**Public Consultation on potential Research & Development (‘R&D’) tax incentive**

*Subject*

The UAE Government recognizes the importance of the wider benefits created by businesses engaged in R&D in driving innovation and growing its knowledge base as part of creating a vibrant and diverse economy.

To maximise these benefits, the UAE Government is considering the potential introduction of a R&D tax incentive under the Corporate Tax Law. The aim of the potential R&D tax incentive is to support the private sector by reducing the effective cost of undertaking R&D and to be accessible to a wide and diverse range of businesses in the UAE.

*Details and Goals*

To ensure the potential R&D tax incentive is appropriately designed to meet the needs of businesses in the UAE, this public consultation has been released. The consultation is split into questions that cover various aspects of the design features of a potential R&D tax incentive and an appendix which includes a Guidance Paper on R&D principles that cover the definition, characteristics, and typical activities of R&D functions.

*Decisions expected as a result of this initiative*

As a result of this consultation, MoF take the views expressed to determine whether to pursue a R&D tax incentive and the feed into its design features.

**Outcome and Impact**

The Public Consultation received 21 responses with the categories of respondents primarily being from the technology, financial services and education industry. The feedback received helped in the design of the potential R&D tax policy to ensure any potential policy would be fit for purpose in the UAE – along with input from other stakeholders.

As a result of the PCD, it was designed to move forward with the initiative in designing a R&D tax incentive for the UAE.