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Financial
Statements
and
Related
Audit

47

2022

The Federal Decree-Law No. 47 of 2022 on the

Taxation of Corporations and Businesses, and its

amendments ("Corporate Tax Law") applies to Tax

Periods commencing on or after 1 June 2023.

A Tax Group is two or more Taxable Persons

treated as a single Taxable Person according to

40

the conditions of Article 40 of the Corporate Tax

Law, where an application to form a Tax Group

Where such an application has been approved,

the Tax Group, as a Taxable Person, is required to

prepare aggregated Financial Statements for the
purpose of determining its Taxable Income.2,3,4

The aggregated Financial Statements for the purposes of determining the Taxable Income of

the Tax Group for Corporate Tax purposes shall be

prepared by aggregating the standalone Financial

Statements of the members of the Tax Group and

eliminating the transactions between them

("Aggregated Financial Statements"). 3,5,6

The Aggregated Financial Statements of the Tax

Group are prepared specifically for Corporate Tax

purposes and may deviate from the consolidated

Financial
Statements
prepared
under
the

accounting standards applied by the Parent

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Company (i.e., International Financial Reporting

Standards (“IFRS”) or IFRS for small and medium

enterprises (“IFRS for SMEs”), collectively referred

to in this public clarification as “IFRS”).

This public clarification explains how the

Aggregated Financial Statements should be

prepared and the associated audit requirements

for such Aggregated Financial Statements.

Tax Groups are required to prepare Aggregated

3

114

Financial Statements under Article 3 of Ministerial

2023

. 3

Decision No. 114 of 2023.3 This requirement

applies to all Tax Periods commencing on or after

Aggregated
Financial
Statements
shall
be

6 7

prepared by aggregating the annual standalone

Financial Statements of the members of the Tax

While
standalone

Financial
Statements
of

members of a Tax Group must be prepared in

accordance with IFRS, not all the principles

relating to consolidation under IFRS can apply to

Aggregated Financial Statements of a Tax Group.
As a result, there are certain deviations from IFRS

that are necessary to prepare the Aggregated

These Aggregated Financial Statements will be

prepared in accordance with a special purpose

framework, which will depart from certain IFRS

accounting
standards
as
issued
by
the

International
Accounting
Standards
Board

("IASB"). However, other than the deviations from

IFRS mentioned below, the Aggregated Financial

Statements should comply with IFRS and the

standalone Financial Statements of the individual

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members of a Tax Group should still be prepared

The primary statements to be presented in a set

of Aggregated Financial Statements are:9

- Aggregated statement of financial position.
- Aggregated statement of profit or loss.

Article 54(2) of the Corporate Tax Law and
Ministerial Decision No. 84 of 2025 determine the

categories of Taxable Persons required to prepare

and maintain audited Financial Statements for

Tax Groups are required to prepare and maintain

audited Financial Statements in the circumstances

described in the above provisions. Thus, the

Aggregated Financial Statements of a Tax Group

“ISA”

prepared based on this framework must undergo

a special purpose audit in accordance with the

relevant International Standards on Auditing

Aggregated Financial Statements of a Tax Group

In the context of the Corporate Tax Law,

Aggregated Financial Statements shall be used to

present the financial results, assets and liabilities

The Aggregated Financial Statements shall be

prepared by aggregating the annual standalone

Financial Statements of the members of the Tax

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Aggregated Financial Statements of a Tax Group

In the context of the Corporate Tax Law,

Aggregated Financial Statements shall be used to

present the financial results, assets and liabilities

The Aggregated Financial Statements shall be

prepared by aggregating the annual standalone

Financial Statements of the members of the Tax

Group, eliminating transactions between them.6,7

Only transactions between the members of a Tax

Group
will
be
eliminated.5
This
includes

transactions between the Parent Company and

each Subsidiary that is a member of a Tax Group

or transactions between two or more Subsidiaries

that are members of the same Tax Group.13

•

- Valuation adjustments and provisions in

13

relation to transactions between two or more

- Any change in accounting values of assets

consequence of a gain or loss in respect of a

However, transactions between members of a Tax

Group must not be eliminated insofar as a

member has recognised a deductible loss in a Tax

Period prior to becoming a member of the Tax

Group in respect of those transactions, until such

deductible loss is fully reversed. Where a transaction is not eliminated, the Tax Group

should include any income in relation to that

transaction in determining the Taxable Income of

the Tax Group for the Tax Period in which that

income arises, up to the amount of the deductible

loss that was previously deducted prior to

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Group in respect of those transactions, until such

deductible loss is fully reversed. Where a

transaction is not eliminated, the Tax Group

should include any income in relation to that

transaction in determining the Taxable Income of

the Tax Group for the Tax Period in which that

income arises, up to the amount of the deductible

loss that was previously deducted prior to

Example: Transactions between members of a Tax

Company X granted a loan to its wholly owned

subsidiary (Company Y) in Year 1. In Year 2,

Company X impaired the loan receivable from

Company Y and recognised a deductible loss in its

In Year 3, Company X and Y formed a Tax Group.

In Year 3, the loan transaction shall not be

eliminated
in
the
Aggregated
Financial

Statements of the Tax Group since Company X has

recognised a deductible loss in respect of the loan

transaction prior to forming the Tax Group.

In Year 4, Company X reversed the impairment in

its
standalone
Financial
Statements.
This

impairment should be included in the Taxable

Income of the Tax Group up to the same amount as the deductible loss previously deducted by

Company X before forming the Tax Group. After

the reversal of the impairment has been taken

into account up to the same amount as the

deductible loss, the loan transaction will be

Transactions with entities which are not members

of the Tax Group (but still in scope of the

consolidation under IFRS 10) shall not be

eliminated for the purposes of Aggregated

IFRS 10

Financial Statements of the Tax Group.

Standalone Financial Statements of entities which

aggregated with the Financial Statements of the

While standalone Financial Statements of members of a Tax Group must be prepared in

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but still in scope of the

consolidation under IFRS 10) shall not be

eliminated for the purposes of Aggregated

IFRS 10

Financial Statements of the Tax Group.

Standalone Financial Statements of entities which

16

are not part of a Tax Group must not be

aggregated with the Financial Statements of the

Tax Group.16

While standalone Financial Statements of

members of a Tax Group must be prepared in

5

17

accordance with IFRS,17 not all the principles

relating to consolidation under IFRS can apply to

Aggregated Financial Statements of a Tax Group.

As a result, there are certain deviations from IFRS

that are necessary to prepare the Aggregated

Financial Statements.

