



Dear Colleagues,

We are pleased to present the latest issue of our monthly digest of tax and legal news from the Gulf countries, which covers the most important developments in the region that took place in April-May 2026.

In the UAE, MOHRE has tightened salary payment requirements through the WPS, while Dubai Aviation City has defined the boundaries of the Al Maktoum International Airport Free Zone. The FTA issued Public Clarification CTP010, which for the first time provides detailed criteria for classifying individuals as "directors" and "officers" for transfer pricing purposes. At the same time, the Ministry of Finance extended the deadline for the implementation of e-invoicing for large businesses (with annual revenues of AED 50 million or more) to October 30, 2026, and tightened the accreditation requirements for service providers, with an emphasis on cybersecurity and interoperability with the FTA platform. Dubai Customs also published a Q&A guide on temporary measures introduced in response to the ongoing conflict. In addition, the State Duma of the Russian Federation ratified a package of cooperation agreements with the UAE.

In Qatar, the deadline for filing the 2025 tax return was extended to June 30, 2026. Kuwait launched a voluntary advance payment program for DMTT under Pillar Two. Bahrain updated its guidance for tax agents and representatives on VAT.

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We hope you find this digest informative and remain available to discuss how these developments may impact your business

UAE

UAE MOHRE Tightens the Requirements for Salary Payments via WPS

The UAE Ministry of Human Resources and Emiratisation (MOHRE) has issued Ministerial Resolution No. 340 of 2026, introducing significant amendments to the Wage Protection System (WPS). The update aims to strengthen payroll compliance and speed up enforcement actions against delayed wage payments. The resolution comes into force on 1 June 2026.

Under the new rules, the first day of each Gregorian month is now the official deadline for paying wages earned in the previous month. This effectively means that employers can no longer rely on the previously observed 15-day grace period as a routine operational buffer. Instead, payroll

must be processed in advance to ensure wages are transferred by the required date.

A key compliance metric introduced in the resolution is the 85% threshold. An employer will be considered compliant if at least 85% of total wages due are transferred by the deadline. However, this provision does not permit employers to withhold the remaining 15% of salaries. Employees retain their full legal right to claim any unpaid balance. The threshold is intended purely as a compliance measurement tool, accommodating legitimate payroll exceptions such as salary deductions, bank account issues, or other operational irregularities.

The resolution also allows employers to delegate wage payment processing to a third party, provided that all relevant data and documentation are submitted to MOHRE. Nevertheless, the employer

remains fully responsible if the third party fails to pay wages correctly or on time.

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Dubai Aviation City Corporation defines boundaries of Al Maktoum International Airport Free Zone

Dubai Aviation City Corporation has issued Resolution No. (7) of 2026, determining the location, boundaries and area of Al Maktoum International Airport Free Zone within Dubai Aviation City. The Resolution was issued by H.H. Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Dubai Aviation City Corporation, on 29 April 2026 and published in the Official Gazette of the Government of Dubai, Issue No. 769, dated 5 May 2026.

Under Article 1, the location, boundaries and area of the free zone are to be determined by reference to the site plan attached to the Resolution. The attached maps show the updated free zone limits, including a distinction between the current free zone and the new free zone area relating to Al Maktoum International Airport. The diagrams also refer to the Dubai South Freezone limits, dated 13 April 2026.

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Dubai Customs Issues a Q&A Guide in Light of the Measures Introduced due to the Conflict

On April 8, 2026 Dubai Customs issued a Q&A on the most common questions raised by the stakeholders in light of the temporary measures introduced due to the ongoing conflict and provided contact

details to address your issues on a case-by-case basis.

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FTA Issues Public Clarification CTP010 on the Meaning of Director and Officer for Transfer Pricing Purposes

On April 29, 2026 the FTA issued a public clarification CTP010, which clarifies the meaning of the terms "director" and "officer" for the purposes of Connected Persons. The clarification provides, for the first time, working definitions of each term and criteria for testing specific individuals within an organization.

