

UAE Corporate Tax: Fresh Clarification on Penalty Waiver

FTA Announcement: Public Clarification No. CTP006 | Issued: 3 May 2025

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What's New ?

- FTA Public Clarification (CTP006, issued 3 May 2025) **expands on the earlier announcement.**
- **Details who can benefit:** Taxable Persons, Exempt Persons, and Tax Groups.
- Explains how the **7-month filing deadline** works.
- **Clarifies that refunds** are credited automatically if the penalty was already paid.
- Addresses what happens to **prior reconsideration** requests.
- Confirms the **payment due date remains 9 months.**

Who Can Benefit ?



Taxable persons who miss the registration deadline can avoid penalties if they file their first Tax Return within 7 months (not 9).



Exempt persons (e.g., funds qualifying, public benefit entities) can benefit if they submit their annual declaration within 7 months.



Tax groups: each member can benefit if the group files its return within the 7-month window.

Key Condition



File within 7 months from the end of the first Tax Period or Financial Year (for Exempt Persons).

Example:

Tax Period Ends
31 Dec 2024



Waiver Filing Deadline
31 Jul 2025

How the Refund Works

- **If the penalty was not paid**, it will be automatically waived in your EmaraTax account.
- **If the penalty was already paid**, the amount will be credited to your EmaraTax Corporate Tax account. You can use this for future tax payments or request a refund.
- No separate application is required if conditions are met.

Not Covered

- Filing after 7 months means no waiver.
- If you've already had a successful reconsideration, you can't claim again.
- The waiver doesn't change the 9-month tax payment due date.

Action Points



- Check your registration & penalty status
- File your return or declaration within 7 months
- Monitor your EmaraTax for the automatic adjustment