



YOUR COMPLIANCE PARTNER IN THE UAE

WEEKLY NEWSLETTER

UAE FINANCE UPDATE

Your guide to key finance and compliance updates in the UAE.



STRAIT OF HORMUZ



INSIGHTS

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THREE MORE MONTHS: UAE EXTENDS ASP APPOINTMENT DEADLINE

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On **10 May 2026**, the Ministry of Finance issued **Ministerial Decision No. 66 of 2026**, amending Ministerial Decision No. 244 of 2025. The result: large businesses now have until **30 October 2026** – three extra months – to appoint an Accredited Service Provider (ASP) under the UAE e-invoicing framework.

What Changed – At a Glance

* BEFORE

ASP appointment: **31 July 2026**
Mandatory go-live: **1 January 2027**
Tight runway between selection and go-live.

* AFTER

ASP appointment: **30 October 2026**
Mandatory go-live: **1 January 2027**
(unchanged)
More time to evaluate. Same go-live. Less time to integrate.



Why the Extension?

The Ministry of Finance pointed to three drivers behind the change:

Market readiness: Industry feedback flagged the need for more time to mature.

Broader technical options: Allowing the ASP ecosystem to deepen and offer more integration paths.

More competitive pricing: Time for the ASP market to settle into commercial terms that work for businesses.

Separately, amendments to Ministerial Decision No. 64 of 2025 now facilitate collaboration between local technology providers and international service providers – knowledge transfer that should produce better-fitting UAE-specific solutions.

Who This Affects

Businesses in **Phase 1** – i.e. those with annual revenue \geq **AED 50 million**. The Phase 2 timeline ($<$ AED 50M) and the pilot programme (starting 1 July 2026) remain unchanged.

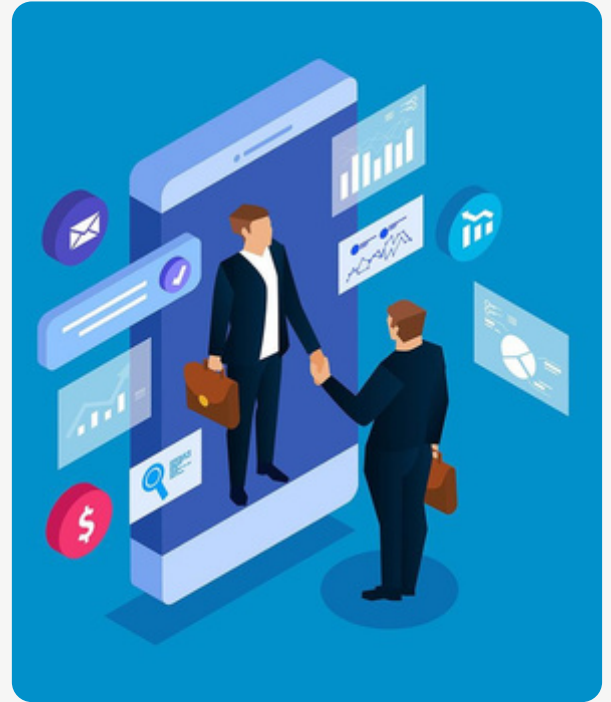


CONTINUE

Don't Read This as Breathing Room

The mandatory go-live on 1 January 2027 is unchanged. Three extra months on the appointment date means less time between sign-up and live transmission – not more total runway.

ERP work, data standardisation, internal process redesign and real-time tax reporting readiness all still need to land by 31 December 2026.



Use the Extra 90 Days For



A proper ASP shortlist: Compare 4–5 providers rather than rushing into the first available. Push back on pricing now while competition is broader.



ERP and invoicing system upgrades: Ensure invoice generation aligns with the Peppol PINT-AE standard before integration.



Validation and dry-run testing: Build a UAT cycle into November–December 2026 – the AED 100-per-invoice penalty starts on day one of go-live



Data standardisation: Customer master, tax codes, item descriptions, currency handling – cleanse now, not during integration.



Internal process review: Map credit notes, returns, advance invoices and self-billed transactions to the new flow.

The 90-day extension is a planning gift, not a deferral. Use it to choose a better ASP, run a proper UAT cycle, and arrive at 1 January 2027 ready – not relieved. The go-live date hasn't moved.



CT LATE REGISTRATION PENALTY WAIVER: THE 91,000 INITIATIVE

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On **14 May 2026**, the FTA announced that the Corporate Tax Late Registration Penalty Waiver initiative has already benefited **68,600+ taxable persons** and is expected to reach **91,000+** — with another 22,000 still eligible. If your business missed the CT registration deadline, this is the cleanest route to recover the AED 10,000 penalty.

