



Monthly Newsletter

December 2025

The Pulse of Finance



Federal National Council Approves the UAE Federal General Budget for 2026 with a Total of AED 92.4 Billion

Discussions on Strengthening Financial Cooperation between the UAE and Ireland

Signing of the Third Agreement Under the "Retail Sukuk" Initiative with Emirates Islamic

A Memorandum of Understanding between the Ministry of Finance and the Khalifa Fund for Enterprise Development to Support Small and Medium-Sized Enterprises

A New Achievement Marked by Obtaining the Global "Great Place to Work" Certification

Federal National Council Approves the UAE Federal General Budget for 2026 with a Total of AED 92.4 Billion

The Federal National Council, during its second session of the third ordinary sitting of the eighteenth legislative term, held under the chairmanship of HE Saqr Ghobash, approved a draft federal law concerning the linkage of the UAE Federal General Budget and the budgets of independent federal entities for the 2026 financial year.

The revenues of the UAE Federal General Budget for the 2026 financial year were estimated at AED 92.4 billion, while expenditures were also estimated at AED 92.4 billion.

During the discussion of the draft law, HE Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, stated that the approval by the Cabinet of the UAE Federal General Budget for the 2026 financial year, amounting to AED 92.4 billion, compared to AED 71.5 billion in the 2025 budget, represents a qualitative leap of approximately 29%. This makes it the largest federal budget compared to previous financial years, reflecting the strength of the national economy and the commitment to supporting the UAE's sustainable development journey.



Al Hussaini Clarifies Loan Regulations for "Nafis" Beneficiaries and Health Insurance Exceptions for Chronic and Congenital Diseases in Response to Federal National Council Members' Questions

HE Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, stated, in response to a question on "ensuring that beneficiaries of the Nafis Programme are able to obtain loans from banks", during the second session of the third ordinary sitting of the eighteenth legislative term of the Federal National Council, that: "Article (2) of the Banking Loans and Other Services Provided to Individual Customers Regulation No. (29/2011) defines a personal loan as a loan granted to an individual customer and repaid from salary, end-of-service benefits, or any other regular income from a known source that can be verified."

HE further noted that the income on which banks are permitted to rely must be regular and stable, issued from a known source, and verifiable in terms of its continuity throughout the loan repayment period.

Discussions on Strengthening Financial Cooperation between the UAE and Ireland



His Excellency Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, met with His Excellency Robert Troy, Minister of State at the Department of Finance of Ireland, at the Ministry of Finance's headquarters in Dubai.

The two sides discussed a number of issues of mutual interest for the two friendly countries, as well as ways to enhance cooperation in areas related to the financial sector. Welcoming Troy to the UAE, Al Hussaini lauded the growing relations between the UAE and Ireland.

Signing of the Third Agreement Under the "Retail Sukuk" Initiative with Emirates Islamic



The Ministry of Finance (MoF) has signed the 3rd agreement under the "Retail Sukuk" initiative with Emirates Islamic Bank, one of the leading Islamic financial institutions in the UAE, enabling UAE citizens and residents to invest in Treasury Sukuk (T-Sukuk) through its innovative digital platform.

The initiative will enable UAE citizens and residents to invest in fractional T-Sukuk in smaller denominations through the EI + Mobile Banking App. With a minimum investment of AED 4000, investors will receive a seamless and secure digital experience, in line with the Ministry's efforts to broaden the investor base and promote financial inclusion across the UAE. The initiative aims to broaden access to T-Sukuk, promote financial literacy, and instil a culture of saving and financial responsibility as a cornerstone of long-term financial sustainability in the UAE.



Mohamed bin Hadi Al Hussaini: The Union Marked a Historic Turning Point that Propelled the UAE into a New Era of Comprehensive Development

His Excellency Mohamed bin Hadi Al Hussaini, Minister of State for Financial Affairs, stressed that the 54th Eid Al Etihad tells the story of a nation that believed, from its very beginning, that the unity of its people is the foundation upon which a country capable of shaping the future with confidence and strength can be built.

Since its day one, Al Hussaini said, the Union marked a historic turning point that ushered the UAE into a new era of comprehensive development, firmly establishing a leadership approach centred on empowering people and ensuring their wellbeing and stability.



Younis Haji AlKhoori: Eid Al Etihad is a Moment of Pride, Celebrating the Journey of a Nation that has Secured its Place Among the World's most Advanced Countries

His Excellency Younis Haji AlKhoori, Undersecretary of the Ministry of Finance, stressed that the 54th Eid Al Etihad is a moment that fills every Emirati with pride, a testament to how far the nation has come thanks to its forward-looking vision, strong institutions, and wise leadership that placed people at the heart of development.

He noted that the UAE has built a resilient, diversified economy driven by knowledge and innovation, an economy that adapts to global shifts and turns new opportunities into pathways for greater competitiveness.

