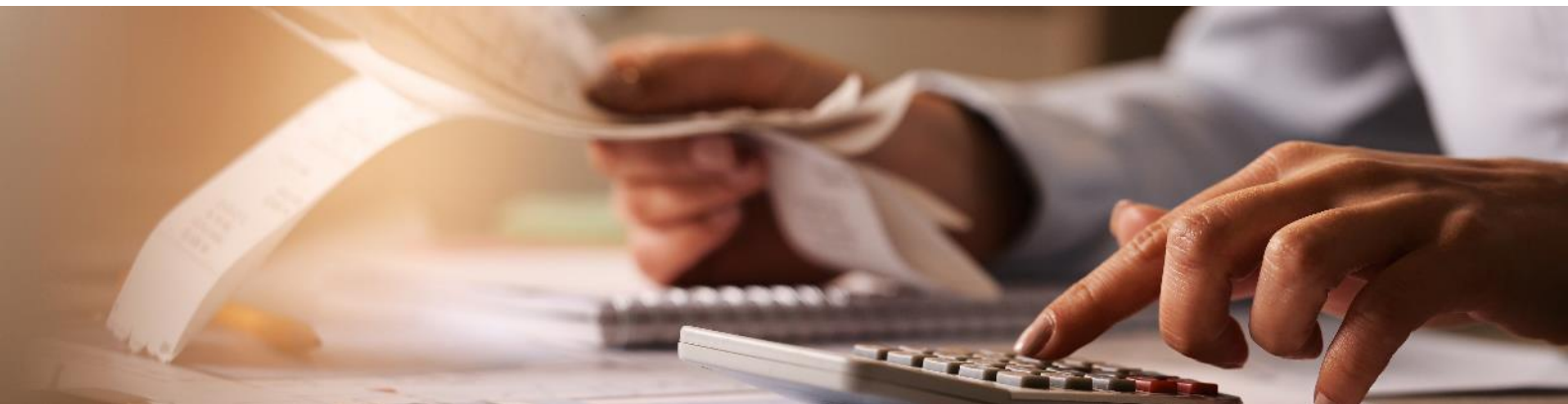


Timeline for Corporate Tax registration and exemption



The Federal Tax Authority has issued Decision No. 7 of 2023 (effective 1 June 2023), laying down the provisions for exemption from Corporate Tax.

Corporate Tax registration and application for exemption

The timelines for application by exempt person for Corporate Tax registration are provided as under:

1. A Qualified Public Benefit entity shall apply for tax registration and obtain tax registration number as of 1 October 2023.
2. The below mentioned entities shall apply for tax registration and obtain tax registration number as of 1 June 2024:
 - A qualifying investment fund;

- A public/private pension or social security fund;
- A juridical person incorporated in the State that is wholly owned and controlled by an exempt person;
- Any other person as may be determined in a decision issued by the Cabinet.

If the Authority approves the above application, the person mentioned in point 2 above may be entitled to apply for exemption from Corporate Tax on fulfillment of the exemption conditions. Furthermore, such an exempt person may also be requested to file an annual declaration confirming that the conditions are still being fulfilled.

Timeline for Corporate Tax registration and exemption

Timeline to apply for exemption and its effective date

The person mentioned in point 2 above shall apply for exemption within 60 business days from the end of the tax period in which the exemption conditions are being met. Once approved, the exemption shall be effective from the start of the tax period mentioned in the application. However, an alternative date may be determined other than the one specified in case of the following/similar scenarios:

- In case an incorrect tax period is mentioned in the application, the exemption shall be effective from the correct date.
- In case of acquisition of the applicant by a government entity, a government Controlled entity, a qualifying investment fund or a public/private pension or social security fund when the conditions for exemption were not met, the exemption shall not be granted from the start of the tax period. Another date shall be determined

for granting the exemption to ensure that the exemption is given after fulfillment of all remaining tax obligations.

- In case an incorrect tax period is mentioned in the application and the Authority has sufficient supporting information evidencing that conditions have been met in the later tax period, the exemption shall be effective after the date of fulfillment of the conditions.
- Any other instances specified in a decision issued by the Cabinet.

This would be relevant for eligible businesses/entities intending to claim exemption from Corporate Tax registration.

