

Summary of FTA Decision No. 3 of 2024

Time line for Corporate Tax Registration

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”).

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 judicial 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 judicial 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.

Non-Resident Juridical Persons

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

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