Who the Waiver Covers

The initiative applies to administrative penalties for late CT registration that arose on or after 1 June 2023. It covers:

- * Taxable Persons for Corporate Tax purposes who missed the registration deadline; and
- * Certain categories of Exempt Persons who were also required to register.

The waiver applies only to the first Tax Period. Subsequent periods sit outside the initiative.



The Catch: 7 Months, Not 9

To qualify, you must submit the **Tax Return or annual declaration within 7 months** from the end of the first Tax Period or Financial Year — not the standard 9 months. That tighter window is the whole condition.

STANDARD CT FILING

9 months

from end of Tax Period / Financial Year to file the CT return.

WAIVER QUALIFICATION

7 months

file the return inside this window and the AED 10,000 late-registration penalty disappears.

How the Refund Mechanic Works

- **If you haven't paid yet:** the penalty is automatically waived once you file inside the 7-month window. No reconsideration request needed.
- **If you've already paid:** an equivalent credit appears in your EmaraTax account. You can use it to settle other tax liabilities or claim a refund.
- **If you haven't registered yet:** you can still benefit — register first, then file the Tax Return inside the 7-month window from your first Tax Period end-date.

CONTINUE

What to Do This Week

Check the FTA penalty register: Inside EmaraTax – has any AED 10,000 late-registration penalty been raised against you?

Map your first Tax Period end-date: Most calendar-year businesses have a 31 December 2024 first period, with the 7-month deadline at 31 July 2025 (now in the past) – but many businesses with later first periods are still inside the window.

Read the Public Clarification: "Waiver of Administrative Penalty for Failure to Submit a Corporate Tax Registration Application within the Specified Timeline" on tax.gov.ae – it has worked examples for every scenario.

File ahead of the 7-month mark: Last-day filing increases the risk of EmaraTax submission issues. Aim for at least 2 weeks of buffer.



AED 10,000 of admin penalties refunded automatically – if you file inside the 7-month window. With 22,000 businesses still eligible, the most expensive thing to do is wait until the 9-month standard deadline. Check EmaraTax this week.

Q1 2026: THE HORMUZ DRAG ON REAL-ECONOMY ACTIVITY

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The closure of the **Strait of Hormuz** has stretched well beyond initial expectations and is now showing up clearly in Q1 2026 UAE activity data. Crude flow disruption, slower freight and softer discretionary spend are the headlines.

What the Numbers Say

- * **Oil output:** fell -35.6% year-on-year in March as the strait's prolonged closure constrained physical export volumes.
- * **Worst-hit sectors:** tourism, retail and logistics – the three most exposed to discretionary demand and freight movement.
- * **Dirham peg:** unchanged. AED-USD peg continues to insulate businesses from FX shocks even as oil-revenue volatility rises.
- * **Compliance backdrop:** VAT, Corporate Tax and the e-invoicing rollout remain on schedule. The macro picture is not slowing the regulatory calendar.



WHAT IT MEANS FOR BUSINESS

Three practical takeaways:

- (1) logistics, tourism and retail businesses should refresh cash-flow forecasts on a softer Q2 demand assumption;
- (2) freight-exposed sectors should re-test fuel and shipping cost lines;
- (3) factor a higher likelihood of VAT-credit positions as imports normalise post-disruption – making the 5-year carry-forward sunset more relevant, not less.

YOUR COMPLIANCE CALENDAR

Refreshed for the next **11** months.

DATE	WHAT'S DUE / WHAT KICKS IN
May 28, 2026	Monthly VAT return for April 2026 due.
Jun 28, 2026	Monthly VAT return for May 2026 due.
Jun 30, 2026	Last day to claim VAT credits arising in Q2 2021 (5-year carry-forward)
Jul 28, 2026	Quarterly VAT return for Apr–Jun 2026 due.
Sep 30, 2026	Corporate Tax return due for entities with 31 Dec 2025 year-end.
Oct 30, 2026	NEW deadline: businesses with revenue \geq AED 50M to appoint an
Dec 31, 2026	Cliff date: pre-2021 VAT credits and Small Business Relief both end.
Jan 1, 2027	Mandatory e-Invoicing go-live for businesses \geq AED 50M. Per-invoice
Mar 31, 2027	Deadline for businesses $<$ AED 50M to appoint an ASP.

FREE VAT CREDIT RECOVERY REVIEW

LET'S TALK

Book a free 30-minute VAT Credit Recovery Review

Bring us your latest filed VAT return position and we'll age the recoverable credits, identify what's at risk under the 5-year sunset, and map a recovery plan ahead of the 30 June and 31 December 2026 deadlines. You leave with a written summary and a clear filing roadmap — no obligation.

To book, write to me directly.

CA Midhun Nair

Chartered Accountant, Partner, Elysian Consulting Group

+971 54 243 9656



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INFO@ELYSIANUAE.COM