Specifically, the Clarification establishes:

- Director status test - based on the position held in the governing body (board of directors or its equivalent). The mere presence of the word "director" in a job title does not make a person a director; likewise, the absence of such a title does not exclude a person from the scope – the officer test remains applicable.
- Officer status test - based on the substance and scope of authority. An officer is a person with (i) authority to plan, direct, and control activities (under the IAS 24 framework), (ii) authority to make strategic decisions on financial, operational, or commercial matters, or (iii) authority to enter into agreements or approve actions that bind the Taxpayer. The unifying element is final/ultimate authority.

Our team has prepared a detailed [alert](#) on this clarification for your consideration.

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UAE Extends E-Invoicing Deadline for Large Businesses to October 30, 2026 and Tightens Accreditation Criteria for Service Providers

The UAE Ministry of Finance [grants](#) large businesses – those with annual revenues of AED 50 million or more - an extended deadline to appoint Accredited Service Providers (ASPs) for e-invoicing, moving the date from July 31, 2026 to October 30, 2026.

At the same time the UAE Ministry of Finance has issued Ministerial Decision No. [56](#) of 2026, the regulation introduces

stricter accreditation requirements for service providers, with heightened emphasis on cybersecurity resilience, data protection capabilities, and technical infrastructure. Providers seeking accreditation must now demonstrate enhanced security protocols, real-time system reliability, and full interoperability with the FTA's central e-invoicing platform.

Russian State Duma Ratifies Package of Cooperation Agreements with UAE

On May 13, 2026 at a plenary session of the lower house of the Russian parliament, deputies approved the ratification of two documents regulating cooperation with the government of the United Arab Emirates. These decisions are intended to strengthen economic ties and open up new opportunities for business.

The first document ([No. 1205770-8](#)) provides for the creation of a free trade zone for services and investments. As explained by Deputy Minister of Economic Development Vladimir Ilyichev, under this initiative, Russia has undertaken expanded obligations in 12 additional areas compared to WTO norms, while the UAE has done so in 64 sectors. In particular, Russian service providers and investors gain unimpeded access to areas such as computer services, technical consulting, R&D, repair of sea and aircraft, railway transportation, as well as management, education, and legal services.

Furthermore, in the UAE's specialized free zones, Russian companies are permitted to open subsidiary banks, medical institutions, and news agencies with 100% Russian capital. Russian legal entities are also granted the opportunity to hold 70% of the capital in UAE companies operating in the fields of medical services (including dental), comprehensive engineering services, bareboat chartering, and passenger maritime transportation.

The second ratified document **(No. 1205740-8)** concerns the agreement on economic partnership between the Eurasian Economic Union (EAEU) and the UAE. The agreement introduces a preferential regime for more than 85% of product categories. The parties have agreed to develop sectoral cooperation in manufacturing, transport and logistics, tourism, information and communication technologies, and other areas. Special attention is paid to protecting national economies: the document regulates the introduction of anti-dumping, countervailing, and special safeguard duties in the event of a surge in imports that could cause serious harm.

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QATAR

Qatar's General Tax Authority and Edaa Sign an Electronic Linkage Agreement to Enhance Tax Audit Efficiency and Compliance

On April 29, 2026 the General Tax Authority and **Edaa** (Qatar CSD) have entered into an electronic data -sharing agreement, marking a strategic move to improve tax audit processes and strengthen compliance.

The new electronic linkage automates the exchange of information between the two organisations, replacing manual procedures with digital channels. This is expected to accelerate data flows, reduce errors associated with human entry, and provide real-time access to accurate and up-to-date records. The system will also support the generation of detailed

analytical reports derived directly from source data, helping to ensure compliance with regulatory requirements in line with international standards for tax transparency and information exchange.

According to the announcement, the move will enhance service delivery to beneficiaries by cutting administrative red tape and speeding up processes. It reflects the Tax Authority's dedication to building a modern tax environment that fosters economic growth and supports Qatar's digital transformation vision.

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Qatar Extends 2025 Tax Return Filing Deadline to 30 June 2026

The General Tax Authority has postponed the deadline for submitting tax returns for the 2025 tax year, giving taxpayers until 30 June 2026 to file. The extension is designed to assist taxpayers in meeting their obligations and to encourage broader tax compliance by providing additional time.