AlKhoori added that the journey of the Union continues today with remarkable momentum, towards realising ambitious development goals that seek to enhance quality of life, ensure the sustainability of resources, and upgrade government performance, guided by a national vision that shapes the future with confidence and purpose.



A Memorandum of Understanding between the Ministry of Finance and the Khalifa Fund for Enterprise Development to Support Small and Medium-Sized Enterprises



The Ministry of Finance (MoF) signed a Memorandum of Understanding (MoU) with the Khalifa Fund for Enterprise Development at the ministry's headquarters in Abu Dhabi, aimed at strengthening cooperation between the two parties to support entrepreneurs and small and medium enterprises (SMEs) accredited by the Fund, and to enable them to participate in procurement opportunities across the federal government.

The MoU was signed by H.E. Younis Haji AlKhoori, Undersecretary of the Ministry of Finance, and H.E. Mouza Obaid Al Nasri, Chief Executive Officer of the Khalifa Fund for Enterprise Development, in the presence of H.E. Mariam Mohammed Al Amiri, Assistant Undersecretary of the Ministry of Finance for Government Financial Management.

A New Achievement Marked by Obtaining the Global "Great Place to Work" Certification



The Ministry of Finance (MoF) has been certified as a "Great Place to Work", securing a prestigious international benchmark for workplace excellence.

The accreditation was given in recognition of the Ministry's integrated strategy to cultivate a high-performance culture founded on trust, respect, and empowerment, as validated by a comprehensive, independent employee survey conducted by the global authority on workplace culture.

Fatima Yousif Alnaqbi, Acting Assistant Undersecretary for the Support Services Sector, said, "This certification is a testament to our ongoing commitment to creating a transparent, empowering work environment and strengthening the collaborative partnership between leadership and staff. It is a key milestone in our journey toward institutional excellence."

Amna AlShamsi becomes First Emirati Appointed to IPSASB Consultative Advisory Group



The Consultative Advisory Group (CAG) of the International Public Sector Accounting Standards Board (IPSASB) has appointed Amna Hassan AlShamsi, Director of Financial Policies and Government Accounting Standards at the Ministry of Finance, as a member of the Group for a renewable three-year term, extendable up to nine years.

This marks the first official representation of the UAE on the international council, which plays a key role in supporting the development of global public sector accounting standards and promoting financial governance and transparency across governments worldwide.

UAE Cybersecurity Council Honours the Ministry of Finance for Its Role in Enhancing National Cybersecurity



The UAE Cybersecurity Council honoured the Ministry of Finance in recognition of its qualitative contributions and pivotal role in supporting the national cybersecurity ecosystem, as well as its active participation in the National Vulnerability Disclosure Programme.

This has contributed to strengthening the resilience of digital infrastructure and enhancing the readiness and capabilities of cybersecurity at the national level, in line with the National Cybersecurity Strategy and the vision of the wise leadership to consolidate the UAE's position as one of the world's most advanced and secure countries in the cybersecurity domain.

Approval of the New Formation of the Ministry of Finance Youth Council as a Strategic Step to Empower National Talent



As part of its strategic commitment to empowering young national talent and building pioneering models capable of competing globally, the Ministry of Finance has approved the new formation of the Ministry's Youth Council. This move enhances the pivotal role of youth in supporting the sustainable development journey and reinforces their active participation in shaping financial initiatives and forward-looking ideas that contribute to achieving the Ministry's strategic objectives.

Ministry of Finance Receives the Global "CIR Risk Management Awards 2025" in Recognition of Its Excellence in Government Risk Management

The Ministry of Finance has won the CIR Risk Management Awards 2025 in the category of Risk Management – Government and Public Sector, one of the most prominent international awards organised by CIR Magazine in the United Kingdom.

This achievement recognises the Ministry's excellence in developing and implementing global best practices in risk management, as well as its efforts to enhance governance and institutional resilience.



Tax News

Cabinet Decision Issued on Administrative Fines Related to Electronic Invoicing System

The Ministry of Finance announced the issuance of Cabinet Resolution No. (106) of 2025 regarding violations and administrative fines resulting from non-compliance with the legislation regulating the Electronic Invoicing System, as part of the UAE's efforts to support the digital transformation journey and reinforce tax compliance in line with global best practices.

