



Tax Updates

March 2026

Dear Valued Readers,

Meaningful progress is rarely accidental—it is the result of consistent, thoughtful change. In the realm of taxation and regulation, developments continue to unfold through policy updates, clarifications, and evolving frameworks that shape how businesses adapt and grow. Staying informed is no longer just about meeting compliance requirements; it is about strengthening strategic direction, enhancing resilience, and navigating an increasingly dynamic landscape with confidence.

This month's updates offer a valuable opportunity to reassess priorities, reinforce governance practices, and stay aligned with emerging regulatory expectations across the UAE, the wider GCC, and global markets. While the pace of change remains steady, many initiatives are focused on improving transparency, streamlining processes, and creating a more efficient and supportive environment for businesses.

At CLA Emirates, we are dedicated to providing clear, relevant, and actionable insights that help you stay ahead. Our aim is to simplify complexity and support informed decision-making without adding to your workload.

We truly value the trust you continue to place in us as your knowledge partner. Your engagement motivates us to deliver insights that are both practical and impactful. Above all, we remain mindful that beyond professional achievements, the well-being and unity of our communities are paramount. We stand alongside you and remain committed to supporting you—not only as advisors, but as trusted partners every step of the way.

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Contents

United Arab Emirates.....	5
Qatar	6
Kingdom of Bahrain.....	7
Sultanate of Oman.....	7
Kingdom of Saudi Arabia.....	8
Others.....	8
Our Services	13

United Arab Emirates

Cabinet Decision No. 74 of 2023 on Executive Regulation of Tax Procedures and its amendments

On April 3, 2026, the UAE Federal Tax Authority (FTA) published Cabinet Decision No. 74 of 2023, amended by Decision No. 17 of 2026. The main updates are to the following:

- Record keeping period
- Submission of Voluntary Disclosure
- Seizure and Retain of Documents and Assets
- Credit Balance Refund Procedures
- Confidentiality and Disclosure of Information

Ministerial Decision No. 24 of 2026 on R&D Tax Credit for CT Purpose

On March 18, 2026, the UAE Ministry of Finance (MoF) published MD No. 24 of 2026 on the Implementation of Certain Provisions of Cabinet Decision No. 215 of 2025 on R&D Tax Credit. The decision sets out the conditions to be met for availing of the credit and the applicable rates, detailing the qualifying expenditure on which the credit is applied. Entities can avail a non-refundable R&D tax credit of up to 50% on qualifying expenditure of up to AED 5 million.

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

FTA Decision No. 5 of 2021 Issuance of Clarifications, Directives and Amendments.

On March 25, 2026, the FTA issued Decision No. 2 of 2026, outlining the FTA's policy on the issuance of clarifications and directives. This decision is part of the UAE FTA's efforts to provide clarity on tax regulations and streamline the process for taxpayers seeking guidance. The decision is effective from March 1, 2026. It details the mechanisms for taxpayers to request private clarifications, administrative exceptions, and special input tax apportionment methods.

Public Clarification on Natural Shortage of Excise Goods

On March 16, 2026, the FTA issued Public Clarification EXTP014 on natural shortage of excise goods. The clarification confirms that natural shortages of excise goods (due to inherent characteristics) are not treated as release for consumption if conditions are met. During transitional period -

- Any report issued by the Independent Competent Entity within 12 months starting July 1, 2025, will be considered valid until June 30, 2027.
- This applies only if the relevant person has submitted the application for the report on or before March 31, 2026.





Qatar

Decision No. (3) of 2026 Tax Relief for Capital Gains on Restructuring Transactions

Qatar's Council of Ministers Decision No. (3) of 2026, effective from March 2, 2026, introduces tax relief on capital gains arising from qualifying corporate restructuring transactions. Under this rule, gains or losses from asset transfers between juridical persons are disregarded for tax purposes, subject to meeting specified conditions.

The relief also extends to resident individuals in certain cases and applies to multinational groups, including those subject to OECD Pillar Two rules. Overall, the decision enables tax-neutral internal reorganizations without immediate tax impact.

