

Cabinet Decision No. 37 of 2023 Release: Qualifying Public Benefit Entities

Key Takeaways



April 2023



UAE Cabinet Decision Release

On 7 April 2023, the Cabinet of Ministers issued Decision No (37) of 2023 with regards to details on Qualifying Public Benefit Entities (“QPBE”) as mentioned under the Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Business (hereinafter referred to as the ‘CT Law’). This Decision came into effect the day following its publication.

The CT Law defines a QPBE as “*any entity that meets the conditions set out in Article 9 of this Decree-Law and that is listed in a **decision issued by the Cabinet at the suggestion of the Minister***”. Moreover, Article 4, read with Article 9, of the CT Law identifies a QPBE as an Exempt Person for UAE CT purposes subject to meeting certain conditions.

The released Cabinet Decision provides an exhaustive list of QPBEs in line with the definition set out under the CT Law. The list is subject to changes made by the Cabinet based on the Finance Minister's recommendations.

Key highlights

The Ministerial Decision provides a list of entities established for the benefit of the public and in turn should be considered as a QPBE for UAE CT purposes, subject to meeting certain conditions.

To ensure that a QPBE meets the conditions prescribed under Article 9 of the CT Law, the tax authority may request relevant information to monitor their continued compliance status. Therefore, the entity should provide all documentation needed to support eligibility for the QPBE status (i.e. a substance over form review may be considered for the assessment of the entity).

Any changes that may affect an entity's status as a QPBE should be communicated to the tax authority (means to be clarified) within 20 days.

Key takeaway and next steps

QPBEs that are listed in Cabinet Decision No (37) of 2023 will be exempt from UAE CT, subject to meeting those conditions listed in Article 9 of the CT Law. However, the listed entities will still be subject to a number of reporting requirements, mostly to ensure that they continue to meet the requirements and conditions. We will be awaiting more clarifications on the reporting and registration requirements for QPBEs.

On another note, taxpayers making donations, grants or gifts to a QPBE will be able to deduct such expenses for UAE CT purposes under Article 33 of the Corporate Tax Law.

We are expecting additional Decisions to be released to expand on many key provisions of the CT Law so stay tuned. For further assistance, you can reach us by emailing CT.UAE@pwc.com.



UAE releases ministerial decision

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