These Aggregated Financial Statements will be

prepared in accordance with a special purpose

framework, which will depart from certain IFRS

accounting
standards
as
issued
by
the

International
Accounting
Standards
Board

("IASB").
However, other than the deviations from

IFRS mentioned below, the Aggregated Financial

Statements should comply with IFRS.8

The following requirements must be adopted in

:

preparation
of
the
Aggregated
Financial

Statements:

1
.

1.
The Aggregated Financial Statements of

18

the Tax Group must be presented in

AED.18 This must follow the approach

(
13
) 2023
.

required in FTA Decision No. 13 of 2023.

2
.

2.
All members of the Tax Group must have

.

the same Financial Year. This is also

.1

required as a condition to be a member of

a Tax Group.1

3
.

3.
All members of the Tax Group must apply

(

uniform accounting policies (for example, where a Subsidiary follows an accounting

policy that differs from the Parent

Company, the Financial Statements of the

.) 19

Subsidiary must be adjusted to reflect the

accounting
policy
of
the
Parent

Company). 19

6

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2.
All members of the Tax Group must have

[illegible]

the same Financial Year. This is also

.[illegible]1

required as a condition to be a member of

a Tax Group.1

3
.

[illegible]

3.
All members of the Tax Group must apply

[illegible] ([illegible]

uniform accounting policies (for example,

[illegible]

where a Subsidiary follows an accounting

[illegible]

policy that differs from the Parent

[illegible]

Company, the Financial Statements of the

.)[illegible]19

Subsidiary must be adjusted to reflect the

accounting
policy
of
the
Parent

Company). 19

6

4
.

([illegible]3
( ) [illegible]114
)
4.
In accordance with Article 3 of Ministerial

Decision No. 114 of 2023, the Aggregated

Financial Statements shall be built up by

aggregating
standalone
Financial

Statements of the members of the Tax

Group on a line-by-line basis through

elimination of specific transactions as

required by Article 42(1) of the Corporate

Tax Law. 20

5
.

5. The accounting profit/loss that will be

aggregated
must
be
the
pre-tax

profit/loss of the members of the Tax

Group.21 UAE Corporate Tax balances

(current or deferred) if any, shall not be

aggregated from the standalone Financial

Statements of the members of the Tax

. Group, since this is not relevant to the

calculation of Taxable Income.

Notably, the Parent Company is required

22

to make the payment of the Corporate

Tax on behalf of the Tax Group.22

However, all members of the Tax Group

. 23

are jointly and severally liable for the

Corporate Tax Payable.
23 There is no

obligation under the Corporate Tax Law

to allocate the tax liability between

(

members of the Tax Group in standalone

)

Financial Statements of the members.

Accordingly, the allocation of the Tax

.□□□□□

Group Corporate Tax expense (current or

deferred tax) in the standalone Financial

Statements of the members will depend

on the commercial arrangement between

the members. 7

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are jointly and severally liable for the

Corporate Tax Payable. 23 There is no

obligation under the Corporate Tax Law

to allocate the tax liability between

members of the Tax Group in standalone

Financial Statements of the members.

Accordingly, the allocation of the Tax

Group Corporate Tax expense (current or

deferred tax) in the standalone Financial

Statements of the members will depend

on the commercial arrangement between

the members.

7

6

6. The purpose of the Aggregated Financial

Statements is only to arrive at the

aggregated accounting net profit to be

used in the preparation of the Tax Return.

Where members of the Tax Group are

subject to taxes other than Corporate Tax

(for
example,
taxes
in
a
foreign

jurisdiction or other taxes levied in the

UAE such as Emirate-level taxation), those

taxes continue to be aggregated and

presented in the aggregated income

statement as follows:

Profit before tax: Less: Taxes other than
UAE current Corporate
Tax | x: (x)
Profit before tax: Profit after non-UAE
current Corporate Tax | x: x

7. Whilst a group may have prepared

consolidated Financial Statements under

IFRS, the starting point for Tax Group

purposes is the annual standalone

Financial Statements, i.e., unconsolidated

Financial Statements.
However, for the

purposes
of
the
aggregation,
the

standalone Financial Statements of an

(
IFRS 3
)

acquiring entity (within the Tax Group)

should
not
reflect
the
accounting

[illegible] 10

(
IFRS 10
)[illegible]

implications of business combinations

.[illegible] 24

[illegible]

(IFRS 3) and consolidated financial

[illegible]

statements (IFRS 10) in relation to such

[illegible]

business
combinations.24
The

[illegible]

adjustments relating to goodwill, gains on

[illegible]

bargain
purchases
or
fair
value

[illegible]

adjustments to assets and liabilities that

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.[illegible]25
[illegible]

are
typically
recorded
in
IFRS

[illegible]

consolidated Financial Statements will

[illegible]

not be recorded in the Aggregated

[illegible]

Financial Statements.
25 However, the

[illegible]

above requirement does not apply to

[illegible]

transactions
where
business

[illegible]

combinations are executed without the

[illegible]
.[illegible]26

acquisition of a separate legal entity. In

those instances, the resultant assets,

liabilities, goodwill or gains on bargain

purchases are part of the separate

Financial Statements of the acquiring

entity and
are
to
be
aggregated

completely into the Aggregated Financial

Statements of the Tax Group. 26

8

8. Entities must perform a line-by-line

aggregation
of
Financial
Statement

captions, including those relating to

investments recorded by the Parent

Company (and any investments held by

Subsidiaries directly) and equity recorded

. 20

by the Subsidiaries within the Tax Group

without any eliminations between these

captions.20 While this treatment may

IFRS 3

result in a grossing up of the aggregated

IFRS 10

balance sheet, this is required to

completely exclude the impact of IFRS 10

and IFRS 3 accounting for goodwill, gains

on bargain purchases, step acquisitions, if

any, and fair value adjustments etc. 9

9.
Further, any impairment that a Parent

Company within the Tax Group has

recorded over its investment in a

27

Subsidiary within the Tax Group should

9

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)

result in a grossing up of the aggregated

(
IFRS 10
)

balance sheet, this is required to

completely exclude the impact of IFRS 10

and IFRS 3 accounting for goodwill, gains

.

on bargain purchases, step acquisitions, if

any, and fair value adjustments etc.

9
.

9.
Further, any impairment that a Parent

Company within the Tax Group has

recorded over its investment in a

.
27

Subsidiary within the Tax Group should

9

not be eliminated for the purpose of

aggregation of the Financial Statements.27

.28

For the avoidance of doubt this equally

applies where one Subsidiary directly

holds another Subsidiary in the Tax

Group.28

10

.