Cabinet Resolution No. (4) of 2026 on the Direct Application of Tax Treaty Benefits for withholding tax

On March 16, 2026, the Council of Ministers issued Cabinet Decision No. (4) of 2026, amending Qatar's Income Tax Executive Regulations to introduce a 'Trusted Entity' regime. This allows eligible Qatari entities to apply withholding tax (WHT) relief under DTAs directly at source, instead of relying on

post-payment refund claims. The reform streamlines access to treaty benefits, improving cash flow and administrative efficiency, but Trusted Entities assume new responsibilities and risks in assessing treaty eligibility and managing WHT compliance.

Qatar - Kuwait Tax Treaty Ratification

On 15 March 2026, Qatar's Official Gazette published Amiri Decree No. (1) of 2026 on the ratification of the Agreement between the Government of the State of Qatar and the Government of the State of Kuwait for the Avoidance of Double Taxation with respect to Taxes on Income and for the Prevention of Tax Evasion and Avoidance (Double Tax Treaty or DTT). The DTT aims to strengthen economic cooperation between Qatar and Kuwait, minimize double taxation, and create a transparent and predictable tax framework for businesses and individuals investing between the two countries. Once effective, its withholding tax (WHT) provisions will apply to payments or credits made on or after 1 January of the year following the entry-into-force date, while its provisions on other income and capital taxes will apply to tax years starting on or after January 1, of that year.



Qatar's Council of Ministers Decision No. (3) of 2026, effective from March 2, 2026, introduces tax relief on capital gains arising from qualifying corporate restructuring transactions.





Kingdom of Bahrain

VAT Guide on Imports and Exports Updated

On March 11, 2026, the National Bureau of Revenue of Bahrain published VAT Real Estate Guide Version 1.5. The update includes new guidance on VAT deposits in the context of the recovery of VAT paid on the import of goods which highlights - A VAT deposit paid on a customs declaration (e.g., for temporary imports) is not recoverable as import VAT until it is confiscated by Customs Affairs. To reclaim it, a VAT-registered person must obtain documentation showing the deposit's status has changed to "VAT confiscation." Once confirmed, the VAT can be recovered via a VAT return within the relevant filing period or up to five years from the end of the calendar year when it became recoverable, provided

all other input VAT recovery conditions are met.

Bahrain – Jersey General Tax Treaty

On March 12, 2026, the Jersey States Assembly approved the pending income tax treaty with Bahrain. The treaty is the first of its kind between the two countries and aims to eliminate double taxation on income while preventing tax evasion and avoidance. This is particularly important for Jersey-based businesses operating in Bahrain, as it prevents punitive double taxation and supports cross-border trade and investment. The treaty also aligns with Jersey's policy of maintaining a network of DTAs consistent with OECD standards, including anti-base erosion and profit-shifting measures.



Sultanate of Oman

Income Tax Annual Return Deadline for FY 2025

On March 15, 2026, the Oman Tax Authority (OTA), made an announcement regarding the annual tax return filing deadline for FY ended December 31, 2025. For taxpayers subject to the standard 15% tax rate, the return deadline is April 30, 2026.

Oman e-Invoicing

Oman has taken the next steps in its e-invoicing implementation framework, marking a key step in the country's digital tax transformation through Fawtara portal. The latest developments include –

- The Official Launch of 'Fawtara' portal
- Service Provider Registration User Manual published
- Service Providers workshops
- Selection to participate in Phase 2 of the program

Kingdom Of Saudi Arabia

Introduction of Exemption Mechanism for Government Entities to Contract with Foreign Companies That Do Not Maintain a Regional Headquarters

On February 19, 2026, Saudi Gazette announced the introduction of an exemption mechanism allowing government entities to contract with companies without a Regional Headquarters (RHQ) in the country. Under new regulations, exemptions can be requested for specific projects via the "Etimad" platform, provided they meet conditions such as technical uniqueness or cost savings of at least 25%. The policy aims to balance strategic project needs with the goal of making Saudi Arabia a regional business hub, a target already exceeded with over 700 firms now based there.

