of the Tax Period
 - at the end of the Tax Period
- b. No. of full-time employees located in a Free Zone
 - at the beginning of the Tax Period
 - at the end of the Tax Period
- c. Total operating expenditure incurred in deriving Qualifying income
- d. Total Capital expenditure incurred in deriving qualifying income

e. Details of each outsourcing provider, if any

- Name
- Address
- Corporate Tax TRN
- Total expenditure incurred
- No. of full-time employees provided (at the beginning of the Tax Period and at the end of the Tax Period)
- Document to demonstrate supervision over outsourcing provider

3. Transfer Pricing documentation

4. Audited Financial Statements

5. Emirate wise breakup of EBITDA and salaries and wages



Highlights



Qualifying Income

- The type of Qualifying Activities undertaken by the Taxable Person needs to be selected.
- Revenue from Commercial Property located in the Free Zone leased to Non-Free Zone Person and non Commercial Property located in Free Zone should be added to accounting income for the purpose of tax computation. Related expenses can also be claimed.

De-minimis Requirement

- The status of de-minimis shall be auto populated based on the information given in the revenue part.

Substance

- Confirmation to be given that employees are located in the Free Zone.
- Average number of employees shall be calculated based on the number of employees at the beginning of the Tax Period and at the end of the Tax Period.
- In case of decimal value, up to one decimal place is accepted.
- Expense incurred for Qualifying Income & Non-Qualifying Income shall be allocated separately.

Free Zone Confirmation

- Confirmation on adequate assets, qualified employees and operating expenditure in the Free Zone required to be provided.
- Audit must be performed by a UAE-registered independent external auditor.
- Confirm that transactions between Related Parties are undertaken in accordance with the arm's length principle and documentation is maintained.

Additional Information

- Details of EBITDA and salaries and wages attributable to each Emirate shall be disclosed.

Schedule 1: Free Zone Schedules

Income from Intellectual Property Schedule

Details Required:

1. Description / List of QIP
2. Income derived from each QIP
3. Overall expenditure related to each QIP
4. Qualifying expenditure related to each QIP (does not include RP Outsourcing Expenditure)
5. Income from other intellectual property

Highlights

- Uplift expenditure and revenue attributable to QIP is calculated automatically.
- Qualifying expenditure exclude any expenditure incurred in outsourcing the activities to Related Parties.

Schedule 2: UAE Dividends Schedule

This schedule shall be completed only if the Taxable Person received dividends and/or profit distributions from juridical persons that are Tax Residents in the UAE. It determines the total amount of dividend to be deducted from accounting income for the purpose of determining taxable income.

Details Required:



1. Company Name
2. Company Corporate Tax TRN
3. Amount of dividend and/or profit distribution received

Highlights



- Details of each entity declaring a dividend or making a profit distribution shall be disclosed.
- Total amount shall be disclosed in case of multiple receipt of dividend/ profit distribution from the same entity in the Tax Period.
- Dividends or other profit distributions received from **Exempt Persons or Non Resident Persons** should not be included in this schedule.
- Foreign currency shall be converted into AED as per FTA Decision No. 13 of 2023.
- This schedule should include income relating to share of profits/losses when investments are accounted under the Equity Method of Accounting.

Schedule 3: Foreign Permanent Establishment Schedule

This schedule needs to be filled if election is made for Foreign Permanent Establishment (PE) exemption to calculate adjustment in tax computation in relation to income /expenditure from foreign PE.

Details Required:



1. List of eligible Foreign PE
2. List of Ineligible Foreign PE and the name of the jurisdiction
3. Taxable Income attributable to the Foreign PE for the:
 - Prior Tax Periods
 - Current Tax Periods
4. Tax Loss attributable to the Foreign PE for the:
 - Prior Tax Periods
 - Current Tax Periods

Highlights



- Foreign PE must be subject to Corporate Tax or a tax of a similar character at a rate not less than 9%, to be eligible for Foreign Permanent Establishment exemption.
- In case of more than one eligible foreign PE, aggregate Taxable Income shall be set off against aggregate Tax Losses of all eligible foreign PE for the Tax Period.
- Amounts of prior Tax Period shall be consistent with previous Tax Returns.

Schedule 4: Tax Credit Schedule

This Schedule needs to be completed to claim a Foreign Tax Credit.

Details Required:



1. For each stream of foreign source income
 - Name of the source country
 - Amount of foreign source income
 - Amount of foreign tax paid / withheld and nature of the same
 - Documents / evidence of tax paid in foreign jurisdiction
 - Nature of Tax Credit
2. Details of member of the Tax Group, that has received foreign source income
 - Name of member
 - Amount of foreign source income
 - Amount of foreign tax paid

Highlights



- Any unutilised Foreign Tax Credit will be forfeited.
- Combine income of the same character where it is from the same country.
- Amounts in foreign currency must be converted to AED.
- Foreign Tax Credit is calculated at each member level, in case of Tax Group.
- UAE Corporate Tax due on relevant income shall be auto calculated

Schedule 5: Related Party and Connected Persons Schedules

This schedule is to disclose high value transactions with Related party and Connected Persons.