10. All other inter-company balances (i.e. (

excluding investments recorded by the

Parent Company and equity recorded by

)

the Subsidiaries within the Tax Group),

income, expenses, unrealised gains and

losses, and any other transactions

between members of the Tax Group shall

be eliminated (in the same way as if

29

consolidated Financial Statements were

(

4

)

being prepared under IFRS),29 subject to

(
301
)
2024

the exception in Article 4 of both

(
125
)
2023

Ministerial Decision No. 301 of 2024 and

. Ministerial Decision No. 125 of 2023

(transactions prior to forming or joining a

Tax Group), respectively. 11
.

11.
Investments
in
subsidiaries,
joint

ventures and associates that are not

members of the Tax Group, must be

30

carried at cost less impairment, if any.30

The primary statements to be presented in a set

:9

of Aggregated Financial Statements are:9

•

•
Aggregated statement of financial position.

- [illegible]

- Aggregated statement of profit or loss.

- .[illegible]

- Aggregated
statement
of
other

- .[illegible]

comprehensive income.

- Aggregated statement of changes in

equity.

10

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carried at cost less impairment, if any.30

The primary statements to be presented in a set

of Aggregated Financial Statements are:9

- Aggregated statement of financial position.

- Aggregated statement of profit or loss.

The Aggregated Financial Statements of the Tax

Group should present comparative information in

respect of the preceding Tax Period for all

amounts reported in the current Tax Period, with

(

the exception of the first Tax Period for which the

Tax Group exists (as it does not have a preceding

The disclosure requirements for the Aggregated

Aggregated Financial Statements prepared

solely for submission to the FTA to comply

- The basis of aggregation i.e. entities that

[illegible]

[illegible]

[illegible]

[illegible]

percentage of entitlement to the profits

and net assets held, directly or indirectly,

- Material accounting policies, estimates

[illegible]

.[illegible]

[illegible]/ [illegible]

[illegible]. [illegible]

[illegible]1
: [illegible]

Statements. This must be in line with IAS 1:

[illegible]
)([illegible]
[illegible]
)([illegible]
[illegible]

Please refer to Section B of Annex A for an

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Audited Financial Statements Requirement

Article 54(2) of the Corporate Tax Law and

Ministerial Decision No. 84 of 2025 determine the

categories of Taxable Persons required to prepare

and maintain audited Financial Statements for

For the purposes of Ministerial Decision No. 82 of

2023, a Tax Group (as a Taxable Person) is

required to prepare and maintain audited
Financial Statements, where the consolidated

Revenue of the Tax Group exceeds AED 50 million

during the relevant Tax Period.10 This threshold

applies to all Tax Periods commencing before 1

For the purposes of Ministerial Decision No. 84 of

2025, all Tax Groups are required to prepare and

maintain audited special purpose Financial

Statements.11 This applies to Tax Periods

commencing on or after 1 January 2025.34

Members of a Tax Group are not required to

maintain
audited
standalone
Financial

Statements for Corporate Tax purposes, even

million. This is applicable to all Tax Periods

The Aggregated Financial Statements of the Tax

Group are prepared specifically for Corporate Tax

purposes and may deviate from the consolidated

financial
statements
prepared
under
the

Accounting Standards applied by the Taxable

Where an audit is required for Corporate Tax

purposes, the Aggregated Financial Statements of ion. This is applicable to all Tax Periods

The Aggregated Financial Statements of the Tax

Group are prepared specifically for Corporate Tax

purposes and may deviate from the consolidated

financial statements prepared under the

Accounting Standards applied by the Taxable

Where an audit is required for Corporate Tax

purposes, the Aggregated Financial Statements of

(“ISA”)

a Tax Group must undergo a special purpose audit

in accordance with the relevant International

The audited Aggregated Financial Statements of a

35

Tax Group must be submitted to the FTA at the

Annex A of this Public Clarification provides a

Financial Statements of member leaving the Tax

Where a Subsidiary leaves a Tax Group or a Tax

Group ceases to exist, each Subsidiary leaving the

Tax Group or the former Parent of the Tax Group,

as the case may be, must prepare its standalone

Financial Statements on the same accounting

basis and elections as applied by the Tax Group

and must adopt the values of the relevant assets

and liabilities as recorded by the Tax Group as the

opening values of those assets and liabilities in the

All members of a Tax Group must apply the same

accounting basis and policies in their standalone

Financial Statements which are used to prepare

Aggregated Financial Statements of the Tax

Group.19 Thus, even after leaving the Tax Group,

the former member must, for Corporate Tax

purposes, continue to prepare its standalone

Financial Statements using the same accounting

Further, for Corporate Tax purposes each former

member of the Tax Group must prepare its

standalone Financial Statements using the values

of the relevant assets and liabilities as recorded by

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the Tax Group.38 If the applicable Accounting

Standards do not permit using such values, the

former member of the Tax Group will calculate its

Taxable Income as if the Accounting Standards

would have allowed using such values. 39

Example: Value to be considered in standalone

Financial Statements of members leaving the Tax

Impact of elimination of gain or loss on transfer of

Company A and Company B are in a Tax Group. In

100

Year 1, Company A has an asset with a book value

of AED 100, which it transfers for AED 120 to

Company B (for legal and accounting purposes).

Company A will record a gain of AED 20 in its

standalone Financial Statements and Company B

will record the asset at AED 120 in its standalone

Financial Statements. However, the gain of AED

20 in the standalone Financial Statements of

Company A is eliminated upon aggregation and

the asset will be recorded at AED 100 in the

Aggregated Financial Statements of the Tax

Impact of elimination on depreciation:

In subsequent years, Company B records an

annual depreciation of AED 12 in its standalone

Financial Statements (based on the asset value of

AED 120 and a 10-year useful life of asset).

However, in the Aggregated Financial Statements

of the Tax Group the asset is recorded at AED 100

in Year 1. Accordingly, the asset will be depreciated at that value for the purposes of the

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Aggregated Financial Statements. In other words,

any depreciation recorded in the standalone

Financial Statements on the portion of the gain or

loss that is eliminated in the Aggregated Financial

Statements, shall be disregarded. Accordingly, the

annual depreciation in the Aggregated Financial

Impact of leaving tax group after 2 years from the

In Year 4, Company B leaves the Tax Group.

Assuming that the asset is not a depreciable asset,

the closing value of the asset in the Aggregated

100

Financial Statements of the Tax Group is AED 100.