The Authority urges all companies and entities holding a commercial registration, trade licence, or home licence – including those exempt from tax – that have not yet filed their returns to do so within the new timeframe using the Dhareeba online portal. Timely filing is essential to avoid penalties and ensure uninterrupted business operations.

The deadline extension applies to all individuals and entities covered under the Income Tax Law No. 24 of 2018 and its amendments. However, the extension does not apply to companies in the petroleum and petrochemical sectors.

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OMAN

Omani Court Sentences Tax Evader to Prison and Fine in Absentia

The Criminal Circuit of the Seeb Court of First Instance has handed down a default judgment against an individual found guilty of tax evasion. The ruling came after evidence confirmed that a responsible employee had deliberately failed to file mandatory tax returns, breaching the Income Tax Law promulgated by Royal Decree No. 28/2009 and its subsequent amendments.

The court imposed a one-month jail term and a financial penalty of OMR 500. In addition, the defendant was ordered to reimburse OMR 137,090 to the Tax

Authority, which acted as the civil claimant in the case, and to cover all related legal expenses.

According to an official spokesperson for the Tax Authority, the violation occurred when an employee of a commercial enterprise willfully refrained from submitting the legally required tax returns for the three - year period from 2020 to 2022. The total amount of unpaid taxes thus evaded stood at OMR 137,090.

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KUWAIT

Kuwait Launches Optional Advance DMTT Payment Program Under Pillar Two

The Kuwait Ministry of Finance issued Circular No.1 of 2026 dated April 29, 2026 and introduced an optional Advance Tax Payment Program for entities subject to Kuwait's DMTT regime.

The Circular applies to taxpayers whose tax periods begin on or after 1 January 2025 and end on or before 31 March 2026, provided they meet the eligibility requirements and deadlines established by the Kuwait Tax Administration. The Circular takes effect as of its issuance date, which is 29 April 2026.

Taxpayers who choose to join the advance payment arrangement must submit a formal application to the Ministry of Finance by 31 May 2026. Once the application is approved, they are required to file the provisional tax return and remit the entire estimated tax amount in a single installment by 30 June 2026.

Any amounts settled under this system will be considered advance payments. These will be offset against the final tax due when the taxpayer files the statutory tax return.

The Circular is supported by the Provisional Tax Statement template and an optional detailed schedule for computing the top-up tax.

BAHRAIN

NBR Updates Tax Agent/VAT Representative Guide

On May 13, 2026, NBR published an updated version (2.0) of Tax Agent/VAT Representative Guide, which aims to explain how to obtain NBR authorization as a tax agent or VAT representative (including registration rules, online procedures, and portal functionalities) and how a taxpayer can appoint such an agent or representative (including the relevant rules and the steps to follow on the NBR online portal).

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ARTICLES

01. [UAE Unincorporated Partnerships and Pillar Two: can a partnership interest fit the Ownership Interest, Controlling Interest and UPE chain?](#)
02. [Can the FTA trigger criminal tax proceedings before the TDRC, reconsideration and assessment stage?](#)
03. [Is redomiciliation from the UAE tax neutral?](#)
04. [Is a General Manager, Manager or “a key officer”, named in the trade license in board resolutions, always an “officer” for Connected Person treatment?](#)
05. [When the decision-makers leave the building](#)
06. [When a UAE tax regulation goes beyond the law: how a taxpayer can challenge subordinate legislation](#)
07. [When a “Payment Agent” Becomes a Regulated Payment Business in the UAE](#)
08. [Does CTP010 Expand the Connected Person Concept Too Far?](#)

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Best regards,

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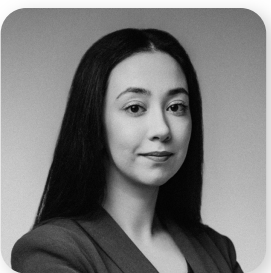
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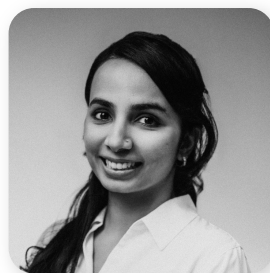
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