FTA Decision No. 7 of 2025

Audited Aggregated Financial Statements for Tax Groups

Issue Date 16/07/2025

Applicable to: Tax periods commencing on or after 1 January 2025

The UAE FTA has issued Decision No. 7 of 2025, introducing detailed requirements for the preparation, audit and submission of special purpose financial statements for Tax Groups under the UAE Corporate Tax. The Decision mandates the use of Aggregated Financial Statements to ensure consistency and transparency in reporting at the Tax Group level.

KEY REQUIREMENTS

Mandatory Preparation of Aggregated Financial Statements

- Tax Groups must prepare special purpose financial statements in the form of Aggregated Financial Statements.
- These are derived by combining standalone financial statements of the parent and subsidiaries within the Tax Group.

Audit Requirement

- Aggregated Financial Statements must be
    - **Audited** & prepared under a **special purpose framework.**
- Audit must comply with **International Standards on Auditing (ISA).**

Submission Timeline

Must be submitted to the FTA within:

- **9 months from the end of the relevant tax period, or**
- Any alternative deadline prescribed by the FTA.

Framework for Preparation

- Basis of Aggregation
- Applicable Accounting Standards
- Special Adjustments & Exceptions
- Treatment of Investments
- Financial Metrics

Disclosure Requirements

Must include:

- Basis and framework of preparation
- Aggregation methodology
- Key accounting policies, estimates, and judgments
- Supporting notes and explanations

Statements to be prepared

A complete set of Aggregated Financial Statements must include

- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Other Comprehensive Income
- Statement of Changes in Equity

Exit of a Tax Group Member

- A departing entity must adopt the **tax group carrying values** of assets and liabilities as opening balances.
- If not permitted under accounting standards, taxable income must still be **computed as if such values were used.**

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