



Emirates

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Tax Updates

April 2026



Dear Valued Readers,

"Clarity creates confidence and confidence creates better decisions."

Welcome to our April Tax Updates. We know that tax news can sometimes feel like a moving target; new announcements, new reminders, and new expectations arriving just as teams are trying to close the month, manage cash flow, and keep operations running smoothly. Our goal with this edition is simple: to give you a clear, calm snapshot of what has changed, what deserves attention, and what you can safely park for later.

Across the region, we continue to see a steady push toward stronger governance, cleaner documentation, and more digital ways of working. For many organisations, that is less about "tax" and more about good business: knowing where the numbers come from, keeping records consistent, and having the right people involved at the right time. When those basics are in place, questions are answered faster, surprises are fewer, and leadership can focus on growth rather than firefighting.

As you read through the updates, we encourage you to keep it practical: highlight the items that touch your business, share them with the relevant owners, and set a simple action list—no more than a few priority steps. If anything feels unclear, please reach out. A short conversation now can save days of back-and-forth later, and it is often the quickest way to turn information into a decision.

Thank you for the trust you place in us. We appreciate the opportunity to support your teams, and we look forward to continuing the conversation through the months ahead.

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United Arab Emirates

Public Clarification of the terms director and officer for payments to Connected Persons

On April 29, 2026, the UAE Federal Tax Authority (FTA) issued clarification of the terms “director” and “officer” for the purpose of payments to Connected Persons. The clarification specifies that a “director” must hold a position on a board or equivalent governing body and an “officer” is identified by their actual authority to plan, control, or legally bind the entity rather than their formal job title alone. Further, where a person qualifies as both a Related Party and a Connected Person, they are treated exclusively as a Related Party.

For more information check out our [LinkedIn](#) – [CLA Emirates](#)

Reduced Penalties for Violations Come into Force

On April 15, 2026, the UAE FTA enacted Cabinet Decision No. (129) of 2025 to significantly reduce administrative penalties for various tax law violations. Specific penalty reductions apply to administrative errors such as failing to submit documents in Arabic, delayed record updates, late tax payments, and late voluntary disclosures. Taxpayers are advised to take advantage of these facilitations to rectify their tax positions without facing financial consequences.

Updated Corporate Tax De-Registration Guide Published

On April 1, 2026, the UAE FTA published Taxpayer User Manual Corporate Tax De-Registration (Version 2.0.0.0). The manual provides guidance on taxpayers who wish to de-register their account with the FTA due to the cessation of their business.

VAT Refund for UAE Nationals Building New Residences | VATGRH1

On April 10, 2026, the FTA updated the VAT Guide (VATGRH1) on VAT refunds for UAE nationals constructing new residences. The revised guide incorporates updates to reflect the Emaratax process and the Maskan system, highlights common errors, includes additional practical examples, and has been fully restructured to improve clarity and ease of use.

Launch of eInvoicing 4-Corner Model

On April 21, 2026, the UAE Ministry of Finance (MoF) announced the launch of the eInvoicing 4-Corner model, enabling businesses to seamlessly exchange electronic invoices and boosting operational efficiency, transparency, and compliance. Companies can now begin onboarding by selecting an Accredited Service Provider (ASP) through the Emaratax system. This milestone advances the UAE’s digital economy, with the tax reporting capability (Corner 5) scheduled to go live before the upcoming July pilot phase.





Qatar

Extension of 2025 Tax Return Deadline

On April 22, 2026, Qatar's General Tax Authority (GTA) announced the extension of the deadline for filing 2025 tax returns to June 30, 2026, to support taxpayers and enhance compliance. All commercial entities, including tax-exempt and charitable organizations, must submit their returns via the Dhareeba Tax Portal to avoid penalties. This extension does not apply to the petroleum and petrochemical sectors, which must still submit their tax returns by April 30, 2026.

