



# Important Update: License Renewal

Process Requirements



## FAQs

01

### Who is required to submit Financial Statements as part of the renewal process?

All IFZA licensees (an FZCO or Branch)

02

### When must the Financial Statements be submitted to IFZA?

Effective from the 30th of September 2025, a company will need to submit their Financial Statements during the renewal of their trade license. This submission will be required on an annual basis, during the process of trade license renewal

Companies that renew their license before the 30th of September 2025 will not be required to submit Financial Statements as part of the renewal process

However, submission will be required for the subsequent trade license renewal

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### What period should the Financial Statements cover?

The Financial Statements should cover the most recently completed financial year as of the trade license renewal date

04

### How can a company verify its financial year?

All companies are required to determine the financial year they would like to follow when they incorporate the company. A company's financial year is stipulated in the Articles of Association ("AOA") of the company (refer to Section 75 of the AOA)

05

### What accounting standard should be used for the Financial Statements?

In line with UAE Corporate Tax Law requirements, the following standards apply:

Annual turnover for the financial year is AED 3 million or less = CASH BASIS of accounting

Annual turnover for the financial year is greater than AED 3 million, but less than AED 50 million = IFRS for SME's

Annual turnover for the financial year is more than AED 50 million = IFRS

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### What format is expected for the Financial Statements?

For companies that meet both of the below criteria, a Simplified Financial Statement will be required to be submitted:

A. The annual turnover for the completed financial year is equal to or below AED 3 million

B. Nine employees or fewer at any point during the completed financial year

If either of the above criteria is not met, full Audited Financial Statements are required to be submitted

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### How is "employee" defined for the criteria in FAQ 6?

An employee is defined as any individual performing work or services under an executed Employment Contract - whether directly sponsored or otherwise - provided they operate under the company's supervision and contribute to its business operations

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### What is the definition of turnover?

Turnover means the gross amount of income derived during a financial year. Turnover should be determined based on the market related principles (similar to those applied for UAE Corporate Tax Law). When determining the turnover, the income from all business activities undertaken by a company must be included

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### Is there a template for the Simplified Financial Statements?

Yes - refer to the following link for the template: [Simplified Financial Statement preview](#)  
To benefit from submitting a Simplified Financial Statement, the IFZA-provided template must be used (no other format will be accepted)

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### When must Audited Financial Statements be submitted?

If a company does not meet the criteria for a Simplified Financial Statement (see FAQ 6), then Audited Financial Statements are required

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### Is any registered auditor permitted to prepare and submit the Audited Financial Statements?

Any registered UAE auditor may be used for the preparation of Audited Financial Statements

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### Are the Financial Statements required to be signed?

Yes, the Financial Statements are required to be electronically signed by the authorized signatory (Manager, Director or Shareholder)

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### How should Financial Statements be submitted to IFZA?

The Financial Statements will need to be submitted via the electronic form which will be shared during the Renewal process

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### If an audited report has already been prepared for the (Federal Tax Authority) FTA for the most recently completed financial year, can it be used for the IFZA renewal?

Yes, if audited reports are available, they may be submitted for the IFZA license renewal