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Determination of the Requirements for Preparing and Maintaining Audited Special Purpose Financial Statements for a Tax Group for the purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses and its amendments

Federal Tax Authority Decision No. 7 of 2025 - Issued 16 July 2025 - (Effective for tax periods commencing on or after 1 January 2025)

The Chairman of the Board of Directors of the Federal Tax Authority has decided:

- Having reviewed the Constitution,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Decree-Law No. 28 of 2022 on Tax Procedures, and its amendments,
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, and its amendments,
- Cabinet Decision No. 74 of 2023 on the Executive Regulation of Federal Decree-Law No. 28 of 2022 on Tax Procedures,
- Ministerial Decision No. 114 of 2023 on the Accounting Standards and Methods for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses,



- Ministerial Decision No. 301 of 2024 on Tax Group for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses,
- Ministerial Decision No. 84 of 2025 on Audited Financial Statements for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses,
- Decision of the Chairman of the Board of Directors No. 9 of 2021 on the Delegation to the Vice Chairman of the Board of Directors of the Federal Tax Authority, and
- Pursuant to the approval of the Board of Directors on the memorandum passed on 11/07/2025 on the Determination of the Requirements for Preparing and Maintaining Audited Special Purpose Financial Statements for a Tax Group.

Article 1 – Definitions

Words and expressions in this Decision shall have the same meanings specified in the Federal-Decree Law No. 47 of 2022 referred to above (“Corporate Tax Law”), with the exception of the following expression which shall have the meaning assigned against it, unless the context otherwise requires:

Aggregated Financial Statements : Financial Statements prepared on the basis of the aggregation of the standalone Financial Statements of the Parent Company and each Subsidiary that is a member of the Tax Group in accordance with the framework specified in Article 3 of this Decision.

Article 2 – Requirements for Preparing and Maintaining Audited Special Purpose Financial Statements for a Tax Group

1. For the purposes of Clause 1 of Article 54 of the Corporate Tax Law referred to above, a Tax Group shall prepare special purpose financial statements in the form of Aggregated Financial Statements in line with the framework specified in Article 3 of this Decision.



2. For the purposes of Clause 2 of Article 54 of the Corporate Tax Law and Clause 2 of Article 2 of Ministerial Decision No. 84 of 2025, the Aggregated Financial Statements of the Tax Group must be audited under a special purpose framework in accordance with the relevant International Standards on Auditing ("ISA").
3. For the purposes of Clause 1 of Article 54 of the Corporate Tax Law, the audited Aggregated Financial Statements of the Tax Group must be submitted to the Authority no later than (9) nine months from the end of the relevant Tax Period, or such other date as determined by the Authority.

Article 3 – Framework for Preparation of Aggregated Financial Statements

1. For the purposes of preparing the Aggregated Financial Statements, the standalone Financial Statements of the members of the Tax Group must be aggregated eliminating transactions between the members.
2. The Aggregated Financial Statements must be prepared annually based on the standalone Financial Statements of the members of the Tax Group prepared for the relevant Financial Year.
3. The Aggregated Financial Statements must comply with International Financial Reporting Standards ("IFRS") or International Financial Reporting Standards for small and medium-sized entities ("IFRS for SMEs"), subject to the following provisions:
 - a. The standalone Financial Statements of an acquiring entity which is a member of a Tax Group should not reflect the accounting implications of business combinations under IFRS 3 and consolidated financial statements prepared under IFRS 10 in relation to such business combinations for the purposes of aggregation of the financial statements.
 - b. For the purposes of preparing the Aggregated Financial Statements, the adjustments relating to goodwill, gain on bargain purchase or fair value adjustments to assets and liabilities that are recorded in IFRS compliant consolidated financial statements shall not be recorded in the Aggregated Financial Statements.



- c. As an exception to paragraph (b), where business combinations are executed without the acquisition of a separate legal entity, the resultant assets, liabilities, goodwill or gain on bargain purchase are part of the separate Financial Statements of the acquiring entity and are to be aggregated completely into the Aggregated Financial Statements of the Tax Group.
 - d. Members of the Tax Group must perform a line-by-line aggregation of Financial Statement captions, including those relating to investments recorded by the Parent Company or any Subsidiary, or relating to corresponding equity recorded by the Subsidiaries within the Tax Group without any eliminations between these captions.
 - e. For the purposes of preparing the Aggregated Financial Statements, any impairment that the Parent Company has recorded over its investment in a Subsidiary in the Tax Group should not be eliminated where the Parent Company directly holds the Subsidiary in the Tax Group.
 - f. For the purposes of preparing the Aggregated Financial Statements, any impairment that a Subsidiary has recorded over its investment in another Subsidiary in the Tax Group should not be eliminated where one Subsidiary directly holds another Subsidiary in the Tax Group.
4. The following principles must be applied in the preparation of Aggregated Financial Statements:
- a. Subject to Clause 3 of this Article, any income, expenses, unrealised gains and losses, and any other transactions between members of the Tax Group shall be eliminated.
 - b. The standalone Financial Statements of entities which are not part of a Tax Group must not be aggregated as part of the Aggregated Financial Statements of the Tax Group.
 - c. Transactions with entities which are not members of the Tax Group must not be eliminated for the purposes of preparing the Aggregated Financial Statements of the Tax Group.
 - d. The standalone Financial Statements of the members of the Tax Group must be prepared in accordance with IFRS (or IFRS for SMEs).



- e. The standalone Financial Statements of the members of the Tax Group must be prepared using uniform accounting policies.
- f. The accounting profit or loss that will be aggregated must be the pre-tax profit or loss of the members of the Tax Group.
- g. Investments in subsidiaries, joint ventures and associates that are not members of the Tax Group must be carried at cost less impairment.
- h. The Aggregated Financial Statements of the Tax Group must be presented in the United Arab Emirates Dirham.

Article 4 – Statements and Disclosure Requirements for Aggregated Financial Statements Purposes

- 1. The statements to be presented in a set of Aggregated Financial Statements are:
 - a. Aggregated statement of financial position.
 - b. Aggregated statement of profit or loss.
 - c. Aggregated statement of other comprehensive income.
 - d. Aggregated statement of changes in equity.
- 2. The disclosure requirements for the Aggregated Financial Statements should include the following:
 - a. The framework under which the Aggregated Financial Statements have been prepared.
 - b. The basis of aggregation.
 - c. The material accounting policies, estimates and judgments based on which the Aggregated Financial Statements are prepared.
 - d. The explanatory information and notes that sufficiently support the numbers presented in the Aggregated Financial Statements.

Article 5 – Financial Statements of Members Leaving the Tax Group

- 1. For the purposes of Article 13 of Ministerial Decision No. 301 of 2024 referred to above, where a member leaves the Tax Group or the Tax Group ceases to exist, the member leaving the Tax Group shall adopt the values of the relevant assets and liabilities as



recorded by the Tax Group as the opening values of those assets and liabilities in its standalone Financial Statements.

2. As an exception to Clause 1 of this Article, if the applicable Accounting Standards do not permit using such values, the member leaving the Tax Group shall calculate its Taxable Income as if the Accounting Standards would have allowed using such values.

Article 6 – Implementation of the Decision

This Decision shall be published in the Official Gazette and shall apply to Tax Periods commencing on or after 1 January 2025.