

# Client Alert



## Changes to the UAE economic substance reporting regime

By Abdus Samad and Ayush Sharma | 18 October 2024

The UAE Federal Government has issued Cabinet Decision 98 of 2024 (**2024 Cabinet Decision**) and has, as a result, substantially revised the application of the UAE economic substance reporting requirements. The present economic substance requirements were first introduced through Cabinet Decision 57 of 2020 (the **2020 Cabinet Decision**). The 2024 Cabinet Decision amends these requirements and provides that the economic substance requirements originally specified under the 2020 Cabinet Decision shall apply only to financial years starting from 1 January 2019 and ending on or prior to 31 December 2022.

The 2024 Cabinet Decision further stipulates that: (a) any administrative fines imposed on a “licensee” or an “exempt licensee” in accordance with the 2020 Cabinet Decision for a financial year ending after 31 December 2022 shall be extinguished; and (b) in the event that any administrative fines have already been collected in respect of any financial year ending after 31 December 2022, these fines shall be returned and any ongoing enforcement proceedings withdrawn. ■

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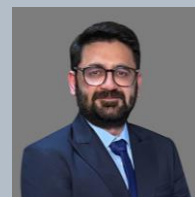
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