



Emirates

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Tax Updates

June 2025

Dear Valued Readers,

As we step into the second half of 2025, it is evident that the world of tax continues to undergo meaningful transformation. The developments witnessed in June across the UAE, the wider GCC, and globally reflect the growing emphasis on building stronger, more transparent, and future-ready tax systems.

Whether it's through economic partnership agreements, evolving compliance frameworks, or new international treaties, countries are not only deepening collaboration but also placing a renewed focus on aligning their tax policies with global standards. Such momentum is encouraging – it shows that the global tax environment is becoming more integrated, cooperative, and responsive to the needs of both governments and businesses.

Here in the UAE, we continue to see efforts toward digital innovation and regulatory clarity. These changes, while sometimes complex, open doors to increased efficiency, reduced risks, and long-term certainty for taxpayers. Across the GCC, a similar pattern is emerging thoughtful reforms, modernization of tax regimes, and greater focus on investment-friendliness.

At CLA Emirates (formerly Emirates Chartered Accountants Group), we understand that keeping pace with these developments is not always easy. That's why we remain dedicated to providing you with timely insights, practical guidance, and proactive support. Our monthly updates are a part of that commitment to keep you informed, prepared, and confident in your compliance journey.

As always, thank you for your continued trust in us.

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United Arab Emirates

UAE - Jordan CEPA Enter into Force

On May 14, 2025, the Comprehensive Economic Partnership Agreement (CEPA) was signed between the United Arab Emirates and the Hashemite Kingdom of Jordan, aimed at enhancing trade and investment ties, stimulating growth in key sectors, and empowering small and medium-sized enterprises (SMEs).

UAE – Russia Tax Treaty Ratification

On May 29, 2025, the Russian Government approved the draft law for the ratification of the tax treaty signed with the UAE on February 17, 2025. The treaty aims to eliminate double taxation with respect to taxes on income and capital, and the prevention of tax avoidance and evasion.

UAE e-invoicing Requirements Released

On June 10, 2025, the UAE Ministry of Finance (MoF) released the Peppol Authority Specific Requirements (PASR) regarding the mandated e-invoicing system. PASR apply automatically across the Peppol Network to all Service Providers that offer services located within the jurisdiction of a Peppol Authority.

UAE Corporate Tax Self Registration Guide Updated

On June 10, 2025, the UAE Federal Tax Authority (FTA) issued Taxpayer User Manual: Corporate Tax Self Registration (Version 3.0.0.0). The manual assists the applicants in navigating through the FTA EmaraTax portal system and submitting their Corporate Tax Self Registration application.

FTA Decision No. 6 of 2025 on Standards, Controls and Procedures for Dealing with Shortage Within the Designated Zone due to the Natural Characteristics of Excise Goods

On June 17, 2025, the UAE FTA issued Decision No. 6 of 2025 describing the requirement of Warehouse Keepers and Taxable Persons to obtain a yearly Report from an Independent Competent Entity to determine permissible Natural Shortage for each Excise Good. The percentage must be based on inspections and data, with supporting documents retained. Declarations must not exceed the approved percentage.

MAP Guide Issued

On June 25, 2025, the UAE FTA MoF published Mutual Agreement Procedure (MAP) guidance to provide clarity to taxpayers on the eligibility of MAP, the process and the information required for MAP claim.

FTA Corporate Tax Public Clarification CTP006 - Waiver of Administrative Penalty for failing to submit a Corporate Tax registration application within a specified deadline

The UAE FTA allows a waiver of the AED 10,000 late Corporate Tax registration penalty if the taxable person submits their tax return within 7 months (instead of 9) of their first tax period. Refunds apply if already paid. Effective from 14 April 2025, but covers penalties since 1 June 2023. Exempt persons and tax groups may also qualify. Payment deadlines remain unchanged.

The UAE FTA allows a waiver of the AED 10,000 late Corporate Tax registration penalty if the taxable person submits their tax return within 7 months (instead of 9) of their first tax period. Refunds apply if already paid. Effective from 14 April 2025.

Kingdom of Bahrain

VAT Treatment for Transfer of a Going Concern (TOGC) Guide Updated

On June 15, 2025, the National Bureau for Revenue (NBR) released an updated version of the VAT Guide on the Transfer of a Going Concern (TOGC). The update is the incorporation of a Natural Person registered for VAT purposes.



Sultanate of Oman

Oman – Kazakhstan Signs Tax Treaty

On May 29, 2025, the Governments of Kazakhstan and the Sultanate of Oman signed an Agreement for the Avoidance of Double Taxation. It is the first of its kind between 2 countries.

Oman Introduces Personal Income Tax Law

On June 22, 2025, the Oman Tax Authority (OTA) announced the issuance of Personal Income Tax (PIT) Law coming into force at the beginning of 2028. PIT is applicable to natural persons with total income exceeding 42,000 Omani Riyals annually. A tax rate of 5% is imposed on this taxable income. The law provides for 16 exemptions to take into consideration classified under the following heads –

- Salaries and Wages
- Income
- Interest
- Living allowances
- Pension/post-service benefits contribution
- Educational and healthcare expenses
- Zakat/Charitable donations
- Compensation received



Qatar

Qatar GTA on Tax Incentive for Corporate Restructuring

On May 25, 2025, the Qatar General Tax Authority (GTA) approved the draft resolution granting a tax incentive on capital gains from corporate restructuring within the same group of companies. This initiative aims to enhance the diversification of economy, supporting business growth, and attracting investments.

