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UAE FINANCES: WHY NOW IS THE TIME TO GET YOUR FINANCES IN ORDER

19 December 2024

An increasing number of companies in the UAE are being notified of inspections by the free zones where they are registered. These inspections are primarily conducted to ensure compliance with the Federal Anti-Money Laundering Law No. 20 of 2018 and subsequent UAE Cabinet resolutions.

During these inspections, companies are required to disclose information about their ultimate beneficiary owners, as well as provide audited financial statements, copies of contracts, invoices, and other relevant company documentation. Depending on the place of registration, free zone authorities may request a company's audited financial statements for multiple years. Typically, companies are given an average of 30 calendar days to submit the required documentation. Without properly prepared and audited financial statements, it can often be impossible to complete the audit and deliver the results within the specified timeframe.

It is also important to note that 2024 marks the first taxable period for the newly introduced corporate income tax, with the deadline for filing tax returns for this period set for September 30st, 2025. Guidelines on corporate tax are still being released by the UAE Federal Tax Authority, with the latest guideline published recently on November 11th, 2024.

This material is based on information from public sources and is for reference purposes only. It does not constitute advice or a legal opinion. If you have any questions regarding this alert, please contact us at: info@whitesquarepartners.com.

With upcoming inspections requiring companies to submit audited financial statements, and the first corporate tax reporting period approaching under the legal framework which is still evolving, we strongly recommend that companies yet to maintain proper financial records start doing so immediately. Those already keeping records should ensure they are fully compliant with the law.

If you do not yet have a reliable accountant with extensive experience in the UAE market, it is not too late to engage one.

A qualified professional — trained under UAE Federal Tax Authority programs — can manage your finances effectively, assist during inspections by the free zone authorities and support you in conducting successful audit.

Who, in the event of a request from the tax authority following the filing of a corporate tax return, will be responsible for providing the financial statements used to determine the taxable income for the tax period, as well as supplying all necessary explanations regarding the financial statements to the tax authorities to ensure compliance during the first corporate income tax filing period.



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