The standalone Financial Statements of Company

B prepared for financial reporting purposes will

120

recognise a net book value of AED 120. However,

for the purposes of Corporate Tax, Company B will be required to adopt the net book value of the

100

asset as AED 100. This would be relevant when,

for example, Company B disposes of the asset and

a gain or loss is recognised in the income

statement. For accounting purposes, the gain or

loss will be determined based on a net book value

of AED 120, whereas for Corporate Tax Purposes,

the gain or loss will need to be determined based

Impact of leaving Tax Group within 2 years from

However, an exception applies if clawback under

Article 42(9) of the Corporate Tax Law is triggered.

42

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For example, if Company B leaves the Tax Group

within two years from the date of transfer, the

aggregation (and accordingly not included in the

Taxable Income of the Tax Group) will be clawed-

back. This means that the gain of AED 20 shall be

taken into account in the Taxable Income of the

Tax Group (since Company A is still a member of

the Tax Group) on the date when Company B

leaves the Tax Group.40 Company B shall get a

corresponding adjustment to the cost base of the asset and the opening value of the asset in its

standalone Financial Statements and thus after it

leaves the Tax Group the opening value of the

This Public Clarification issued by the FTA is meant to clarify

certain aspects related to the implementation of the Federal

Decree-Law No. 47 of 2022 on the Taxation of Corporations

and Business, and its amendments, and the implementing

This Public Clarification states the position of the FTA and

neither amends nor seeks to amend any provision of the

aforementioned legislation. Therefore, it is effective as of the

date of implementation of the relevant legislation, unless

In this clarification, Federal Decree-Law No. 47 of 2022 on the

Taxation of Corporations and Business, and its amendments

is referred to as “Corporate Tax Law”, Ministerial Decision

No. 82 of 2023 on the Determination of Categories of Taxable

2023

Persons Required to Prepare and Maintain Audited Financial

Statements for the Purposes of Federal Decree-Law No. 47 of

2022 on the Taxation of Corporations and Businesses is

("82
) 2023
"

referred to as “Ministerial Decision No. 82 of 2023”,

(114
) 2023

Ministerial Decision No 114 of 2023 on the Accounting

(47
) 2022

Standards and Methods for the Purposes of Federal Decree

Law No. 47 of 2022 on the Taxation of Corporations and

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[illegible]

Persons Required to Prepare and Maintain Audited Financial

[illegible]

Statements for the Purposes of Federal Decree-Law No. 47 of

[illegible]

2022 on the Taxation of Corporations and Businesses is

("[illegible] 82
) [illegible] 2023
"[illegible]

referred to as "Ministerial Decision No. 82 of 2023",

([illegible] 114
) [illegible] 2023
[illegible]

Ministerial Decision No 114 of 2023 on the Accounting

([illegible] 47
) [illegible] 2022

Standards and Methods for the Purposes of Federal Decree

Law No. 47 of 2022 on the Taxation of Corporations and

([illegible] "[illegible] 114
) [illegible] 2023
[illegible]"

Businesses is referred to as "Ministerial Decision No. 114 of

2023", Ministerial Decision No. 125 of 2023 on the Tax Group

([illegible] 125
) [illegible] 2023

for the Purposes of Federal Decree Law No. 47 of 2022 on the

([illegible] 47
) [illegible] 2022

Taxation of Corporations and Businesses is referred to as
[illegible] "[illegible]

"Ministerial Decision No. 125 of 2023", Ministerial Decision

([illegible] 301
) [illegible]

No. 301 of 2024 on the Tax Group for the Purposes of Federal

[illegible]

Decree Law No. 47 of 2022 on the Taxation of Corporations

[illegible]

and Businesses is referred to as “Ministerial Decision No. 301

("[illegible] 301)
[illegible] 2024
"[illegible]

of 2024”, Ministerial Decision No. 84 of 2025 on Audited

[illegible]

Financial Statements for the Purposes of Federal Decree-Law

No. 47 of 2022 on the Taxation of Corporations and

([illegible] "[illegible] 84) [illegible] 2025
"[illegible]

Businesses is referred to as “Ministerial Decision No. 84 of

2025” and Federal Tax Authority Decision No. 7 of 2025 on

[illegible] (7) [illegible] 2025

the determination of the Requirements for Preparing and

[illegible]

Maintaining Audited Special Purpose Financial Statements
([illegible] 47) [illegible]

for a Tax Group for the purposes of Federal Decree-Law No.

[illegible] "[illegible]

47 of 2022 on the Taxation of Corporations and Businesses

and its amendments, is referred to as “FTA Decision No. 7 of

([illegible] 1 :) [illegible]
Article 1 of the Corporate Tax Law defines the following

- “Corporate Tax” – The tax imposed by the Corporate Tax

"[illegible]": [illegible]

.[illegible]

Law on juridical persons and Business income.

- “Corporate Tax Payable” – Corporate Tax that has or will

"[illegible]": [illegible]

.[illegible]

become due for payment to the FTA in respect of one or

•
“Financial Year” – The Gregorian calendar year, or the

("[illegible]": [illegible] 12
[illegible])

twelve-month period for which the Taxable Person

.[illegible]
."[illegible]": [illegible]
•
“Revenue” – The gross amount of income derived during

•
“Tax Group” – Two or more Taxable Persons treated as

"[illegible]": [illegible]

[illegible]

a single Taxable Person according to the conditions of

([illegible] 40
.) [illegible]

"[illegible] .[illegible]": [illegible]
•
“Tax Period”– The period for which a Tax Return is

•
“Taxable Person” – A Person subject to Corporate Tax in

"[illegible]": [illegible]

([illegible] 1
( ) [illegible] 114
) [illegible] 2023

Article 1 of Ministerial Decision No. 114 of 2023 defines the

[illegible]"[illegible]": [illegible] •
“Financial Statements” – A complete set of statements

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as specified under the Accounting Standards applied by

the Taxable Person, which includes, but is not limited to,

statement
of
income,
statement
of
other

comprehensive income, balance sheet, statement of

changes in equity and cash flow statement.

Article 1 of Ministerial Decision No. 301 of 2024 defines the

- “Parent Company” – A Resident Person that can make

an application to the Authority to form a Tax Group with

one or more Subsidiaries in accordance with Article

- “Subsidiary” – A Resident Person in which the share

capital or Membership or Partnership Capital, as

applicable, is held by a Parent Company, in accordance

with Article 40(1) of the Corporate Tax Law.

7

)
[illegible]2025

Article 1 of FTA Decision 7 of 2025 defines the following term

•
“Aggregated
Financial
Statements”
–
Financial

:"" [illegible]

[illegible]

Statements prepared on the basis of the aggregation of

[illegible] (
3
)
[illegible]
the standalone Financial Statements of the Parent

Company and each Subsidiary that is a member of the

Tax Group in accordance with the framework specified

1
([illegible]1
( ) [illegible]40
) [illegible]

1 Article 40(1) of the Corporate Tax Law states that “Parent

Company”, can make an application to the Authority to form

[illegible] "[illegible]" [illegible]

a Tax Group with one or more other Resident Persons, each

[illegible] "[illegible]" [illegible]

referred to as a “Subsidiary”, where all the following

[illegible].
[illegible] .[illegible]

a.
The Resident Persons are juridical persons.