Qatar – Kuwait Signs Tax Treaty

On June 1, 2025, the Qatar GTA issued a press release on the signing of an income tax treaty with Kuwait. The agreement aims to avoid double taxation and remove obstacles that could hinder the movement of capital.

Qatar Extends the Validity of Certificates

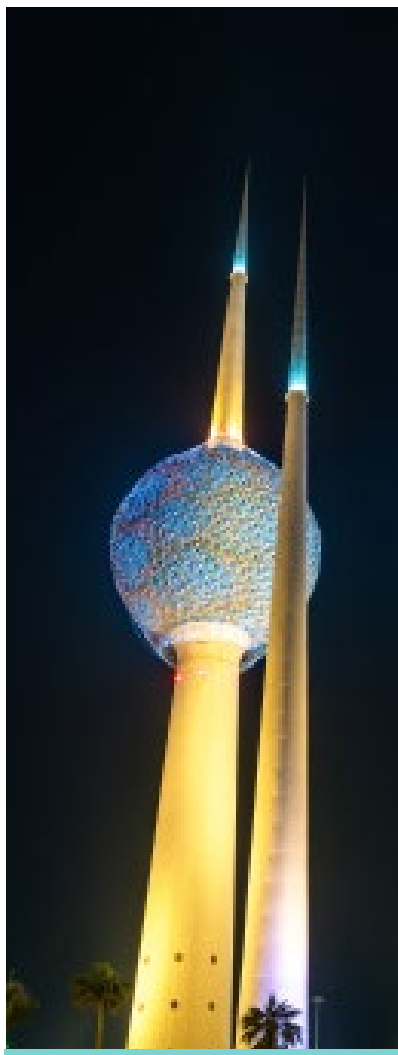
On June 22, 2025, the Qatar GTA announced the extension of the validity of a number of certificates to facilitate procedures for taxpayers. Following are the extensions –

- No Objection Certificate for change of ownership - 180 days
- The issuance of a Tax Compliance Certificate (TCC) via the electronic tax platform – 1 year
- No Objection Certificate for cancelling a commercial registration or issuing a No Objection Certificate for disbursing dues – 90 days

Kuwait

Kuwait MNE Tax Law

On June 29, 2025, Kuwait's Ministry of Finance the issuance of a decree introducing the executive regulations for the law on taxing Multinational Enterprise (MNE) groups. The regulation clarifies the Domestic Minimum Top-up Tax (DMTT) law's provisions, outlines implementation procedures, and promotes transparency in accordance with international standards.



Kingdom of Saudi Arabia

Saudi Arabia – Croatia Tax Treaty Ratification

On June 6, 2025, the Croatian Parliament published the ratification of the pending income and capital tax treaty with Saudi Arabia on the avoidance of double taxation with taxes on income and on property and the prevention of tax evasion and avoidance of payment of taxes.

Ministerial Resolution No. 1463 on the extension of filing deadline for application of the Executive Regulations for the Collection of Zakat

On June 13, 2023, Saudi Arabia amended the deadline for filing the application to apply the provisions of the Executive Regulations for the Collection of Zakat (Bylaws) to previous fiscal years commencing before January 1, 2024. The new deadline is August 31, 2025, replacing the previous deadline of April 30, 2025.

Saudi Arabia Extends Penalty Waiver Deadline Again

On June 28, 2025, the Saudi Zakat, Tax, and Customs Authority (ZATCA) announced that the extension of the initiative to waive fines and exempt taxpayers from penalties for a period of 6 months, starting July 1, 2025. This extension applies to taxpayers until December 31, 2025.

Others

OECD

Consolidated text of the Common Reporting Standard by OECD

On June 2, 2025, the OECD published the Consolidated text of the Common Reporting Standard (CRS) (2025). The report contains an unofficial consolidated text of the CRS, incorporating the amendments made in August 2022, resulting from the comprehensive review of the Standard.

Designing a Tax Crime Investigation Manual Guide

On June 16, 2025, the OECD issued a guide to combat tax crimes. It provides guidance to encourage and support governments in the development of domestic manuals to guide law enforcement authorities through each stage of a criminal tax investigation.

India

India restores RoDTEP Benefits

On May 27, 2025, India's Central Board of Direct Taxes (CBDT) issued a press release on the reinstatement of benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for exports made by Advance Authorization (AA) holders, Export-Oriented Units (EOUs), and units operating in Special Economic Zones (SEZs). This applies to exports made on or after June 1, 2025.

India – Oman DTAA Amended

On June 25, 2025, India's CBDT issued Notification 69/2025, amending the double taxation avoidance agreement (DTAA) between India and Oman by expanding the definition of permanent establishment to cover digital and service-based operations. The amendment also lowered withholding tax rates on interest and royalty payments for technical services to 10% from 15%.



