

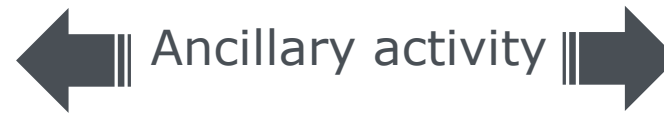
UNITED ARAB EMIRATES
MINISTRY OF FINANCE
OFFICE OF THE MINISTER



الإمارات العربية المتحدة
وزارة المالية
مكتب الوزير

Ministerial Decision No. (265) of 2023
Regarding Qualifying Activities and Excluded Activities for the Purposes of Federal Decree-Law
No. 47 of 2022 on the Taxation of Corporations and Businesses

Necessary for
performance of main
activity



makes a minor contribution to
the main activity and is so
closely related to the main
activity that it should not be
regarded as a separate
activity.

Supportive
function
(defined)

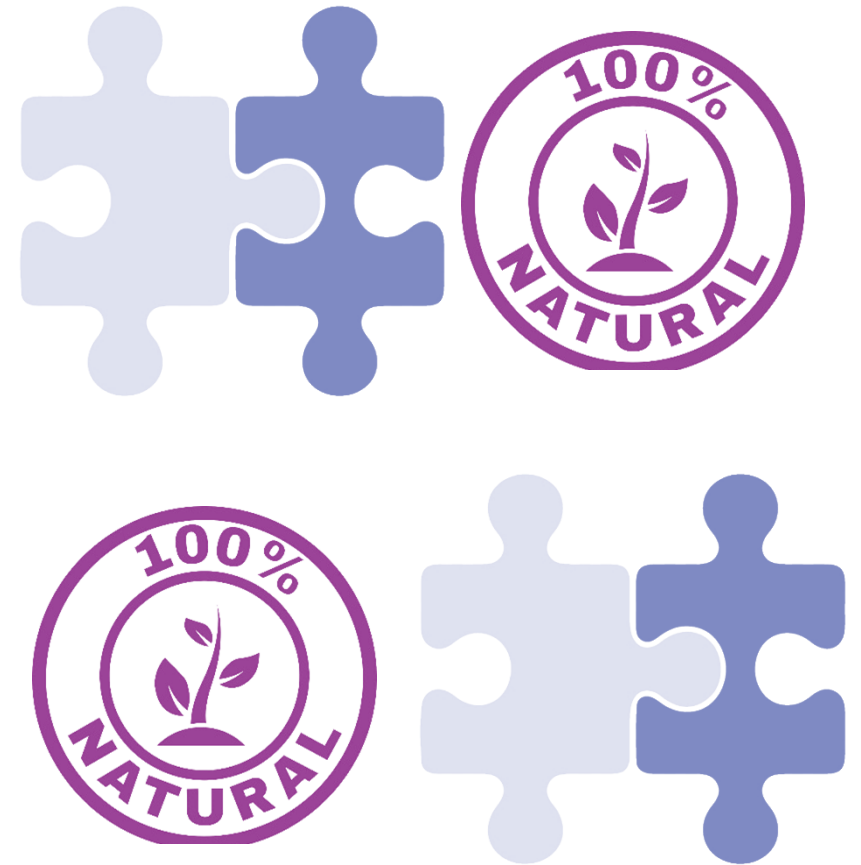
Seamlessly
integrated
(defined)

those activities must naturally
and integrally complement the
main Business

Established
and defined
in the Guide.

The list of activities is illustrative and any activity on the list must be evaluated in the context of the nature of the specific Qualifying Activity. For example, if a Free Zone Person performs a solitary activity (for example, sells an Aircraft), **it may not constitute a Qualifying Activity unless that activity forms a natural and integral part of a coherent Business that the Free Zone Person performs** in relation to that and other Qualifying Activities.

Further, in relation to **any ancillary activities** that are listed, **those activities must naturally and integrally complement the main Business** conducted by the Free Zone Person. If a listed ancillary activity is performed by the Free Zone Person without the execution of the main activity, it will not be treated as a Qualifying Activity.



Necessary for the performance of the main activity

Support to main activity

Seamlessly **integrated**

It serves as a necessary **supportive** function to the main operation of the Business **rather than being a core activity** or function itself.

Its absence would disrupt the main operation, i.e.:

- 1) it is **integral to the main operation** and
- 2) It **cannot be detached** without **materially affecting the functioning** of the main operations.

Why it is important to distinguish?

'CIGAs ... mainly consist of those significant functions that drive the business value ... and **are not** exclusively or **mostly supportive activities**'.



If support is a part of main activity, it may be conducted outside of FZ. If it is ancillary, support has its own CIGA to be placed in FZ.



If '*activity forms a **natural and integral** part of a coherent Business*', it is main Qualifying Activity rather than Ancillary one.



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