



UAE: Corporate Tax

UAE Corporate Tax: Cabinet Expands Exemption to Qualifying Sports Entities

The UAE Cabinet has issued Cabinet Decision No. 1 of 2026, expanding the list of exempt persons under the UAE Corporate Tax (CT) Law to include certain sports entities, subject to meeting the prescribed conditions. The decision is effective retrospectively from 1 June 2023.

1. Entities Eligible for Exemption

The exemption applies to the following categories of sports entities, subject to conditions:

- **International Sports Entity** – An International or regional governing or coordinating sports body recognized by the relevant authority such as the Ministry of Sports, Competent Authority, International Olympic Committee or other approved bodies
- **Sports Entity** – A juridical person wholly owned and controlled (directly or indirectly) by an International Sports Entity, with the principal objective of promoting, administering, or developing sports, and is recognized by or registered with the relevant authority
- **Ancillary Entity** – A Juridical person wholly owned and controlled (directly or indirectly) by an International Sports Entity, established solely to undertake administrative or operational support activities for qualifying sports entities

The above categories are further defined in detail in the Cabinet Decision.

2. Key Conditions for Exemption

To qualify for the exemption, the relevant sports entities must satisfy all of the following conditions:

- **Restriction on Business Activities:** The entity must not conduct business or business activities other than those directly related to its core sports objectives.
- **Restriction on Use of Income and Assets:** Income or assets must be used exclusively in furtherance of the entity's principal or sole objectives or to cover associated necessary and reasonable expenditure.
- **No Private Benefit:** Income or assets shall not be payable to or otherwise made available for the personal benefit of any shareholder, member, trustee, founder or settlor (except for qualifying public benefit entity, government entity, government controlled entity or other prescribed entities).
- **Additional Conditions:** Further requirements may be introduced through subsequent Ministerial Decisions.

3. Compliance Requirements

Eligible entities are required to maintain appropriate documentation and provide supporting information to the Federal Tax Authority (FTA) upon request to substantiate their exempt status.

Failure to meet the prescribed conditions at any time during a tax period may result in the loss of exemption from the beginning of that tax period.

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