Excise Tax Warehouse Licensing Service Introduced

On April 1, 2026, Qatar's GTA introduced a new licensing service targeting companies that produce excise goods. This regime allows businesses to defer excise tax payments on goods and raw

materials until they are released into the local market. By eliminating the need for complex refund applications, this initiative streamlines administrative processes, enhances taxpayers' cash flow, and supports the national economy.

New Tiered Excise Tax on Sweetened Drinks

On April 8, 2026, Qatar's GTA announced the amendment of Law No. (25) of 2018 on Excise Tax to introduce a new tiered excise tax model that calculates the tax based on the amount of sugar or sweetener in beverages. The updated tax schedule now includes soft drinks, juices with added sugar, and convertible products like powders and concentrates. Effective July 6, 2026, the law requires businesses holding these goods to declare their stock levels through the Dhareeba Tax Portal



On April 1, 2026, Qatar's GTA introduced a new licensing service targeting companies that produce excise goods.



Sultanate of Oman

Oman – Kazakhstan Tax Treaty Ratification

On April 22, 2026, the Kazakhstan parliament approved the pending income and capital tax treaty ratification with Oman. The agreement avoids double taxation and prevent tax evasion, fostering a more secure and transparent investment climate between the two nations.

Kingdom of Bahrain

VAT Healthcare Guide Updated

On March 31, 2026, the National Bureau of Revenue (NBR) of Bahrain published VAT Healthcare Guide Version 1.2. The manual explains VAT rules for healthcare services, institutions, and medical supplies. The update brings more information on the application of VAT treatment to medicines, medical devices, and other medical products.

Proposed Draft Laws on Various Taxes

On April 22, 2026, Bahrain's Ministry of Finance met to discuss several key draft

laws, including a new Corporate Income Tax Law, amendments to the Excise and Value Added Tax laws, and industrial zone regulations. The committee also reviewed international agreements and an amendment to the GCC Unified Excise Tax Agreement.

Bahrain – Saudi Arabia Pending Tax Treaty Ratification Approved

On April 13, 2026, Bahrain's Legislative Council of Representatives approved to draft law to ratify the agreement between Bahrain and Saudi Arabia to avoid double taxation.

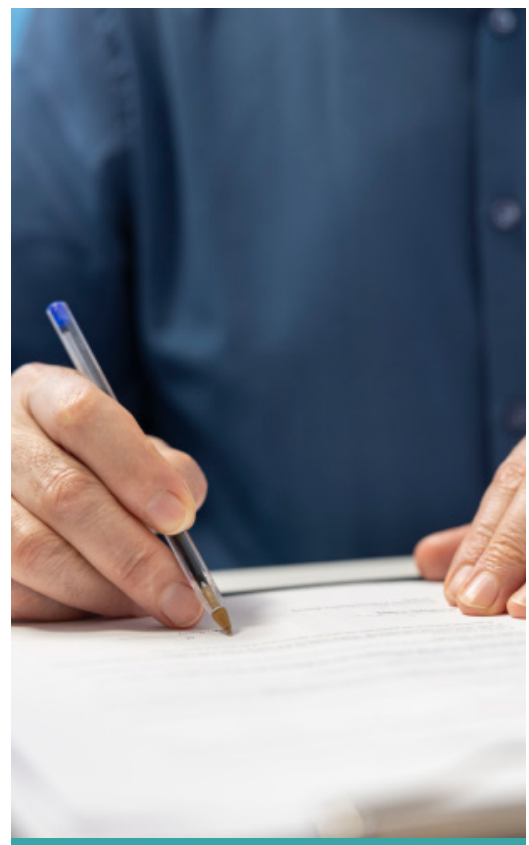
Kuwait

Clarification on UBO Requirements

On April 16, 2026, the Ministry of Commerce and Industry (MOCI) of Kuwait issued Ministerial Resolution No. (37) of 2026 on Ultimate Beneficial Owner (UBO) requirements. The resolution introduces strict administrative penalties, imposing fines between 1,000 Kuwaiti Dinar (KD) and 10,000 KD for failing to disclose the UBO or for submitting false information.

