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Small Business Relief: no tax, but you still have to file

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The FTA has confirmed that relief from Corporate Tax does not remove the duty to register, file a simplified return and keep records.

On 3 August 2026 the FTA restated a point that trips up many small businesses: Small Business Relief changes how much tax you pay, not whether you comply.

What the relief does

An eligible UAE resident person is treated as having no taxable income if its revenue does not exceed AED 3 million for the relevant tax period and all previous tax periods. The relief is elected in the Corporate Tax return.

What it does not do

- It does not remove the need to register for Corporate Tax.
- It does not remove the need to file. Eligible businesses file a simplified return, which asks for less information.
- It does not remove the record-keeping duty. You must be able to show the FTA that revenue stayed within the threshold in every period.

Timing

The filing deadline is the same as for everyone else: nine months from the end of the tax period. The relief is available only for tax periods ending on or before 31 December 2026, so a calendar-year business will be in the regular regime from its 2027 period. Model that step-up now using the Corporate Tax simulation.

Sources

• FTA statement via Zawya
• FTA announcements

Important. This summary is for general information and is not tax, legal or financial advice. It is based on public Ministry of Finance and Federal Tax Authority publications and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

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