Others

India

India Finance Bill 2026

The Income-tax Act, 2025 is a comprehensive overhaul and replacement of the long-standing Income-tax Act, 1961. It was enacted by the Parliament of India in August 2025 and structured to modernise, simplify, rationalise and digitalise the direct tax law. The new Act contains fewer sections – about 536 sections across 23 chapters and 16 schedules – and comes into force for the tax year starting April 1, 2026 (i.e., tax year 2026-27 onwards). The following are the highlights of the bill –

- **Single Tax Year:** Replaces previous year/assessment year system.
- **Simplification:** Fewer sections, clearer language, reduced litigation.
- **Digital & Faceless Compliance:** Faster processing and refunds.

- **Updated Scope:** Covers digital assets and clarifies deductions.
- **Retention of Tax Slabs:** Basic exemptions largely unchanged.
- **Enhanced Reporting:** Revised ITR forms and disclosure rules.

New Reporting Rules for Cryptos, CBDCs and e-Money Products

On March 5, 2026, the Central Board of Direct Taxes (CBDT) published Notification No. 19/2026, amending the income tax rules for digital financial reporting. This amendment expands the scope of financial reporting by banks and other institutions, bringing crypto assets, electronic money products and Central Bank Digital Currencies (CBDCs) within the reporting framework.

Singapore

Guide on GST registration for InvoiceNow Implementation Updated

On March 9, 2026, the Inland Revenue Authority of Singapore (IRAS) updated its guide to completing the GST registration form. The update is to the InvoiceNow implementation date for all new GST-registrants, including compulsory registrants. The guide provides specific steps and instructions to be followed by sole-proprietor, local businesses with Unique Entity Number (UEN), business without UEN, overseas supplier/ Electronic Marketplace Operator (EMO)/ redeliverer etc.

Advance Ruling on Sale of a Company's Property as a Capital Transaction

On March 2, 2026, the IRAS published Advance Ruling Summary No. 4/2026. The ruling states that a company's property sale was a capital transaction, not taxable trading income. The ruling highlights that the gains are not taxable, based on factors like the intent behind the holding period and financing. This confirms that capital gains from local asset sales generally remain non-taxable in Singapore.

New Guidance on New Guidance on Tax Obligations of Platform Workers

On March 6, 2026, the IRAS published new guidance on tax obligations of platform workers. This includes specific instructions on income declaration, filing responsibilities, and record-keeping for the Year of Assessment (YA) 2026.

CbCR List of Jurisdictions Updated

On March 6, 2026, the Inland Revenue Authority of Singapore (IRAS) expanded its automatic exchange of Country-by-Country (CbC) reports under the Multilateral Competent Authority Agreement (MCAA). The new jurisdictions added are Armenia, Montenegro, Mongolia, Serbia, and Vietnam, strengthening Singapore's bilateral AEOI network.

New GST Guidance on Construction Services

On March 18, 2026, the IRAS updated guidance on how to account for GST on the supply of construction services with a new video guidance. The update clarifies key areas including GST reporting errors, input tax claims, and distinctions between taxable and non-taxable items such as deposits, worker dormitory rentals, and compensation.



► Hong Kong

Implementation of Budget 2026-27 Measures

- On March 4, 2026, the Inland Revenue Department (IRD) of Hong Kong announced the implementation of stamp duty rate for residential property transactions with an amount or value of consideration (whichever is the higher) above \$100 million - 6.5%.
- On March 4, 2026, the IRD of Hong Kong announced the implementation of tax concessions, concessionary deductions and allowances, increasing the limit of basic, single and married person's allowance, raising the deduction ceiling for elderly residential care expenses, extending the claim period for additional child allowance for newborns, and such.
- On March 25, 2026, the IRD of Hong Kong announced the implementation of Automatic Exchange of Information (AEOI) to enhance its administrative framework.

