

IFRS COMPLIANCE CHECKLIST FOR UAE BUSINESSES

Prepared by ProAct Chartered Accountants – May 31, 2025

✓ GENERAL REQUIREMENTS

- Prepare financial statements in accordance with IFRS or IFRS for SMEs.
- Ensure statements reflect true and fair view.
- Verify financial year aligns with corporate tax period.
- Select appropriate accounting policies.
- Use functional currency (AED) unless justified otherwise.

✓ FINANCIAL STATEMENTS STRUCTURE

- Statement of Financial Position (Balance Sheet).
- Statement of Profit or Loss and Other Comprehensive Income.
- Statement of Changes in Equity.
- Statement of Cash Flows.
- Notes, including significant accounting policies.

✓ REVENUE RECOGNITION (IFRS 15)

- Identify contracts with customers.
- Determine performance obligations.
- Allocate transaction price.
- Recognize revenue as obligations are fulfilled.

✓ FINANCIAL INSTRUMENTS (IFRS 9)

- Classify financial assets: amortized cost, FVOCI, FVTPL.
- Apply expected credit loss (ECL) model.
- Assess impairment and disclosure of financial instruments.

✓ LEASE ACCOUNTING (IFRS 16)

- Identify and recognize lease contracts.
- Record right-of-use assets and lease liabilities.
- Apply exemption for short-term/low-value leases if applicable.

✓ TAXATION (IAS 12)

- Calculate current and deferred tax liabilities/assets.
- Align accounting base with corporate tax filings.
- Disclose tax-related reconciliations and assumptions.

✓ DISCLOSURES AND NOTES

- Provide accounting policy summaries.
- Disclose related party transactions.
- Explain significant judgments and estimates.
- Highlight going concern assumptions.

✓ INDUSTRY-SPECIFIC CONSIDERATIONS

- Construction: Apply contract-based revenue timing.
- Real Estate: Assess handover obligations.
- Financial Services: Consider risk modeling in ECL.
- Retail/E-commerce: Address return and loyalty programs.

✓ SME ADJUSTMENTS (IFRS FOR SMES)

- Use simplified disclosures and measurement.
- Follow IFRS for SMEs if annual revenue \leq AED 50M.
- Maintain consistency unless opting into full IFRS.

✓ DOCUMENTATION & FILING

- Keep all working papers, schedules, and calculations.
- Maintain organized audit trail.
- Submit IFRS-compliant financials with corporate tax returns.
- Retain records for minimum 5 years as per FTA rules.

Disclaimer: This checklist is for informational purposes only and does not constitute legal or tax advice. For professional assistance, please contact ProAct Chartered Accountants.

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