Details required for the Related Party (RP) schedule:



- Total value of all RP transactions
- Aggregate value of RP transactions per category
- Name, Tax Residence and TRN of the RP
- Category wise transaction with each RP
- Transaction wise / entity wise Actual value and Market Value
- Transfer Pricing (TP) method applied

Details required for the Connected Person (CP) schedule:



- Breakup of payments and benefits made to each CP
- Name and TIN of the CP
- Description of service provided by each CP

Highlights



This schedule needs to be completed when:

- Related Party transactions exceed AED 40 million in market value or as per the value in the financial Statements.
- **Once the above threshold is exceeded**, only aggregate Related Party transactions per category (sale of goods, provision of services, IP, interest etc.) exceeding AED 4 million need to be disclosed.
- Each Connected Persons transactions (payment or benefit) aggregate value exceeds AED 500,000.
- Any dividends paid to Related Parties should be excluded while computing the above thresholds.
- Transfer Pricing adjustments that reduce taxable income will require a preapproval from the FTA.

Schedule 6: Tax Losses Schedule

This schedule is required to be completed when there is carry forward loss, unutilized tax loss, brought forward loss, receipt or transfer of tax loss to another entity.

A. Tax Losses Schedule

Details Required:



- Tax Losses brought forward
- Tax Losses incurred during the Tax Period
- Tax Loss received or transferred due to application of Business Restructuring Relief
- Tax Losses utilized in the current Tax Period and available for transfer
- Name, TRN, and amount of Tax Losses of the transferor / transferee

Highlights



- Details when tax loss set off limitation applies (non-existence of ownership condition etc.)
- Tax loss that can be utilised (75% of profit) in the tax period shall auto-populate considering the provisions
- Tax Loss that can be carried forward shall also be auto-populated

Tax losses schedule is required to be completed when there is carry forward loss, unutilized tax loss, brought forward loss, receipt or transfer of tax loss to another entity

B. Tax Group losses Schedule

Additional details required specifically for Tax Group to claim tax loss:



- Pre-Grouping unutilized Tax losses of each subsidiary brought into the Tax Group
- Taxable Income attributable to the subsidiary
- Tax Loss attributable to the subsidiary

Highlights



- In case of first Tax Return, information of each member that has a pre-grouping tax loss is required.
- Name of the subsidiaries shall be pre-populated based on the Tax Group application.
- In the subsequent Tax Returns, it shall be pre-populated based on the information in the First Tax return.
- In case new subsidiary/ies join the Tax Group, its Pre-grouping Tax Loss details required.
- The basic details (as listed in A above) would be required for Tax Group as well.

Schedule 7: Participation Exemption

Schedule

This Schedule is required to be completed if there is income or loss from a Participation during the tax period.

The purpose is to demonstrate that all conditions of participation exemption are satisfied.

Details Required:



- Name of Participation
- Country of Tax Residency and TIN (includes UAE)
- When country other than UAE, check the Corporate Tax Rate / Effective Tax Rate
- Nature and amount of income or loss derived from the Participation
- Period of holding of the Participation
- Percentage of ownership interest in the Participation
- Historical acquisition cost of the ownership interest
- Date at which the income or loss was derived from the Participation

Highlights



- Both loss / gain should be entered in the respective field as positive number only.
- In case of Tax Group, aggregate the ownership percentage and cost of acquisition.
- When the ownership percentage /cost is below 5% or AED 4 million the participation exemption shall be denied.
- Specific details on Foreign PE converted into a Participation (Subsidiary), and Participation acquired in exchange of transfer of ownership interest.

Schedule 8: Interest capping Schedules

- This Schedule is required to be filled only when Net Interest Expenditure exceeds AED 12 Million.
- It helps to determine the Net Interest Expenditure allowed as deductible expenditure.
- This schedule does not apply to the following entities:
 - A Bank
 - An Insurance Provider
 - A Natural person undertaking a business or business activity in the UAE
- If banks and insurance companies are part of Tax group, then Net Interest Expenditure attributable to such member should be excluded.
- This schedule is divided into following parts:
 - A. General
 - B. Non-deductible Net Interest Expenditure relating to a single entity
 - C. Non-deductible Net Interest Expenditure relating to a Tax Group
 - D. Pre-Grouping non-deductible Net Interest Expenditure

Details Required:

- Total interest expenditure
- Total interest income
- Interest expenditure on historical financial liabilities
- Interest expenditure on Qualifying Infrastructure Projects
- Interest income from historical financial asset
- Interest income from Qualifying Infrastructure Projects
- Adjusted EBITDA - needs to be calculated and entered manually
- Depreciation & Amortization expenses



Highlights



- The Net Interest expenditure would be required to be calculated manually (the calculated amount needs to be entered in the schedule)
- This schedule is applicable for both single entity and tax group.
- EBITDA would be required to be calculated manually and the amount needs to be entered.
- If EBITDA is negative, then adjusted EBIDTA would be '0'.
- Current year disallowed expenditure shall be computed automatically based on the information entered.
- Brought forward interest expenditure would be auto-populated based on the past Tax Return.
- Net Interest Expenditure disallowed is deducted in the order in which it arose (i.e. **earliest first, or 'first in, first out'**).
- In case of Tax Group, in the event the member joins or leaves the details of their share of pre-grouping interest would be required to be provided.



Schedule 9: Tax Relief Schedules

This Schedule should be completed, where there has been transfer within a Qualifying Group / Business Restructuring and election of Relief has been made or such Relief granted in previous year has been clawed back.

This section is required to be completed by both Transferor & Transferee

- at the time of transfer, and
- if the relief earlier claimed is clawed back in current tax period

This schedule is divided into following parts:

- A. Transfers within Qualifying Group
- B. Business Restructuring Relief

PART- A: Transfers within Qualifying Group

Details Required:



- Name and TRN of counterparty
- Details of consideration received
- Details of Net Book value and Date of purchase, if Taxable Person is a transferor
- Market value of asset or liability when transfer took place
- Gain / Loss recognized in current tax period as a result of the clawback

Highlights



Information for each transfer is required to be provided separately.

PART- B: Business Restructuring Relief

Details Required:



- Name & TRN of counterparty
- Details of consideration received
- Details of Net Book value of assets & liabilities transferred and Date of purchase, if transferor, date of actual transfer
- Gain / loss resulting out of the transaction as per the Financial Statements
- Gain / loss recognised in the current Tax Period as a result of the clawback and the details of the transaction

Highlights



- Purpose is to calculate gain / loss that is not taxable on fulfilment of certain conditions
- The details of this schedule is required to match the relief claimed under "Relief Schedule"
- For record-keeping purposes, the net book value of each asset and liability respectively, should be retained by the Taxable Person

Schedule 10: Transitional Rules Schedules

This Schedule applies when Election for application of Transitional Rules as per MD No. 120 of 2023 is made.

It is divided into following parts:

- A. Qualifying Immovable Property Schedule
- B. Qualifying Intangible Assets Schedule
- C. Qualifying Financial Assets / Qualifying Financial Liabilities

PART- A: Qualifying Immovable Property Schedule

Details Required:



For first tax period return filing:

- Detailed address of each qualifying immovable properties
- Date of ownership - date when the property was first owned by Taxable Person / member of Tax Group
- Original cost & Net Book Value on commencement of first tax period

When asset is disposed of:

- Address of immovable property
- Date of ownership shall be pre-populated / can be manually entered as well
- Date of sale
- Original cost and net book value
- Method of adjustment (valuation method or time apportionment method)
- Details of the Qualifying Immovable Property, including market value, days of ownership and proceeds

Highlights



Details of immovable properties must be completed in the schedule regardless of actual disposal in the Tax Period.

This schedule is divided into two:

- Schedule of Qualifying Immovable Properties subject to the election – to be completed in First Tax period
- Schedule of Qualifying Immovable Properties that have been disposed of during the Tax Period – to be completed upon disposal Valuation method or Time appropriation method shall be selected when the asset is disposed.

PART- B: Qualifying Intangible Assets Schedule

Details Required:



- Asset Description
- Date of acquisition
- Original cost & Net Book Value before commencement of first tax period
- Date of sale, if sold
- Name and TRN of the transacting party
- Number of days owned prior to first tax period (generally maximum of 10 years – if more requires approval of FTA)
- Amount excluded from Taxable Income shall be calculated automatically if it is gain

Highlights



No. of days owned prior to first Tax Period will only need to be completed in your first Tax Period or if any Qualifying Intangible Assets are transferred to you via a transfer within a Qualifying Group or between members of a Tax Group.

PART- C: Qualifying Financial Assets / Liabilities

Details Required:



- Asset / Liability Description
- Date of ownership
- Market value & Net Book Value at commencement of first Tax Period
- Proceeds on disposal
- Details, if Permanent Establishment is claimed
- Name and TRN of the transacting party

Highlights



- This schedule shall be completed in your **first Tax Period** and on a disposal of Qualifying Financial Assets / Liabilities.
- Amount excluded from Taxable Income shall be calculated automatically.