Updates to 5% tax retention rules for in-scope DMTT groups and other taxpayers

On April 9, 2026, Kuwait's Ministry of Finance issued updated Budget Executive Regulations for FY 2026/2027. These updates clarify the application of the long-standing 5% tax retention mechanism, including its interaction with the Domestic Minimum Top-up Tax (DMTT) regime applicable to in-scope multinational enterprise groups under Decree-Law No. 157 of 2024. The revised guidance is understood to apply to payments and contract-related administrative processes executed after March 29, 2026.





Kingdom Of Saudi Arabia

ZATCA penalty waiver initiative remains available until June 30, 2026

On April 2026, ZATCA continued to promote its “Cancellation of Fines and Exemption of Financial Penalties” initiative, effective from January 1, 2026. The initiative provides a waiver of eligible administrative penalties (such as late registration, late filing/payment, VAT return amendment penalties, and certain e-invoicing and VAT-related detection penalties), subject to taxpayers regularizing their compliance position and settling the principal tax liability (or entering into and adhering to an approved installment plan) by June 30, 2026.

ZATCA reminder on VAT return filing deadlines for March / Q1 2026

On April 21, 2026, ZATCA reminded VAT-registered taxpayers to submit their returns by 30 April 2026 to avoid late-filing penalties. This applies to:

- Monthly filers (taxpayers with annual taxable supplies exceeding SAR 40 million) for the March 2026 tax period; and
- Quarterly filers (taxpayers with annual taxable supplies not exceeding SAR 40 million) for Q1 2026.

Phase 2 e-invoicing (Integration) – Wave 24 compliance window open

During April 2026, the compliance window for Wave 24 of Phase 2 e-invoicing integration was open (from April 1, 2026 to June 30, 2026). Taxpayers’ resident in Saudi Arabia with taxable turnover exceeding SAR 375,000 in any of the calendar years 2022, 2023, or 2024 are required to integrate their e-invoicing systems with ZATCA’s Fatoora platform by June 30, 2026.

Others



India

GAAR Exemption for Investments

On March 31, 2026, the Central Board of Direct Taxes (CBDT) published Notification 54/2026 and Notification 55/2026 in relation to specific investments made prior to April 2017, shielding them from certain tax provisions. The notification states that the General Anti-Avoidance Rule (GAAR) does not apply to any income that accrues, arises, or is received from the transfer of investments made before April 1, 2017.



Singapore

Corporate Income Tax Guidance Updated

On April 7, 2026, the Inland Revenue Authority of Singapore (IRAS) updated its guidance on Corporate Income Tax (CIT) Rate, Rebates & Tax Exemption Schemes. The update provides further information on CIT rebate and CIT rebate cash grant for the Year of Assessment (YA) 2026.

Shareholding Test Waiver Application Launched

On March 31, 2026, the IRAS updated guidance on unutilized items (capital allowances, trade losses & donations) for carryforward of unutilized capital allowances and trade losses. Waiver of Shareholding Test Applications allows companies to test the carry forward indefinitely of any unutilized capital allowances and trade losses and unutilized donations for up to 5 Years of Assessment (YAs), subject to qualifying conditions.

Advance Ruling on non-Pure Equity Holding Entity (Non-PEHE)

On March 1, 2026, the IRAS published Advance Ruling Summary No. 5/2026. The ruling states that a company that meets the economic substance requirements for a Non-Pure Equity-Holding entity (non-PEHE) in the relevant basis period will not be subject to tax on their foreign-sourced gains derived from the disposal of its foreign assets.



Hong Kong

E-Filing of Tax Returns and e-BES

On April 1, 2026, the Inland Revenue Department (IRD) of Hong Kong announced the full adoption of electronic Block Extension Scheme (BES) from the year of assessment 2025/26. Under the Block Extension Scheme, tax representatives can apply for a bulk extension of deadlines for a group ("block") of clients. The electronic version (E-BES) simply means this process is handled online through the IRD's e-services portal. Tax representatives must now submit applications for BES and notifications in respect of their clients' tax returns electronically.

e-Submission of Hotel Accommodation Tax returns

On April 1, 2026, the Hong Kong IRD announced that hotels can submit quarterly Hotel Accommodation Tax returns electronically via GovHK.

