

2026



Highlights

Aurifer 10 Spotlights for 2026



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TAX AND AUDIT

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As 2025 has closed and 2026 has begun, we at Aurifer rewind the tape of the last intense year while anticipating developments in the GCC region and beyond.

Here is a list of 10 spotlights Aurifer has singled out for our clients in 2026.





1

Domestic VAT refund requests within 5 years

The VAT amendments are crucial for businesses in VAT refund positions. These businesses must review VAT balances and submit refund claims within the prescribed time limits. Excess recoverable input VAT is now subject to a five-year limitation period from the end of the tax period, after which the right to a refund lapses.

Transitional provisions apply to VAT refund claims that expired under the five-year limitation rule, with a grace period until 31 December 2026 to submit refunds or utilize balances.





2

E-invoicing in the UAE

Businesses must prepare for the UAE e-invoicing implementation, with 2026 as the transition period before mandatory adoption. E-invoicing will require ERP upgrades, improved data quality, and aligned tax, finance, and operational processes.

By 31 July 2026, UAE businesses with a turnover of more than 50 million AED must appoint an Accredited Service Provider.





3

Substantially more tax audits

UAE businesses should expect increased tax audit activity as Corporate Tax, VAT, and Excise tax regimes mature.

Tax authorities use data from multiple filings to identify audit risks. Excise tax audits remain strict, VAT audits are increasing, and initial CIT audits have commenced.





4

More beneficial VAT and Excise tax penalty regime

As audit activity increases, tax disputes will become more frequent, with clearer administrative processes, procedural requirements, and emphasis on documentation and timelines. In cross-border matters, treaty-based mechanisms such as mutual agreement procedures may become more prominent.

The UAE has adopted a new penalty regime for VAT and Excise disputes, mirroring the CIT regime, which is more beneficial for taxpayers and will enter force from 14 April 2026.





5

Greater emphasis on statutory audit

For CIT purposes, free zone entities seeking QFZP regime benefits and mainland entities with turnover above 50 million AED require audited financial statements, increasing the need for accuracy.

As the CIT regime is built on IFRS standards, strict adherence is required, and audit quality must improve.





6

Further TP enforcement

Transfer Pricing (TP) enforcement is expected to expand, with the UAE's regime shifting from initial compliance reviews to substantive audits in 2026. The UAE will enable negotiation of Advance Pricing Agreements (APAs) for TP purposes, similar to KSA.

Authorities are emphasizing regional comparables and UAE-specific value creation over global policies. Businesses must adopt a proactive approach to Transfer Pricing governance as regulations evolve.





7

Limited time periods for audits

Recent amendments introduce a five-year limitation period for tax audits and assessments, with statutory exceptions.

The standard period is five years, but it may be extended to 15 years for fraud or tax evasion cases. Refund claims in the fifth year may be audited for an additional 2 years.



8

Pillar 2 in the GCC



Multinational groups in the UAE will face the impact of the Domestic Minimum Top-Up Tax (DMTT), which implements the OECD's global minimum tax under Pillar Two. The rules apply from 1 January 2025, with 2026 marking the operational transition.

Groups with revenues of EUR 750 million or more are affected, even when paying the UAE's 9% CIT. DMTT requires system enhancements and reporting process updates, including tax position reconciliation and relief assessment. UAE groups must prepare early to manage the complexity of compliance. Similar regimes exist in Oman, Kuwait, Bahrain, and Qatar, while KSA hasn't taken a position.





9

Reduced compliance obligations for imported goods and services

Businesses using the reverse-charge mechanism for UAE VAT may benefit from reduced compliance obligations.

While formal invoicing requirements are waived, companies must maintain documentation to support VAT treatment.





10

Substance and CbC reporting focus

Tax authorities across the region will strengthen enforcement of economic substance and Country-by-Country (CbC) reporting requirements.

In the UAE, these regimes serve as risk-assessment tools, showing multinational groups' global footprints and helping assess the alignment of profits with economic activity.



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