

Client Alert



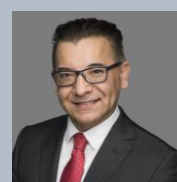
UAE Corporate Tax Law (Law 47 of 2022) – Exemption for Qualified Public Benefit Entities

By Shahram Safai and Mevan Bandara | 25 April 2023

Pursuant to Article 9 of the Corporate Tax Law, a Qualifying Public Benefit Entity will be exempt from Corporate Tax if the conditions set out in Article 9 (1) of the Corporate Tax Law are met. In order to benefit from this exemption, Article 9 (2) also requires the Qualifying Public Benefit Entity to be listed in a Cabinet Decision. Yesterday, on 24 April, the schedule to the Cabinet Decision 37 of 2023, listed the names of the Qualified Public Benefit Entities. The UAE Ministry of Finance has also clarified that Qualified Public Benefit Entities are eligible for tax exemption under the Corporate Tax Law because they are established and operate for the wider public benefit, such as charitable, religious, cultural, healthcare and educational purposes. Pursuant to Article 9 (3) of the Corporate Tax Law, the Federal Tax Authority may routinely request relevant information or records from a Qualifying Public Benefit Entity to monitor the continued compliance of the Qualifying Public Benefit Entity.

Donations, grants or gifts to a Qualifying Public Benefit Entity may be allowed as deductible expenditures for Corporate Tax purposes pursuant to the Corporate Tax Law. ■

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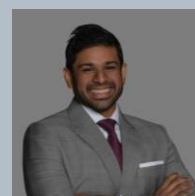
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Shahram is a partner at Afridi & Angell. His practice consists of advising on tax, venture capital, corporate law and real estate. He heads the firm's tax, venture capital and real estate teams and has been highly sought after by boards and shareholders for strategic legal advice. Shahram is qualified as a solicitor in England and Wales and is a member of the California State Bar. He is also a registered professional engineer. Shahram is Chairman of the Canadian Business Council of Dubai and the Northern Emirates.



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Mevan is a litigator and practices in the firm's dispute resolution practice. He 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. Mevan is a Legal500 recognised practitioner.

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