Two options are available:

- **E-fillable form:** Download, complete electronically, print, sign, and submit by post or in person.
- **Fully online submission:** Complete and digitally sign using the "iAM Smart+" app, then submit online without printing.

This applies from the quarter ending March 31, 2026 onwards.

Employer's Return of Remuneration and Pensions Form

On April 16, 2026, the Hong Kong IRD issued a notice on the Employer's Return of Remuneration and Pensions (Form BIR56A) for the year ended on March 31, 2026. Employers must complete and return the form to the authority together with the existing Form IR56B for each employee within one month through the eTAX portal.

Interest Rate for Tax Reserve Certificates Reduced

On April 2, 2026, the Hong Kong IRD put out a reduced annual rate of interest payable on Tax Reserve Certificates. The interest had been reduced from 0.2417% to 0.1500% with effect from April 8, 2026. Tax Reserve Certificates bear simple interest, and interest is calculated monthly (including part of a month) from the date of purchase to the date of payment of tax. Interest is only credited when certificates are used to pay tax, and no interest is due where the principal value of a certificate is repaid to its holder.

▶ United States

Notice on Eligibility for Housing Cost Deduction

The US Internal Revenue Service (IRS) has published Notice 2026-25 on the determination of housing cost amounts eligible for exclusion or deduction for 2026. A qualified individual can elect to exclude from gross income the foreign earned income and to exclude or deduct the housing cost amount of such an individual. The general limitation on maximum housing expenses for 2026 is \$39,870, calculated from the maximum foreign earned income exclusion amount of \$132,900.

Expansion of Business Tax Account access

On April 6, 2026, the US IRS officially opened its online Business Tax Account (BTA) platform to partnerships, government entities, and tax-exempt organizations. This upgrade allows millions of additional entities to manage their federal tax responsibilities like view tax balances, make payments, access transcripts and digital notices, and request compliance checks.



Final Regulations on No Tax on Tips Issued

On April 10, 2026, the US IRS issued final regulations on "No Tax on Tips" provision of the One, Big, Beautiful Bil. The notice lists out occupations that receive tips and define "qualified tips" that eligible taxpayers may claim as a deduction. The occupation is divided into 8 categories as stated below –

- Beverage and Food Service
- Entertainment and Events
- Hospitality and Guest Services
- Home Services
- Personal Services
- Personal Appearance and Wellness
- Recreation and Instruction
- Transportation and Delivery

Proposed Regulations on New Remittance Transfer Tax

On April 10, 2026, the US IRS issued proposed regulations for rules and

definitions related to the new excise tax imposed on certain remittance transfers under the One, Big, Beautiful Bill. Effective from January 1, 2026, a 1% remittance transfer tax applies to remittances sent from the United States to recipients in foreign countries when the sender provides cash, a money order, a cashier's check, or other similar physical instrument. Public comments for the same are open until June 12, 2026.


New Online Launched to Resolve Tax Debt

On April 10, 2026, the US IRS announced the launch of a new online tool to help taxpayers understand and resolve tax debt. The Tax Debt Help tool provides individuals and businesses with a simple, accessible way to explore payment options making it easier to meet their obligations.


United Kingdom

Guidance on the New Foreign Income and Gains Regime for Individuals

On April 6, 2026, the UK HM Revenue & Customs published guidance on the Foreign Income and Gains (FIG) regime (2026). As per the regime all UK residents are taxed on the arising basis of assessment on their worldwide income and gains replacing the old remittance basis of taxation.



On April 6, 2026, the UK HM Revenue & Customs published guidance on the Foreign Income and Gains (FIG) regime (2026).



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