Relaxation to the Timeframe for Processing Valid Tax Returns Filed Electronically

On June 25, 2025, India's CBDT published Circular No. 07/2025, on the relaxation of time limit for processing of valid returns of income filed electronically due to grievances from taxpayers for non-receipt of refunds on returns not processed. Thus, valid returns of income filed electronically on or before March 31, 2024, shall be sent to the assesses concerned by March 31, 2026.

Singapore

Updates to e-Tax Guides on GST Concessions and Tax Treatment of Gains or Losses the Sale of Foreign Assets

- On May 26, 2025, the Inland Revenue Authority of Singapore (IRAS) updated the e-Tax guide on GST: Concession for REITs and Qualifying Registered Business Trusts Listed in Singapore. The guide provides qualifying criteria for the GST concession granted to Real Estate Investment Trusts listed on the Singapore Exchange ('S-REITs') and qualifying Singapore-listed Registered Business Trusts ('S-RBTs').
- On June 6, 2025, the IRAS published an updated e-Tax guide on Income Tax Treatment of Gains or Losses from the Sale of Foreign Assets, elucidating the income tax treatment of gains or losses from the sale or disposal of any movable or immovable property situated outside Singapore.

Advance Ruling on Economic Substance Requirements for a PEHE and Tax Treatment of the Transfer of Certain Intellectual Property

- On June 2, 2025, the IRAS released Advance Ruling Summary No. 7/2025 on the economic substance requirements for a Pure Equity-Holding Entity (PEHE) to be regarded as an excluded entity. On foreign-sourced gains on disposal for a PEHE, the requirements are met and are an exempt income..
- On June 2, 2025, the IRAS released Advance Ruling Summary No. 11/2025 on the tax treatment of consideration received for the transfer of certain Intellectual Property (IP). The transfer of IP between 2 companies within the same group is a capital transaction and hence not taxable.



On May 26, 2025, the Inland Revenue Authority of Singapore (IRAS) updated the e-Tax guide on GST



CbCR List of Jurisdiction Updated

On June 20, 2025, the IRAS updated its Country-by-Country Reporting (CbCR) list of jurisdictions to include Cameroon, with effect from financial year 2024.

Hong Kong

Global Minimum Tax Ordinance

On June 6, 2025, the Inland Revenue Department (IRD) of Hong Kong updated guidelines on the Global minimum tax and Hong Kong minimum top-up tax for multinational enterprise groups, through the enactment of the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025. The update includes provisions for the Income Inclusion Rule (IIR) and a Hong Kong Minimum Top-up Tax (HKMTT), as well as an Undertaxed Profits Rule (UTPR).

Updated list of Qualifying Debt Instruments Eligible for Profits Tax Exemption

On June 10, 2025, the Hong Kong IRD updated its list of Qualifying Debt Instruments (QDIs) as at the end of March 31, 2025. The exemptions are given to QDIs categorized by the issue date of pre and post April 1, 2018.

Tax Concessions and Subsidy Policies for Non-Profit Organizations

On June 25, 2025, Hong Kong IRD issued a press release on the tax implications on Non-Profit Organizations (NPO). Government subventions do not exempt NPOs from property or profits tax under the Inland Revenue Ordinance (IRO). Only registered charities may receive partial tax exemption. The Government introduced measures to ease NGO financial pressure, such as more flexible use of reserves, reduced administrative burdens, and exemptions for 18 social welfare programs.



United Kingdom

Updated Guide on Multinational Top-up Tax and the Domestic Top-up Tax

On June 9, 2025, the UK HMRC updated its guidance on How to prepare for the Multinational Top-up Tax and the Domestic Top-up Tax. The updates are as follows –

- New subsection on webinars
- A revised and expanded section on UK legislation and obligations
- Revised sections on HMRC online service and guidance

United States

Interim Guidance on the Application of CAMT

On June 23, 2025, the U.S. Inland Revenue Service (IRS) in its Inland Revenue Bulletin No. 2025-26 issued Notice 2025-27, providing interim guidance regarding the application of the Corporate Alternative Minimum Tax (CAMT) and relief from certain additions to tax for an applicable corporation's underpayment of estimated tax.

Tariff on Steel and Aluminium Increased

On June 3, 2025, the Trump Administration increased Section 232 Tariffs on Steel and Aluminum imports from 25% to 50%. This is in an effort to protect America's critical steel and aluminum industries against unfair trade practices and global excess capacity.

Improvements to Pre-Filing Agreement Program

On June 17, 2025, the US IRS announced improvements to its Pre-Filing Agreement (PFA) program to provide greater tax certainty for large business and international taxpayers. The PFA program allows taxpayers under the Large Business and International Division jurisdiction to resolve potential tax issues before filing their return, offering certainty, reducing audit risk, and encouraging voluntary compliance.

Assistance Provided to Taxpayers Who Missed the Tax Return Filing Deadline

On June 9, 2025, the US IRS highlighted several resources to help taxpayers who missed the April 2025 federal income tax return filing deadline and owe taxes, interest and penalties. The Government provides aid in the form of payment plans and penalty reliefs.

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