

Cabinet Decision No. 1 of 2026
on Exempting Certain Sports Entities from Corporate Tax for the Purposes
of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses

The Cabinet:

- Having reviewed the Constitution,
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, and its amendments,
- Federal Law No. 4 of 2023 Concerning Sports,
- Pursuant to what was presented by the Minister of Finance and upon the approval of the Cabinet,

Decided:

Article (1)

Definitions

Definitions in Federal Decree-Law No. 47 of 2022 referred to above shall apply to this Decision, with the exception that, the following words and expressions shall have the meaning assigned against each, unless the context requires otherwise:

International Sports Entity: A juridical person, association, federation, council, committee, or other organisation, whose principal objective is the promotion, administration, or development of one or more sports at the international or regional level, and is the international or regional governing or coordinating body for such sports, and is recognized by the Ministry of Sports, the Competent Authority, the International Olympic Committee, the International Paralympic Committee, the Olympic Council of Asia or any other committee or entity performing a similar function as may be listed in a decision issued by the Minister.

Sports Entity: A juridical person that is wholly owned and controlled, directly or indirectly, by an International Sports Entity, and whose principal objective is the promotion, administration or development of one or more sports, and is recognized by or registered with the Ministry of Sports or the Competent Authority.

Ancillary Entity: A juridical person that is wholly owned and controlled, directly or indirectly, by an International Sports Entity, that is established for the sole objective of carrying out activities, including administrative or operational activities, that are ancillary to those carried out by that International Sports Entity or a Sports Entity that is wholly owned and controlled, directly or indirectly, by that International Sports Entity.

Competent Authority: Any local authority concerned with licensing, regulating, supervising and controlling sports entities and activities, in accordance with Federal Law No. 4 of 2023 Concerning Sports.

Corporate Tax Law: Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, and its amendments.

Article (2)

Exemption from Corporate Tax

1. For the purposes of paragraph (i) of Clause 1 of Article 4 of the Corporate Tax Law, an International Sports Entity, a Sports Entity or an Ancillary Entity that is a Taxable Person, upon meeting all of the following conditions, shall be exempt from Corporate Tax:
 - a. It does not conduct a Business or Business Activity, except for such activities that directly relate to fulfilling its principal or sole objectives, as applicable.
 - b. Its income or assets are used exclusively in the furtherance of its principal or sole objectives, as applicable, or for the payment of any associated necessary and reasonable expenditure incurred.

- c. No part of its income or assets is payable to, or otherwise available for, the personal benefit of any shareholder, member, trustee, founder or settlor that is not any of the following:
- 1) Qualifying Public Benefit Entity.
 - 2) Government Entity.
 - 3) Government Controlled Entity.
 - 4) International Sports Entity, provided no part of this entity's income or assets is payable to, or otherwise available, for the personal benefit of any shareholder, member, trustee, founder or settlor that is not any of the entities specified in subparagraphs 1,2,3 and 7 of this paragraph.
 - 5) Sports Entity.
 - 6) Ancillary Entity.
 - 7) Any other entity whose principal objective is the promotion, administration or development of one or more sports, provided that it uses such income or assets exclusively towards achieving these objectives or for the payment of any associated necessary and reasonable expenditure incurred, and no part of its income or assets is payable to, or otherwise available, for its private benefit or for the personal benefit of any shareholder, member, trustee, founder or settlor that is not any of the entities specified in subparagraphs 1 to 6 of this paragraph.
 - 8) Any other entity as may be prescribed in a decision issued by the Minister.
- d. Any other conditions as may be prescribed in a decision issued by the Minister.

2. An International Sports Entity, a Sports Entity or an Ancillary Entity shall provide the Authority upon request and within the timeline specified, with all data, information and documents necessary to verify that the entity satisfies the relevant definition set out in Article 1 of this Decision and the conditions specified in Clause 1 of this Article.
3. In the event that an International Sports Entity, a Sports Entity or an Ancillary Entity that is exempt from Corporate Tax pursuant to this Decision fails to meet any of the conditions set out in Clause 1 of this Article or ceases to meet the relevant definition referred to in Article 1 of this Decision at any time during a Tax Period, such entity shall cease to be an Exempt Person from the beginning of that Tax Period, other than in the cases specified in Clause 6 of Article 4 of the Corporate Tax Law.

Article (3)

Publication and Application of this Decision

This Decision shall be published in the Official Gazette and shall be effective from 1 June 2023.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: 23 / Rajab / 1447 H

Corresponding to: 12 / January / 2026