[illegible].
([illegible]95
) [illegible]%

b.
The Parent Company owns at least 95% (ninety-five

[illegible]

percent) of the share capital of the Subsidiary, either

directly or indirectly through one or more Subsidiaries.

[illegible] .
([illegible] 95
) [illegible] %

c.
The Parent Company holds at least 95% (ninety-five

[illegible]
percent) of the voting rights in the Subsidiary, either

.[illegible]

directly or indirectly through one or more Subsidiaries.

d.
The Parent Company is entitled to at least 95% (ninety-

[illegible]

five percent) of the Subsidiary's profits and net assets,

([illegible] 95
) [illegible] %

either directly or indirectly through one or more

.[illegible]

[illegible].
[illegible] .[illegible]

e.
Neither the Parent Company nor the Subsidiary is an

[illegible]

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percent) of the voting rights in the Subsidiary, either

directly or indirectly through one or more Subsidiaries.

d.
The Parent Company is entitled to at least 95% (ninety-

five percent) of the Subsidiary's profits and net assets,

(95
) %

either directly or indirectly through one or more

e.
Neither the Parent Company nor the Subsidiary is an

f.
Neither the Parent Company nor the Subsidiary is a

g.
The Parent Company and the Subsidiary have the same

h.
Both the Parent Company and the Subsidiary prepare

their financial statements using the same accounting

2
(11
( ) 42
)
2 Article 42(11) states a Tax Group must prepare consolidated

financial statements in accordance with accounting

3
(3
( ) 114
) 2023

3 Article 3 of Ministerial Decision No. 114 of 2023 states for

the purposes of Article 20(5)(b) of the Corporate Tax Law, the

([illegible] ([illegible]) [illegible] 5
) [illegible] ([illegible] 20
) [illegible]

reference to the preparation of consolidated Financial

[illegible]

Statements of a Tax Group under Article 42(11) of the

(
11
( ) [illegible] 42
) [illegible]

Corporate Tax Law shall mean the preparation of standalone

[illegible]

Financial Statements on the basis of the aggregation of the

[illegible]

standalone Financial Statements of the Parent Company and

([illegible] 1
( ) [illegible] 42
) [illegible]

each Subsidiary that is a member of the Tax Group,

eliminating the transactions between them as required
under Article 42(1) of the Corporate Tax Law.

[illegible]
([illegible] 1
( ) [illegible] 2
) [illegible] (
7
)
[illegible] 2025

4 Article 2(1) of FTA Decision No. 7 of 2025 states that for the

purposes of Article 54 of the Corporate Tax Law referred to

([illegible] 1
( ) [illegible] 54
) [illegible]

above, a Tax Group shall prepare special purpose financial

[illegible]

statements in the form of Aggregated Financial Statements

[illegible]

in line with the framework specified in Article 3 of the

([illegible]1
( ) [illegible]42
) [illegible]

5 Article 42(1) of the Corporate Tax Law states that for the

purposes of determining the Taxable Income of a Tax Group,

[illegible]

the Parent Company shall consolidate the financial results,

[illegible]

assets and liabilities of each Subsidiary for the relevant Tax

[illegible]
Period, eliminating transactions between the Parent

.[illegible]

Company and each Subsidiary that is a member of the Tax

([illegible]1
( ) [illegible]3
) [illegible](
7
)
[illegible]2025

6 Article 3(1) of FTA Decision No. 7 of 2025 states that for the

purposes of preparing the Aggregated Financial Statements,

[illegible]

the standalone Financial Statements of the members of the

[illegible]

Tax Group must be aggregated eliminating transactions

([illegible]2
( ) [illegible]3
)[illegible] (
7
)[illegible]
2025

7 Article 3(2) of FTA Decision No. 7 of 2025 states that the

[illegible]

Aggregated Financial Statements must be prepared annually

based on the standalone Financial Statements of the

[illegible]

members of the Tax Group prepared for the relevant

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8
(3
( ) 3
) (
7
)
2025

8 Article 3(3) of FTA Decision No. 7 of 2025 states that the

Aggregated Financial Statements must comply with

International Financial Reporting Standards (“IFRS”) or

International Financial Reporting Standards for small and

:

medium-sized entities (“IFRS for SMEs”), subject to the

a.
The standalone Financial Statements of an acquiring

entity which is a member of a Tax Group should not

3 (
IFRS 3
)

reflect the accounting implications of business

combinations under IFRS 3 and consolidated financial

10
(
IFRS 10
)

statements prepared under IFRS 10 in relation to such

business combinations for the purposes of aggregation

[illegible]

b.
The adjustments relating to goodwill, gain on bargain

purchase or fair value adjustments to assets and

[illegible]

liabilities that are recorded in IFRS compliant
[illegible]

consolidated financial statements shall not be recorded

[illegible]

for the purposes of preparing the Aggregated Financial

c.
As an exception to paragraph (b), where business

[illegible]

combinations are executed without the acquisition of a

[illegible]

separate legal entity, the resultant assets, liabilities,

[illegible]

goodwill or gain on bargain purchase are part of the

[illegible]

separate Financial Statements of the acquiring entity

[illegible]

and are to be aggregated completely into the

Aggregated Financial Statements of the Tax Group.

[illegible]

d.
Members of the Tax Group must perform a line-by-line

[illegible]

aggregation of Financial Statement captions, including

those relating to investments recorded by the Parent

Company or any Subsidiary, or relating to corresponding

equity recorded by the Subsidiaries within the Tax

Group without any eliminations between these

e.
For the purposes of preparing the Aggregated Financial

Statements, any impairment that the Parent Company

has recorded over its investment in a Subsidiary in the

Tax Group should not be eliminated where the Parent

Company directly holds the Subsidiary in the Tax Group.

f.