Schedule 11: Other Schedules

This schedule is divided into 4 parts:

Part 1: Income/Losses which will not subsequently be reported in the income statement Schedule

Part 2: Unrealised gains/losses Schedule

Part 3: Deferred gains or losses Schedule

Part 4: Additional attachments Schedule

PART- 1: Income/Losses which will not subsequently be reported in the income statement Schedule

Details Required:



1. Description of asset/liability
2. Original cost of asset/ liability
3. Net Book Value of asset / Liability at the end of Tax period
4. Income/Loss Recognised in financial statement (Other than Income statement).

Highlights



- This schedule is applicable if there are recognised gains/losses in the financial statements which will not be recognised in the income statements subsequently.
- For Taxable Person who has elected for realisation basis, the unrealized gains/losses need not be entered in this schedule.
- Total adjustment in respect of income / loss shall be calculated automatically and populated in the Computation of Income.

PART- 2: Unrealised gains/losses Schedule

Details Required:

1. Description of asset/liability sufficient to identify specific asset / liability
2. Original cost of asset/ liability
3. Net Book Value of asset / liability
4. Income/Loss Recognised in financial statement.

Highlights

This schedule must be completed if Taxable Person elected for realisation basis and have unrealised gains or losses in the Tax Period

PART- 3: Deferred gains or losses Schedule

Details Required:

1. Description of the asset/ liability
2. Date of the realisation event
3. Tax period in which unrealised gain/loss is deferred

Highlights

This schedule needs to be completed only if unrealised gain/losses has been deferred in prior tax period due to an election to apply realisation basis and is realised in the current tax period.

PART- 4: Additional Attachment Schedule

This schedule includes a list of the documents that may be required to be submitted with the Tax Return. Except for Financial Statements, other documents are optional to be attached with return but must be maintained by Taxable Person.

Sl. No.	Document name
1	Financial Statements
2	Documentation to support the market value of the Financial Assets/Liabilities at the start of the first Tax Period
3	Tax residency certificate in the foreign jurisdiction
4	Evidence of tax paid in the foreign jurisdiction

Schedule 12: Exempt Persons

Exempt persons are divided into the following categories:

Part 1: Government Entity, Government Controlled Entity, Extractive Business and Non-Extractive Natural Resource Business

- These entities are Exempt from Corporate Tax
- Taxable only if conducting a taxable business
- If conducting a taxable business then return must be filed (for each taxable business if there are multiple businesses, except if specifically treated as a single Taxable Person)
- Adjustments to determine taxable income is same as other Taxable Persons except:
 - » No relief for transfers within Qualifying Group and Business restructuring
 - » No transfer of tax loss
 - » Cannot be member of tax group

Part 2: Other Exempt Persons (Qualifying Public Benefit Entities, public and private pension or social security funds, Qualifying Investment Funds and entities which are wholly owned and controlled by specific Exempt Persons)

- No need to file Tax Return
- Required to file annual declaration
- Annual declaration is pre-populated
- If entity ceases to be exempt person in tax period, then Tax Return must be filed

Our Services

Audit & Assurance

- External Audit
- Internal Audit
- Due Diligence Review
- Investigation
- IFRS Advisory Services
- Business Valuation
- Project Cost Audit
- Forensic Audit & Fraud Investigation
- Anti-Money Laundering (AML) Compliance

Business Advisory & Consulting

- CFO Services
- Trade Finance
- Working Capital Finance
- Project Finance
- Financial Feasibility Study
- Business Feasibility Study
- Market Research & Business Plan
- Mergers & Acquisition

Accounting & MIS Reporting

- Accounting & Financial Reporting
- Accounting Outsourcing
- Updating of Backlog Accounts
- Fixed Asset Management
- Standard Operating Procedures.
- Inventory Verification

TAX

Direct Tax

- UAE Corporate Tax
 - First Time Adoption
 - Tax Compliance
 - Tax Advisory
 - Tax Training
- Transfer Pricing [TP]
 - Country by Country Reporting [CbCR]
 - TP Local File and Master File
 - TP Advisory
- International Tax
 - Review of International Transaction
 - Economic Substance Regulation
 - Tax Residency Certificate
 - Ultimate Beneficial Owner Regulation [UBO]

Indirect Tax

- Value Added Tax [VAT]
 - Advisory
 - Tax Agency Service
 - Pre- Tax Audit
 - VAT Return Filing & Refund
 - Registration/De-registration
 - Representation to FTA
- Excise Tax
- Customs Tax

Company Incorporation

- Company Formation
 - Mainland
 - Free Zone
 - Offshore
- Local | Corporate Sponsorship
- Company Liquidation
- Offshore Registered Agent –JAFZA
- PRO Service

Group Entities

- CLA Emirates Chartered Accountants LLC
- United Auditing LLC
- ECAG Taxation Procedures Follow Up LLC

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