

# WEEKLY NEWSLETTER

## UAE FINANCE UPDATE

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



### INSIGHTS

- 1 Avoid Costly VAT Mistakes: Is Your Business Ready?
- 2 Understand the New Tax Procedures Regulations (Effective 1 April 2026)
- 3 Prepare for E-Invoicing: Start the Clock
- 4 Your Compliance Calendar
- 5 Review Your Penalty Exposure with a Free Assessment

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# Big Savings on VAT Mistakes: Is Your Business Ready?

The UAE tax rules just got a major makeover. As of **14 April 2026**, the government has made it much cheaper for businesses to fix old VAT errors. If you've been worried about high fines, now is the best time to act

## What Changed?

In the past, fixing a mistake was expensive—fines could quickly jump to **40%** of the tax amount. This stopped many business owners from coming forward.

The new system is much fairer. Instead of one giant fine, you now pay a small, predictable fee based on how long the error went unfixed.

## The Comparison: Old vs. New

Imagine you missed **AED 200,000** in VAT from two years ago.

### THE OLD WAY

You could have been hit with a massive **AED 80,000+** penalty immediately.

### THE NEW WAY

You pay a simple **1% per month**. If you catch it early, the cost is much, much lower.



### **Why This Matters to You**

The government is giving businesses a “fresh start.” But remember, this isn't a free pass—it's a **limited-time discount on honesty.**

- **It's Cheaper to Fix:** Cleaning up your books is now a manageable expense, not a disaster.
- **Timing is Everything:** Because the fee is 1% every month, waiting even 30 days makes it more expensive.
- **Zero Tolerance for Fraud:** These lower rates apply to honest mistakes. Deliberate tax evasion still carries very heavy legal trouble.

### **What Should You Do Now?**

- **Check Your Books:** Review your VAT filings today.
- **Do the Math:** See how much you could save by disclosing now versus waiting.
- **Act Fast:** Submit your correction before the next month starts to keep your costs at the absolute minimum.



The “tax trap” is gone, and a window of opportunity is open. Clean up your past VAT today for a fraction of the old price—before the clock (and the 1% monthly fee) keeps ticking.

# Tax Procedures Regulations

## — Effective 1 April 2026

### WHAT CHANGED

Updates under the UAE Tax Procedures Law bring more clarity on refunds and record-keeping:

- 5-Year Limit on Refunds — You can claim tax refunds only within 5 years from the end of the relevant tax period
- Longer Record Retention (if required) — If a refund or audit is ongoing, keep records for 2 extra years
- Stronger Audit Powers — The FTA now has wider authority to review and verify records

### WHO IS AFFECTED

- ◆ All UAE VAT and Corporate Tax registered businesses
- ◆ Especially those with credit balances, pending refunds and, weak documentation

### WHAT YOU SHOULD DO

Check if your refunds are within 5 years

Keep records for at least 7 years (longer if needed)

Ensure your documents are complete and audit-ready



Claim refunds on time | Keep records longer | Be ready if the FTA asks.

# E-Invoicing: Start the Clock



**The E-invoicing clock is ticking.** Businesses with revenue of AED 50 million or more must appoint an Accredited Service Provider (ASP) by **31 July 2026**. The pilot programme begins 1 July 2026, and mandatory Phase 1 goes live **1 January 2027**. If you are near the threshold – start ASP evaluation now, not in Q3.

# Your Compliance Calendar

*Few day's to remember*

DATE	WHAT'S DUE / WHAT KICKS IN
<b>Apr 14, 2026 (live)</b>	New Unified Administrative Penalty Regime in force. Review open positions for potential Voluntary Disclosure.
<b>Apr 28, 2026</b>	VAT return for the quarter Jan to March 2026 is due
<b>Jul 1, 2026</b>	UAE e-Invoicing Pilot Programme begins.
<b>Jul 31, 2026</b>	Deadline for businesses with revenue $\geq$ AED 50M to appoint an Accredited Service Provider (ASP) for e-invoicing.
<b>Sep 30, 2026</b>	Corporate Tax return due for entities with 31 Dec 2025 year-end (9 months post year-end).



# Your Free Penalty Exposure Review

LET'S TALK

## Book a free 30-minute Penalty Exposure Review

Walk us through your open VAT and Corporate Tax positions. We will model what is worth disclosing under the new 14 April rules — and what is not. Written summary, no obligation.

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Free Consultation