For the purposes of preparing the Aggregated Financial

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impairment that the Parent Company

has recorded over its investment in a Subsidiary in the

Tax Group should not be eliminated where the Parent

. Company directly holds the Subsidiary in the Tax Group. .

f. For the purposes of preparing the Aggregated Financial

Statements, any impairment that a Subsidiary has

recorded over its investment in another Subsidiary in

20

. the Tax Group should not be eliminated where one

Subsidiary directly holds another Subsidiary in the Tax

Group. 9

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2025

9 Article 4(1) of FTA Decision No.
7 of 2025 states that the

statements to be presented in a set of Aggregated Financial

Statements are:

a. Aggregated statement of financial position.

b. Aggregated statement of profit or loss.

c. Aggregated statement of other comprehensive income.

d. Aggregated statement of changes in equity. 10

10 Article 2 of Ministerial Decision No. 82 of 2023 states that

for the purposes of Article 54(2) of the Corporate Tax Law,

the following categories of Taxable Persons shall prepare

and maintain audited financial statements:

1. A Taxable Person deriving Revenue exceeding AED

50,000,000 (fifty million United Arab Emirates dirhams)

during the relevant Tax Period.

2. A Qualifying Free Zone Person. 11

11 Article 2(2) of Ministerial Decision No. 84 of 2025 states

that for the purposes of Article 54(2) of the Corporate Tax

2025

Law and Article 3 of Ministerial Decision No. 114 of 2023

referred to above, a Tax Group shall prepare and maintain

audited special purpose financial statements in accordance

with the form, procedures and rules specified by the FTA.

12

12 Article 2(2) of FTA Decision No. 7 of 2025 states that for the

purposes of Article 54(2) of the Corporate Tax Law and Article

2(2) of Ministerial Decision No.
84 of 2025, the Aggregated

Financial Statements of a Tax Group must be audited under a

special purpose framework in accordance with the relevant

International Standards on Auditing (''ISA''). 13

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13 Article 6(1) of Ministerial Decision No. 301 of 2024 (and

Ministerial Decision No. 125 of 2023) states that for the

2024

((125
) 2023
)

purposes of Article 42(1) of the Corporate Tax Law and Article

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( ) 42
( ) 4
)

4 of the Decision, transactions between the Parent Company

and each Subsidiary that is a member of the Tax Group must

:

include:

a. Transactions between two or more Subsidiaries that are

.

members of the same Tax Group. .

b. Valuation adjustments and provisions in relation to

.

transactions between two or more members of the

same Tax Group. 21

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125
) 2023
)

purposes of Article 42(1) of the Corporate Tax Law and Article

(1
( ) 42
( ) 4
)

4 of the Decision, transactions between the Parent Company

and each Subsidiary that is a member of the Tax Group must

include:

a. Transactions between two or more Subsidiaries that are

members of the same Tax Group.

b. Valuation adjustments and provisions in relation to

transactions between two or more members of the

same Tax Group. 21

14

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( ) 301
)

14 Article 6(2) of Ministerial Decision No. 301 of 2024 (and

Ministerial Decision No.
125 of 2023) states that where a gain

2024

((125
) 2023

or loss in respect of a transaction between members of the

same Tax Group has been eliminated under Article 42(1) of the Corporate Tax Law, such elimination shall also include

any change in accounting value of the relevant assets and

liabilities that may have arisen in consequence of that gain or

loss. 15

15 Article 4 of Ministerial Decision No. 301 of 2024 (and Article

4 of Ministerial Decision No. 125 of 2023) states that:

1.
For the purposes of Article 42(1) of the Corporate Tax

Law, transactions between members of a Tax Group

must not be eliminated insofar as a member has

recognised a deductible loss in a Tax Period in respect of those transactions prior to forming or joining the Tax

Group, until such deductible loss is reversed in full.

2.

2. If, as a result of Clause 1 of this Article, a relevant

transaction is not eliminated, the Tax Group must

include any income in relation to that transaction in

determining the Taxable Income of the Tax Group for

the Tax Period in which that income arises up to the

amount of the deductible loss that was previously

deducted prior to forming or joining the Tax Group. 16

16 Article 3(4)(b) of FTA Decision No. 7 of 2025 states that the

standalone Financial Statements of entities which are not

part of a Tax Group must not be aggregated as part of the

Aggregated Financial Statements of the Tax Group.

17

17 Article 3(4)(d) of FTA Decision No. 7 of 2025 states that standalone Financial Statements of the members of the Tax Group must be prepared in accordance with IFRS (or IFRS for SMEs).

18

18 Article 3(4)(h) of FTA Decision No. 7 of 2025 states that the Aggregated Financial Statements of the Tax Group must be presented in the United Arab Emirates Dirham.

19

19 Article 3(4)(e) of FTA Decision No. 7 of 2025 states that

standalone Financial Statements of the members of the Tax

2025

Group must be prepared using uniform accounting policies.

20 Article 3(3)(d) of FTA Decision No. 7 of 2025 states that

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members of the Tax Group must perform a line-by-line

2025

22

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presented in the United Arab Emirates Dirham.

19 Article 3(4)(e) of FTA Decision No. 7 of 2025 states that

standalone Financial Statements of the members of the Tax

Group must be prepared using uniform accounting policies.

20 Article 3(3)(d) of FTA Decision No. 7 of 2025 states that

members of the Tax Group must perform a line-by-line

2025

aggregation of Financial Statement captions, including those

relating to investments recorded by the Parent Company or

any Subsidiary, or relating to corresponding equity recorded

by the Subsidiaries within the Tax Group without any

21 Article 3(4)(f) of FTA Decision No. 7 of 2025 states that the

accounting profit or loss that will be aggregated must be the

pre-tax profit or loss of the members of the Tax Group.

22 Article 40(5) of the Corporate Tax Law states that the

Parent Company shall comply with all obligations set out in

Chapters Fourteen, Sixteen and Seventeen of the Corporate

23 Article 40(6) of the Corporate Tax Law states that the

Parent Company and each Subsidiary shall be jointly and

severally liable for Corporate Tax Payable by the Tax Group

for those Tax Periods when they are members of the Tax

24 Article 3(3)(a) of FTA Decision No. 7 of 2025 states that the

standalone Financial Statements of an acquiring entity which

is a member of a Tax Group should not reflect the accounting implications of business combinations under IFRS 3 and

3
(
IFRS 3
)

consolidated financial statements prepared under IFRS 10 in

relation to such business combinations for the purposes of

10
(
IFRS 10
)

aggregation of the financial statements.

(( ) 3
( ) 3
) (
7
)

25 Article 3(3)(b) of FTA Decision No. 7 of 2025 states that the
adjustments relating to goodwill, gain on bargain purchase or

fair value adjustments to assets and liabilities that are

recorded in IFRS compliant consolidated financial statements

shall not be recorded in the Aggregated Financial Statements.

