

Cabinet Decision No. 49 of 2023: Specifying the Categories of Businesses or Business Activities Conducted by a Resident or Non-Resident Natural Person that are Subject to Corporate Tax

Key Takeaways



May 2023




UAE Cabinet Decision release

On 8 May 2023, the Cabinet of Ministers issued Decision No. (49) of 2023. This Decision specifies the categories of Businesses or Business Activities conducted by a resident or non-resident natural person that are subject to Corporate Tax under Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (the 'CT Law'). This Decision comes into effect on 1 June 2023.

Key highlights

Resident or non-resident natural persons (individuals) shall only be subject to Corporate Tax where the turnover or gross amount of income derived from Businesses or Business Activities exceeds AED 1,000,000 within a Gregorian calendar year.

What is a Business or Business Activity?




Business, as per the CT Law, means any activity conducted regularly, on an ongoing and independent basis by any Person and in any location, such as industrial, commercial, agricultural, vocational, professional, service or excavation activities or any other activity related to the use of tangible or intangible properties.


Business Activity is defined in the CT Law as any transaction or activity, or series of transactions or series of activities conducted by a Person in the course of its Business.

What is NOT a Business or Business Activity?


The following are NOT considered income from a Business or Business Activity conducted by a resident or non-resident natural person irrespective of the amount of amount of income derived:



Wages - Any wages or salaries paid to employees in consideration of their services under an employment contract, whether in cash or in kind. This includes all allowances, bonuses and benefits paid to the employees as per the employment contract or the applicable legislation.




Personal investment income - Any income from investment activity carried out by the natural person on their personal account (not conducted through a Licence or requiring a Licence from a Licensing Authority in the UAE).



Real estate investment income - Any income from activity conducted by the natural person in relation to the sale, leasing, sub-leasing, and renting of land or real estate in the UAE (not conducted through a Licence or requiring a Licence from a Licensing Authority in the UAE).

Natural persons who are not conducting a Business or Business Activity are not required to register for Corporate Tax.

Key takeaway and next steps



Cabinet of Ministers issued Decision No. (49) of 2023 brings additional clarity for individuals in respect of their obligations under the CT Law.

Individuals who are conducting their personal investments or personal real estate investments otherwise than in their personal name or through a tax transparent legal entity without a Licence (e.g. via a company) should be aware that this will be considered a Business or Business Activity under the CT law.

For further advice and assistance on this matter, you can reach us by emailing CT.UAE@pwc.com.



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