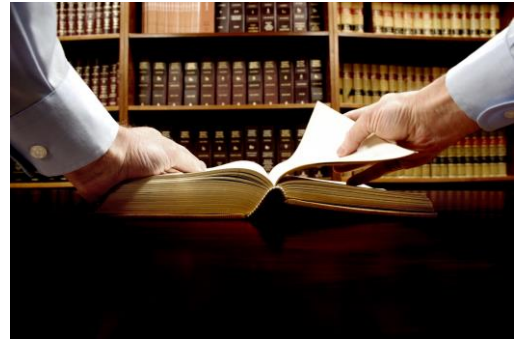


# Client Alert



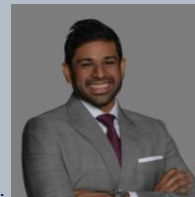
## Corporate Tax: Threshold for “small business relief” set at AED 3 million or less

By Mevan Bandara | 6 April 2023

The UAE Ministry of Finance today issued a new ministerial decision providing the threshold for “Small Business Relief”. Accordingly, taxable persons that are resident persons can claim “Small Business Relief” pursuant to Article 21 of the Corporate Tax Law if their revenue in the relevant tax period is below AED 3 million for the taxable period. If however the revenue threshold of AED 3 million for each tax period is exceeded, the “Small Business Relief” will not be available. This means that a taxable person that generates revenue of AED 3 million or less for each taxable period may elect to be treated as not having derived any taxable income.

The AED 3 million revenue threshold will apply to tax periods starting on or after 1 June 2023 and subsequent periods ending on or before 31 December 2026. ■

### The Author



#### Mevan Bandara

Partner

[mbandara@afриди-angell.com](mailto:mbandara@afриди-angell.com)

Tel: +971 4 330 3900

Mevan advises and represents clients in arbitration, DIFC Court litigation and on-shore litigation matters. In addition to advising client on regular commercial/contractual disputes, Mevan regularly acts for clients in high-value construction disputes and also advises on bankruptcy and restructure, maritime and shipping, insurance, employment, banking disputes and investment disputes. Mevan also assists clients in structuring joint ventures, franchises, distributorship and registered agencies. He is a Legal500 recognised practitioner.

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