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)

26 Article 3(3)(c) of FTA Decision No. 7 of 2025 states that, as

an exception to Article 3(3)(b) of the Decision, where

( )

business combinations are executed without the acquisition of a separate legal entity, the resultant assets, liabilities,

goodwill or gain on bargain purchase are part of the separate

Financial Statements of the acquiring entity and are to be

aggregated completely into the Aggregated Financial

27 Article 3(3)(e) of FTA Decision No. 7 of 2025 states that for

the purposes of preparing the Aggregated Financial

Statements, any impairment that the Parent Company has

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of a separate legal entity, the resultant assets, liabilities,

[illegible]

goodwill or gain on bargain purchase are part of the separate

[illegible]

Financial Statements of the acquiring entity and are to be

[illegible]

aggregated completely into the Aggregated Financial

[illegible] 3
7

27 Article 3(3)(e) of FTA Decision No. 7 of 2025 states that for

the purposes of preparing the Aggregated Financial

[illegible]

Statements, any impairment that the Parent Company has

[illegible]

recorded over its investment in a Subsidiary in the Tax Group

[illegible]

should not be eliminated where the Parent Company directly

[illegible]

[illegible] 3
7

28 Article 3(3)(f) of FTA Decision No. 7 of 2025 states that any
impairment that a Subsidiary has recorded over its

[illegible]

investment in another Subsidiary in the Tax Group should not

[illegible]

be eliminated where one Subsidiary directly holds another

[illegible]
4

29 Article 3(4)(a) of FTA Decision No. 7 of 2025 states that

subject to Article 3(3) of the Decision, any income, expenses,

unrealised gains and losses, and any other transactions

between members of the Tax Group shall be eliminated.

30 Article 3(4)(g) of FTA Decision No. 7 of 2025 states that

investments in subsidiaries, joint ventures and associates

that are not members of the Tax Group must be carried at

31 Article 4(2) of FTA Decision No. 7 of 2025 states that the

disclosure requirements for the Aggregated Financial

Statements should include the following:

a.
The framework under which the Aggregated Financial

.[illegible]

[illegible].
[illegible]

c.
The material accounting policies, estimates and

judgments based on which the Aggregated Financial

[illegible]

d.
The explanatory information and notes that sufficiently

support the numbers presented in the Aggregated

([illegible]2
( ) [illegible]54
) [illegible]

32 Article 54(2) of the Corporate Tax Law states the Minister

[illegible]

may issue a decision requiring categories of Taxable Persons
to prepare and maintain audited or certified financial

([illegible]3
( ) [illegible]84
) [illegible]2025

33 Article 3 of Ministerial Decision No. 84 of 2025 states that

Ministerial Decision No. 82 of 2023 referred to above shall be

([illegible]82
) [illegible]2023

repealed but it shall continue to apply to Tax Periods that

[illegible]1
[illegible]

([illegible]4
( ) [illegible]84
) [illegible]2025

34 Article 4 of Ministerial Decision No. 84 of 2025 states that

the Decision shall apply to Tax Periods commencing on or

[illegible]1

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35 Article 2(3) of FTA Decision No. 7 of 2025 states that for the purposes of Article 54(1) of the Corporate Tax Law, the audited Aggregated Financial Statements of the Tax Group must be submitted to the Authority no later than (9) nine months from the end of the relevant Tax Period, or such other date as determined by the Authority.

36 Article 13 of Ministerial Decision No. 301 of 2024 states that for the purposes of Article 20 of the Corporate Tax Law, where a Subsidiary leaves a Tax Group or a Tax Group ceases to exist, each Subsidiary leaving the Tax Group or the former Parent of the Tax Group, as the case may be, must prepare its standalone Financial Statements on the same accounting basis and elections as applied by the Tax Group and must adopt the values of the relevant assets and liabilities as

recorded by the Tax Group as the opening values of those
assets and liabilities in the standalone Financial Statements.

(13
( ) 125
) 2023

37 Article 13 of Ministerial Decision No. 125 of 2023 states

that for the purposes of Article 20 of the Corporate Tax Law,

(20
)

where a Subsidiary leaves a Tax Group or a Tax Group ceases

to exist, each Subsidiary leaving the Tax Group and the

former Parent of the Tax Group, as the case may be, shall

prepare its standalone financial statements on the same

accounting basis as applied by the Tax Group and shall adopt

the values of the relevant assets and liabilities as recorded by

the Tax Group as the opening values of those assets and

liabilities in the standalone financial statements.

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( ) 5
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2025

38 Article 5(1) of FTA Decision No. 7 of 2025 states that for the

purposes of Article 13 of Ministerial Decision No. 301 of 2024

(13
( ) 301
)

referred to above, where a member leaves the Tax Group or the Tax Group ceases to exist, the member leaving the Tax

Group shall adopt the values of the relevant assets and

liabilities as recorded by the Tax Group as the opening values

of those assets and liabilities in its standalone Financial

39 Article 5(2) of FTA Decision No. 7 of 2025 states that as an

exception to Clause 1 of this Article, if the applicable

Accounting Standards do not permit using such values, the

member leaving the Tax Group shall calculate its Taxable

Income as if the Accounting Standards would have allowed

40 Article 42(9) of the Corporate Tax Law states that Article

42(1) of the Corporate Tax Law shall not apply where an asset

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exception to Clause 1 of this Article, if the applicable

[illegible]

Accounting Standards do not permit using such values, the

[illegible]

member leaving the Tax Group shall calculate its Taxable

[illegible]

Income as if the Accounting Standards would have allowed

[illegible]

[illegible]

40 Article 42(9) of the Corporate Tax Law states that Article

[illegible]

42(1) of the Corporate Tax Law shall not apply where an asset

[illegible]

or liability has been transferred between members of the Tax

[illegible]

Group and either the transferor or transferee leaves the Tax

Group within (2) two years from the date of the transfer,

[illegible]

unless the associated income would have been exempt from
Corporate Tax or not taken into account under any other

[illegible]

41 Any income that was not taken into account with regards

to a transfer described in 42(9) of the Corporate Tax Law shall

[illegible]

be taken into account on the date the transferor or

[illegible]

transferee leaves the Tax Group, and shall result in a

[illegible]

corresponding adjustment of the cost base for Corporate Tax

purposes of the relevant asset or liability.

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ciated income would have been exempt from

Corporate Tax or not taken into account under any other

41 Any income that was not taken into account with regards

to a transfer described in 42(9) of the Corporate Tax Law shall

(
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)

be taken into account on the date the transferor or

transferee leaves the Tax Group, and shall result in a

corresponding adjustment of the cost base for Corporate Tax

purposes of the relevant asset or liability.