يسري القرار رقم (106) لسنة 2025 على جميع الجهات الملزمة بتطبيق نظام الفوترة الإلكترونية

وتشمل هذه الفوارات ما يلي:

في حال عدم تطبيق نظام الفوترة الإلكترونية أو عدم تعين مزود خدمة معتمد 5,000 درهم شهرياً

عن كل فاتورة إلكترونية لم تصدر أو ترسل خلال الفترة الزمنية المحددة، على أن لا يتجاوز إجمالي الفرامة اليدارية 5,000 درهم شهرياً 100 درهم

عن كل إشعار دائن إلكتروني لم يصدر أو ترسل خلال الفترة الزمنية المحددة، على أن لا يتجاوز إجمالي الفرامة اليدارية 5,000 درهم شهرياً 100 درهم

عن كل يوم تأخير أو جزء من اليوم في حال عدم قيام المصدر أو المستلم بإبلاغ الهيئة الاتحادية للضرائب عن أي عطل في نظام الفوترة الإلكترونية ضمن الجدول الزمني المحدد 1,000 درهم

عن كل يوم تأخير أو جزء من اليوم في حال عدم قيام المصدر أو المستلم بإخطار مزود الخدمة المعتمد المعين عن أي تعديل يطرأ على البيانات المسجلة لدى الهيئة ضمن الجدول الزمني المحدد 1,000 درهم

Announcement of new Amendments to the Excise Tax for the "Tiered Volumetric Model" on Sweetened Beverages

The Ministry of Finance has announced the issuance of Cabinet Decision No. (197) of 2025 on selective goods, the tax rates or amounts imposed on them, and the method for calculating the selective price.

The resolution introduces amendments to the excise tax with the aim of implementing the "tiered volumetric model" on sweetened beverages.

The new decision will replace Cabinet Resolution No. (52) of 2019 on Excise Goods and their applicable tax rates, along with its subsequent amendments.

Explainer on the Tiered Volumetric Model for Excise Tax on Sweetened Beverages

Products Covered Under the New Tiered Volumetric Model

- Sweetened beverages, including soft drinks.
- Drinks containing added sugar or sweeteners.

Examples of Exempted Products under the Tiered Volumetric Model

- Energy drinks (remain subject to a 100% excise tax based on the Excise price)
- Beverages containing 75% or more of milk or milk substitutes
- Baby formula and infant foods
- Beverages for specific dietary or medical needs
- Beverages prepared for non-commercial consumption or served in open containers in restaurants for direct consumption

Tax calculation based on sugar content per 100 ml:

Sugar Level	Sugar Content	Tax Value per Liter
Low Sugar	Less than 5 g	AED 0 / liter
Medium Sugar	5 g to less than 8 g	AED 0.79 / liter
High Sugar	8 g or more	AED 1.09 / liter
Artificial Sweeteners (no sugar)*	—	AED 0 / liter

* Artificial sweeteners are defined in accordance with GCC Standard No. (995) issued by the GCC Standardization Organization (GSO).

Mixed Natural Juices

- Beverages made entirely of 100% natural juices (such as orange, apple, or pineapple juice) are not classified as sweetened beverages, even if their natural sugar content exceeds 5 g/100 ml, provided that no sugar or sweeteners are added.

Classification and Compliance Mechanism

- The tax is calculated based on the total sugar content (natural, added, and other sweeteners).
- In the absence of a laboratory report, beverages are automatically classified under the "High Sugar" category until a laboratory report is provided.

Ministry of Finance to Implement VAT Law Amendments Starting January 2026



The Ministry of Finance has announced the issuance of Federal Decree-Law No. (16) of 2025 amending certain provisions of Federal Decree-Law No. (8) of 2017 on Value Added Tax, which will enter into force as of January 1, 2026.

The move comes as part of the UAE's ongoing efforts to develop its tax system and enhance administrative and regulatory efficiency.

Amendment of Certain Provisions of the Executive Regulation of Excise Tax

The Ministry of Finance (MoF) announced the issuance of Cabinet Resolution No. (198) of 2025, amending certain provisions of Cabinet Resolution No. (37) of 2017 regarding the Executive Regulation of Federal Decree-Law No. (7) of 2017 on Excise Tax, based on the recent amendments to Federal Decree-Law No. (7) of 2025, which introduced certain amendments to the provisions of the Excise Tax.

The amendments come as part of the UAE's efforts to update the Excise Tax legislative framework and align the legal provisions between the Decree-Law and its Executive Regulation, particularly with respect to tax registration, excise tax deduction, and refund requests, in addition to introducing certain improvements to some provisions of the Executive Regulation.

Announcement of Cabinet Resolution on Implementing Reverse Charge Mechanism for VAT on Scrap-Metal Trading

The Ministry of Finance ("MoF") has announced the issuance of Cabinet Decision No. 153 of 2025 regarding the application of the reverse charge mechanism on trading of metal-scrap between registrants in the UAE, effective from 14 January 2026.

The measures taken pursuant to the provisions of Federal Decree Law No. 8 of 2017 on Value Added Tax and its amendments, and Cabinet Resolution No. (52) of 2017 Regarding the Executive Regulations of the said Decree Law.