

UAE Corporate Tax: FTA Decision No. 3 of 2024 - Registration Timeline

Key Takeaways



February 2024



UAE FTA Decision No. 3 of 2024



On 22 February 2024 the Federal Tax Authority (“FTA”) issued Decision No. 3 of 2024 with regards to the Timeline for Registration of Taxable Persons for Corporate Tax (“CT”).

Article 51 of the UAE CT Law indicates that any Taxable Person should be registered for CT with the FTA within the timeline prescribed by the FTA and obtain a Tax Registration Number. The timeline has now been prescribed in FTA Decision No. 3 of 2024.

Key highlights

Timeline for Resident Juridical Persons

A juridical person that is a Resident Person, incorporated or otherwise established or recognised prior to the effective date of this Decision (i.e. 1 March 2024), should submit the Tax Registration application according to the following timelines:

Date of Licence issuance (any earliest issued)	Deadline for submitting a Tax Registration application
1-31 January and 1-28/29 February	31 May 2024
1-31 March and 1-30 April	30 June 2024
1-31 May	31 July 2024
1-30 June	31 August 2024
1-31 July	30 September 2024
1-31 August and 1-30 September	31 October 2024
1-31 October and 1-30 November	30 November 2024
1-31 December	31 December 2024
Where a person does not have a Licence at the effective date of this Decision	3 months from the effective date of this Decision (i.e. 1 March 2024)

The FTA links the Tax Registration timeline to the date of Licence issued. Under the UAE CT Law, the license is a document issued by a Licensing Authority under which a Business or Business Activity is conducted in the UAE (i.e. trade and / or commercial licences). Where a juridical person has more than one Licence, the Licence with the earliest issuance date shall be used.

For resident juridical persons that are incorporated, established or recognised on or after 1 March 2024, the following timelines will apply:

- A juridical person that is incorporated, established or recognised under UAE legislation, including Free Zone Persons - 3 months from the date of incorporation, establishment or recognition;
- A juridical person that is incorporated, established or recognised under the applicable legislation of a foreign jurisdiction that is effectively managed and controlled in the UAE - 3 months from the end of the Financial Year of the person.



UAE FTA Decision No. 3 of 2024

Key highlights (cont'd)

Timeline for Non-Resident Juridical Persons

Non-Resident juridical persons have the following timeline to submit the Tax Registration application:

Category of juridical persons	Deadline for submitting a Tax Registration application
A person that has a Permanent Establishment ("PE") prior to 1 March 2024	9 months from the date of existence of the PE
A person that has a nexus prior to 1 March 2024	3 month starting from 1 March 2024
A person that has a PE on or after to 1 March 2024	6 months from the date of existence of the PE
A person that has a nexus on or after to 1 March 2024	3 months from the date of establishment of the nexus

Timeline for Natural Persons

The Decision clarifies that a natural person conducting a Business or Business Activity in the UAE and exceeding the AED 1 million threshold, should submit a Tax Registration application with the following deadlines:

- A Resident Person - 31 March of the subsequent Gregorian calendar year where Business or Business Activities took place;
- A Non-Resident Person - three months from the date of meeting the requirements of being subject to tax.

Penalties for late Tax Registration

Cabinet Decision No.75 was updated to include penalty for failure to submit a Tax Registration application within the timeframes mentioned above. Such penalty will amount to AED 10,000 on each Taxable Person.

Key takeaway and next steps

As key next steps, it is important for Taxable Persons to assess which category they fall under and determine the deadline for submission of the Tax Registration application to apply on time and avoid any penalties.

Our understanding is that as long the submission for Tax Registration is done on time irrespective of when the Tax registration number is issued, no penalty should apply.

We would be glad to help you with your questions and / or assist you with the Tax Registration. For further assistance, you can reach us by emailing CT.UAE@pwc.com.





Thank you



www.pwc.com/me

©2024 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.