Annex A – Template for auditor's report of Aggregated

Illustrative auditor's report on Aggregated Financial

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•
Use of the auditor's report is restricted to the management of the relevant entities and the Federal Tax Authority ("FTA").
•
Other information is not applicable to the Aggregated Financial Statements and hence not considered in the audit opinion.
•
The FTA has not requested key audit matters, hence, they are not applicable for the audit of the Aggregated Financial Statements.
•
Auditors have no other reporting responsibilities required under local law or regulation that needs to be specifically referenced in the Aggregated Financial Statements. Therefore, paragraphs on "legal and other regulatory requirements" are not applicable.

INDEPENDENT AUDITOR'S REPORT TO [THOSE CHARGED WITH GOVERNANCE] OF [NAME OF THE COMPANY]

We have audited the Aggregated Financial Statements of [Name of the Company] (the "Company" or "Parent Company") and its Subsidiaries (collectively referred to as the "Tax Group"), which comprise the aggregated statement of financial position as at [date], and the aggregated statement of income, the aggregated statement of other comprehensive income and the aggregated statement of changes in equity for the year then ended, and notes to the Aggregated Financial Statements, including material accounting policy information.

In our opinion, the accompanying Aggregated Financial Statements of the Tax Group for the Financial Year ended [date] are prepared, in all material respects, in accordance with the accounting policies described in Note [X] to the Aggregated Financial Statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Aggregated Financial Statements section of our report. We are independent of the Tax Group in

[illegible]

[illegible]

[illegible]

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accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the Aggregated Financial Statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note [X] to the Aggregated Financial Statements, which describes the basis of accounting. The Aggregated Financial Statements are prepared solely to assist the Tax Group in preparing Tax Returns and for submission to the FTA as required by Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, and its amendments. As a result, the Aggregated Financial Statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Tax Group and the FTA and should not be distributed to or used by parties other than the Tax Group or the FTA. Our opinion is not modified in respect of this matter.

47

2022

Responsibilities of management [and those charged with governance] of the relevant entities for the Aggregated Financial Statements

Management of the relevant entities is responsible for the preparation of these Aggregated Financial Statements in accordance with the accounting policies described in Note [X] to the Aggregated Financial Statements, and for such internal control as management determines is necessary to enable the preparation of Aggregated Financial Statements that are free from material misstatement, whether due to fraud or error.

[Those charged with governance] are responsible for overseeing the Tax Group's combined financial reporting process.

INDEPENDENT
AUDITOR'S
REPORT
TO
THE
SHAREHOLDERS OF
[NAME OF THE COMPANY] (CONTINUED)

Report on the audit of the Aggregated Financial Statements (continued)

Auditor's responsibilities for the audit of the Aggregated Financial Statements

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[Those charged with governance] are responsible for overseeing the Tax Group’s combined financial reporting process.

INDEPENDENT
AUDITOR’S
REPORT
TO
THE
SHAREHOLDERS OF
[NAME OF THE COMPANY] (CONTINUED)

Report on the audit of the Aggregated Financial Statements (continued)

Auditor’s responsibilities for the audit of the Aggregated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Aggregated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Aggregated Financial Statements.

[illegible]
[illegible]

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

[illegible]

[illegible]

- Identify and assess the risks of material misstatement of the Aggregated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

[illegible]

[illegible]

[illegible]

[illegible]
[illegible]
[illegible]

[illegible]

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Group's internal control.

[illegible]

[illegible]

- [illegible]

- Evaluate the appropriateness of accounting policies used

and
the
reasonableness
of
accounting estimates and related disclosures
made by management.

[illegible]

[illegible]
•
Plan and perform the Tax Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Tax Group as a basis for forming an opinion on the Aggregated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Tax Group audit. We remain solely responsible for our audit opinion.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

We
communicate
with
[those
charged
with
governance] regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[illegible]

[illegible]

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We also provide [those charged with governance] with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Signed by:
[Name of partner]
Partner
Registration No: [x]

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Section B
Illustrative basis of preparation to be included in the
Aggregated Financial Statements

Practitioner’s note: This section lays down the
mandatory “basis of preparation” wording to be
included in the Aggregated Financial Statements.

These Aggregated Financial Statements have been
prepared solely to assist the Tax Group in preparing Tax
Returns and for submission to the Federal Tax
Authority (“FTA”) as required by Federal Decree-Law
No. 47 of 2022 on the Taxation of Corporations and
Businesses, and its amendments based on:
- Material accounting policies described in note [x]
- Critical accounting estimates and judgments

The Parent Company also prepares/d separately the
consolidated financial statements in accordance with
the International Financial Reporting Standards
(“IFRS”) as issued by the International Accounting
Standards Board (IASB), and applicable requirements
of the UAE Federal Decree Law No. 32 of 2021 and the
Memorandum of Association of the Company. These
consolidated financial statements are different from
the Aggregated Financial Statements prepared for
Corporate Tax purposes.

The Aggregated Financial Statements have been prepared in accordance with the [Aggregated Financial Statements framework issued by the FTA]

([illegible]1
): [illegible]
Scenario: Parent Company aggregates the results of Subsidiaries with an ownership of 95% or more that are members of a Tax Group. Results of all other subsidiaries that are not members of the Tax Group are carried at cost less impairment losses, if any.

[illegible]95
[illegible]. [illegible]%

[illegible]

.[illegible]

[illegible]

These Aggregated Financial Statements comprise the financial statements of the Parent Company and the following Subsidiaries where the Parent Company [owns at least 95% of the share capital (directly or indirectly)] (and) [holds at least 95% of the voting rights (directly or indirectly)] (and) [is entitled to at least 95% of the profits and net assets (directly or indirectly)]

[illegible]
[illegible]
[illegible] ([illegible]95
%

[illegible] ([illegible]))[illegible]
([illegible]

95
)) [illegible] ([illegible]%

([illegible]95
[illegible] ([illegible]%

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Remaining subsidiaries (that are not members of the Tax Group) are not consolidated and are carried at historical cost.

The financial statements of the Parent Company and its Subsidiaries within the Tax Group have been aggregated on a line-by-line basis. Adjustments arising from business combinations of legal entities within the Tax Group, such as goodwill, gain on bargain purchase and fair value adjustments of assets and liabilities and inter-company eliminations relating to investment of the acquiring company and equity of the Subsidiaries within the Tax Group have not been incorporated in these Aggregated Financial Statements. Assets, liabilities, goodwill (or) gain on bargain purchase relating to business combinations executed without the acquisition of a separate legal entity are part of the separate financial statements of the acquiring company and are aggregated completely into these financial statements.

All other inter-company balances, income, expenses and unrealised gains and losses and transactions between entities within the Tax Group have been eliminated.