Block Extension Scheme for Lodgement of 2025/26 Tax Returns

On March 24, 2026, the Hong Kong IRD published the circular letter to tax representatives on block extension scheme for lodgement of 2025/26 tax returns. Tax representatives should submit applications for Block Extension Scheme (BES) and notifications of their clients' tax returns electronically through the online Block Extension service provided under the Tax Representative Portal (TRP).

► United States

New Schedules to Claim Deductions and Under OBBBA and New Withholding Tax Estimator

- On March 2, 2026, the US Internal Revenue Service (IRS) published the new Schedule 1-A and Form 1040 instructions for taxpayers to claim the following deductions under the OBBBA –
 - No tax on tips
 - No tax on overtime
 - No tax on car loans
 - No tax on seniors
- On March 12, 2026, the US IRS announced the enhancement to the Withholding Tax estimator to incorporate the new deductions and credits implemented under the OBBBA, such as the above.



Revenue Procedure on Depreciation Tables for Passenger Automobiles, Foreign Income Exclusion Eligibility Waiver, Exemption Elections for Business Interest Limitation and Bonus Depreciation


- The US IRS has published Revenue Procedure 2026-15 on the depreciation tables for passenger automobiles in 2026. The guidance includes -
 - 2 tables of limitations on depreciation deductions for owners of passenger automobiles placed in service by the taxpayer during calendar year 2026
 - Table of dollar amounts that must be used to determine income inclusions by lessees of passenger automobiles with a lease term beginning in calendar year 2026.
- The US IRS has published Revenue Procedure 2026-16. It provides information on individual who failed to meet the eligibility requirements

to exclude from gross income the foreign earned income and to exclude or deduct the housing cost amount of such individual.


- The US IRS has published Revenue Procedure 2026-17 on withdrawal of elections to be excepted trades or businesses for purposes of the business interest limitation and to make a late election to be exempt from bonus depreciation.

Deadline for Unclaimed Refunds for 2022 Tax Year

On March 20, 2026, the US IRS announced that the deadline to claim refunds for tax year 2022 is April 15, 2026. The IRS estimates that approximately \$1.2 billion in refunds remains unclaimed for taxpayers who have not filed their Form 1040 Federal income tax return for the 2022 tax year. The IRS estimates the median refund amount is \$686 for 2022, which means that half of the refunds are more than \$686. This estimate does not include credits that may be applicable.



On March 20, 2026, the US IRS announced that the deadline to claim refunds for tax year 2022 is April 15, 2026



United Kingdom

Public Consultation on Modernising Company Tax Returns, Extension of UTT Regime and Reporting Requirements Between Close Companies

- On March 10, 2026, the UK HMRC opened a public consultation on modernising and standardising company tax returns. This aims to bring about prescribed formats for Corporation Tax computations to improve the quality and consistency of Corporation Tax data. The consultation is open till June 2, 2026.
- On March 12, 2026, the UK HMRC opened a public consultation on extending Uncertain Tax Treatment (UTT) to capture more legal interpretation uncertainties and seeks views on widening scope and implementing changes. The consultation is open till June 4, 2026.
- On March 19, 2026, the UK HMRC opened a public consultation seeking opinions on the introduction of new requirements to report transactions between close companies and their participators to HMRC. The consultation is open till June 10, 2026.

UK Enacts Finance Act 2026 Including Tax Measures of Budget 2025

On March 18, 2026, the UK published the Finance Act 2026 in the Official Gazette, providing for the implementation of the measures announced as part of the UK Budget 2025. Below are the key highlights:

- **New Property Tax:** Separate higher rates for rental income from 2027 (22-47%).
- **New Taxes:** Vaping Products Duty (Oct 2026) and Carbon Border Tax (CBAM) on imports (Jan 2027).
- **Higher Investment Taxes:** Dividend tax increased; carried interest now taxed as income.
- **Tougher Rules:** Ban on promoting tax avoidance; mandatory registration for tax advisers.
- **Inheritance Tax:** Relief capped at £2.5 million; pensions now included in estate for tax.
- **Rates Rises:** Increases to Air Passenger Duty, VED, and Remote Gaming Duty (40%).



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