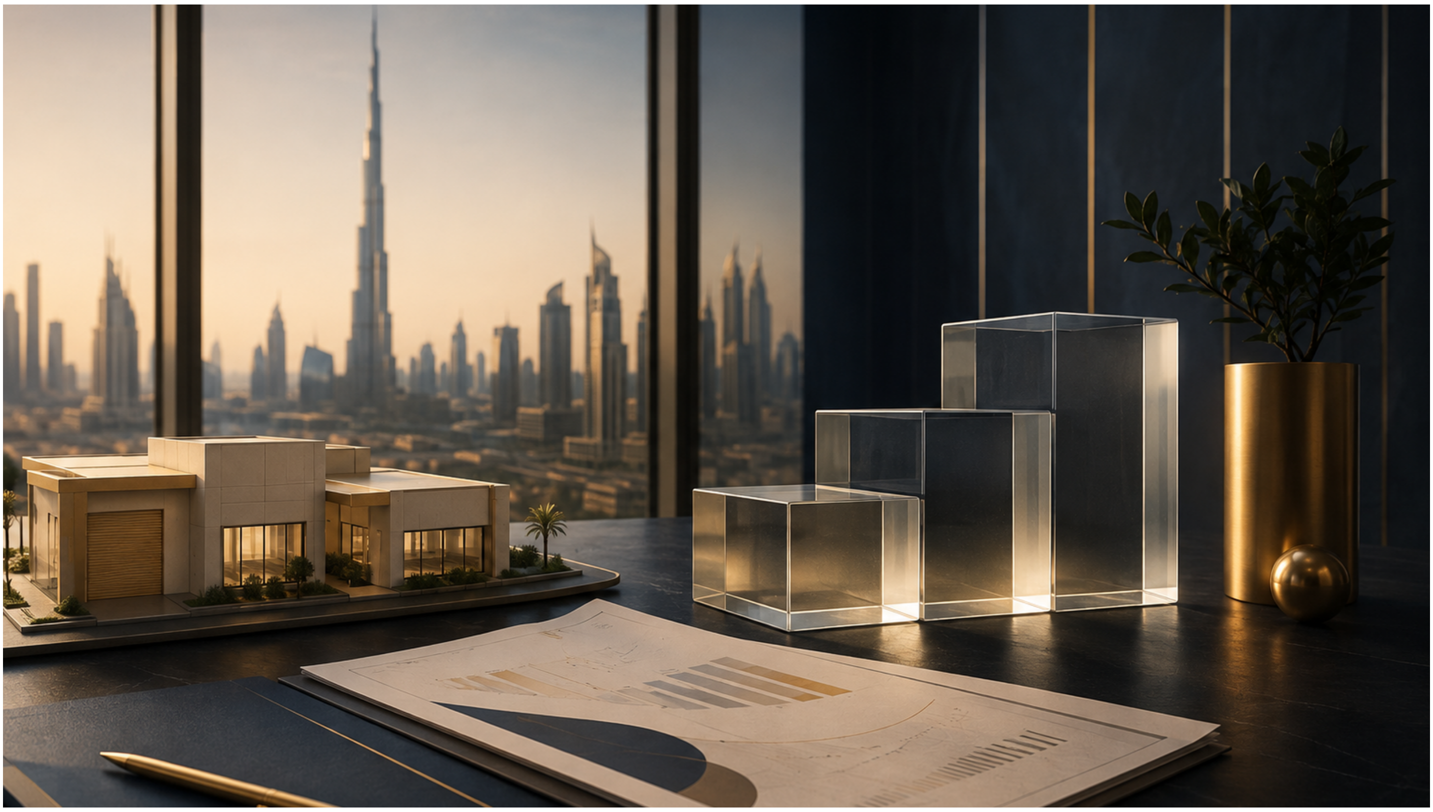
Legacy Growth Insights



UAE Corporate Tax – Small Business Relief Extended to 2029

August 2026

KEY TAKEAWAY

- The UAE Ministry of Finance has issued Ministerial Decision No. 131 of 2026, amending Ministerial Decision No. 73 of 2023, to extend Small Business Relief (SBR) under the Corporate Tax regime.
- The relief can now be elected for Tax Periods ending on or before 31 December 2029, three years beyond the original 2026 sunset.
- The amendment extends the availability window only. The AED 3 million revenue threshold and all existing eligibility conditions and exclusions, remain unchanged.
- The Decision was issued on 29 July 2026 and took effect on 8 August 2026.

Parameter	Before amendment	After amendment
Availability window	Tax Periods ending on or before 31 December 2026	Tax Periods ending on or before 31 December 2029
Annual revenue threshold	AED 3 million (in that tax period and in every previous tax period commencing on or after 1 June 2023)	No change
Eligibility conditions	Resident persons meeting the prescribed conditions	No change
Key exclusions	Qualifying Free Zone Persons and MNE Group members	No change

BACKGROUND

- SBR was introduced under Article 21 of Federal Decree-Law No. 47 of 2022 and given effect through Ministerial Decision No. 73 of 2023.
- An eligible resident person may elect to be treated as having no taxable income for a tax period if its revenue does not exceed AED 3 million in that tax period and in every previous tax period commencing on or after 1 June 2023.
- Where the election is validly made, the person pays no Corporate Tax for the period and follows simplified return requirements. Registration, timely return filing and record retention obligations continue to apply, notwithstanding the election.
- Under the 2023 Decision the relief was available only for Tax Periods ending on or before 31 December 2026.
- Splitting a business across entities to stay under AED 3 million is caught by the General Anti-Abuse Rule in Article 50.

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