



# DUBAI CORPORATE TAX UPDATE

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# HAPPY NEW YEAR

# 2025

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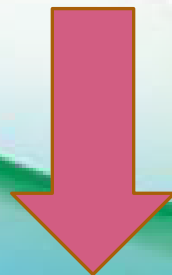
**India :- Faridabad, Gurgaon,**

**Delhi**

# ***SMALL BUSINESS RELIEF UNDER CORPORATE TAX UAE***

**The Ministry of finance has issued the Ministerial Decision No. 73 of 2023  
On small Businesses Relief for the purpose of the Corporate tax Law**

Small Business relief is intended to support start-ups & other small or micro business by reducing their corporate tax burden & compliance costs



1

- Taxable Persons that are resident persons can claim small Business Relief where their Revenue is below AED 3million for each tax period.

2

- This Revenue threshold will apply to tax periods starting on or after 1 June 2023 and will only Continue to apply to subsequent tax period that end before or on 31 December 2026.

3

- Revenue can be Determined based on the applicable Accounting standards accepted in the UAE.

4

- Small business Relief will not be available to qualifying free zone Person or member of Multinational Enterprises Group (MNE GROUP) as defined in cabinet Decision No. 44 of 2020 on Organizing Reports Submitted by Multinational Companies. MNE groups are groups of companies With operations in more than one country that have consolidated group revenue of more than AED3.15 billion.

5

- In tax periods where Business elect to apply Small Business Relief then Carry forward and set off of Loss and any disallowed Net Interest will not be allowed for such tax periods.

6

- The Ministerial Decision specifies that where the Federal Tax Authority establishes that taxable Persons have artificially separated their business or business activity and the total revenue of the entire business or business activity exceeds AED3 million in any tax period and such persons have elected to apply for small business relief. this would be considered an arrangement to obtain a corporate tax advantage under Clause (1) of Article 50 Regarding the General anti- abuse rules of the Corporate tax law.

# ELIGIBLE TO CLAIM THE RELIEF

PREVIOUS  
TAX  
PERIOD

+

CURRENT  
TAX  
PERIOD

TAXABLE PERIOD

REVENUE  
LESS THAN  
AED 3  
MILLION

\* Subjects to other conditions

**NOT ELIGIBLE TO CLAIM  
THE RELIFE**

**Current Tax Period**

Revenue more than  
AED 3 Million

**Previous Tax Period**

Revenue Less than  
AED 3 Million

Revenue more than  
AED 3 Million

# Who is Eligible for Small Business Relief

**Resident Person**

**Revenue in the Relevant Tax Period &  
Previous Tax Periods is BELOW AED 3  
MILLIONS for each Tax Period.**

**Free Zone Persons (who is not a Qualifying  
Free Zone Person )**

**Not Members of Multinational  
Enterprises Groups (MNE  
Groups) \***

**Who is not  
Eligible for  
Small Business  
Relief**

**Non Resident Person**

**Revenue in the Relevant Tax Period &  
Previous Tax Periods is MORE THAN  
AED 3 MILLIONS for each Tax Period.**

**Qualifying Free Zone Person**

**Members of Multinational  
Enterprises Groups (MNE  
Groups) \***

## Who should claim small business relief?

**Entities that have taxable profits.**

**Entities not having disallowed Net Interest Expenditure from such tax periods.**

## Who should not claim this relief?

**Entities incurring losses & wish to carry forward Tax Losses.**

**Entities having disallowed Net Interest Expenditure from such tax periods.**