

# Corporate Tax and the New Era of Business Accountability

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**T**he introduction of Corporate Tax in the UAE has placed a different kind of discipline on the business community. The immediate concerns around registration, reporting requirements, taxable income, documentation, exemptions, transfer pricing, and advisory readiness are practical and necessary. At the same time, the reform is asking businesses to examine the foundations on which they have grown and the quality of the financial systems that support their decisions.

For many years, the UAE's business environment rewarded speed, ambition, and entrepreneurial instinct. Organizations were able to scale quickly, enter new sectors, attract regional and global capital, and operate in a market that encouraged commercial initiative. That environment created extraordinary momentum, particularly for founders, family businesses, SMEs, and regional enterprises.

The next stage of economic development, however, requires a deeper form of business readiness. Companies must now show that growth is supported by reliable financial records, transparent reporting, responsible governance, and leadership teams that understand the implications of their financial decisions.

Corporate Tax has accelerated expectations around transparency, documentation, and financial accountability. It has also elevated the importance of tax governance. Decisions relating to record-keeping, related-party transactions, transfer pricing, and tax reporting are increasingly receiving greater attention at the leadership level because they influence regulatory risk, financial credibility, and stakeholder confidence. Organizations are expected to demonstrate not only compliance, but also the systems and controls that support compliance.

A business can no longer rely only on broad claims of performance or informal knowledge of how it operates. It must be able to substantiate income, justify transactions, maintain accurate records, assess tax risks, and support financial decisions with reliable data.

The distinction between a growing business and a business with the systems required to meet modern regulatory expectations is becoming increasingly important. Commercial success can sometimes conceal weak systems, particularly in organizations that have grown faster than their internal structures. A founder may understand the business deeply, but that knowledge may not always be translated into processes that others can follow. Finance teams may produce reports, but those reports may not always provide the level of detail required for tax assessment, audit readiness, or strategic decision-making. Controls may exist because experienced people know what to do, rather than because the organization has built systems that can withstand scrutiny, succession, expansion, or investment.

Corporate Tax is forcing many organizations to confront these gaps earlier than they may have expected. For some, this will be uncomfortable. For others, it will become a valuable moment of correction. The systems and discipline developed to meet tax obligations can strengthen decision-making, improve internal visibility, and prepare businesses for more sophisticated engagement with banks, investors, regulators, and partners. In that sense, the value of this transition lies not merely in meeting a statutory requirement, but in improving the quality of management itself.

## Why SMEs Must Strengthen Their Foundations

This is especially relevant for small and medium enterprises, which remain central to the UAE's economic character. SMEs often begin with personal commitment, market insight, and the courage to act before all systems are perfect. That entrepreneurial energy should not be underestimated. It is one of the reasons the UAE has such a dynamic private sector.

Yet as businesses mature, the habits that enabled early growth must be supported by stronger structures. Tax compliance, financial reporting, internal controls, and governance cannot remain afterthoughts once a company begins to seek funding, attract talent, expand geographically, or prepare for succession.

For SMEs, Corporate Tax also brings practical questions that cannot be separated from business planning. Is the accounting system able to generate reliable data? Are expenses properly classified and documented? Are related-party transactions being recorded appropriately? Are management teams prepared for the possibility of future queries, reviews, or audits?

These questions may appear technical, but they influence the confidence with which a business can make decisions, approach investors, or plan for growth.

The introduction of Corporate Tax therefore asks a difficult but necessary question of business leaders: has the organization built the capabilities required for its next stage of growth? The answer will vary widely across sectors and company sizes, but the question itself is valuable. It shifts attention from short-term compliance to long-term readiness.

## The New Expectations of Finance Leaders

The same shift is visible in the role of finance professionals. Organizations need finance teams that can do far more than record activity and close accounts. They need professionals who understand Corporate Tax, regulation, risk, technology, tax planning, documentation standards, governance, and business strategy as connected parts of the same operating reality.

A finance leader who can interpret numbers without understanding the business context is limited; a manager who can pursue growth without understanding the financial and regulatory consequences of that growth is equally limited.

This is where universities and business schools must pay close attention. **Corporate Tax is not only a development for finance departments or advisory firms. It is a signal of the kind of business environment into which our graduates are entering.**



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The modern workplace no longer rewards narrow preparation. It expects graduates to work across functions, interpret regulation in business terms, use data responsibly, and understand that decisions taken in one area of an organization often carry consequences across many others.

For a business school, this changes the way subjects must be taught. Taxation cannot sit only within a technical accounting course. Governance cannot be discussed only as a chapter in corporate law. Ethics cannot appear as an isolated module near the end of a programme. These areas meet constantly in real organizations, and students must be trained to see those connections before they are expected to manage them.

A graduate preparing for a career in finance must understand how Corporate Tax influences business models, cash flow, risk, pricing, documentation, and reporting. A future entrepreneur must understand that investor confidence depends on governance as much as growth. A student interested in strategy must learn that commercial decisions are judged increasingly through financial, regulatory, and ethical lenses. A future manager must be able to ask better questions, not simply produce faster answers.

### Preparing the Next Generation for a More Transparent Economy

The responsibility of higher education is therefore not limited to employability in the narrow sense. **Universities must help students develop judgement. That requires exposure to live business issues, industry engagement, case-based learning, and classroom discussions that reflect the complexity of the market outside the campus.**

When students study developments such as Corporate Tax, they should not only learn what the regulation requires. They should examine why such reforms emerge, how organizations respond, where leadership failures become visible, and what capabilities businesses need to remain credible in a more transparent environment.

The UAE's Corporate Tax regime also reflects the country's broader movement towards international alignment and institutional strength. A competitive business hub in today's economy is increasingly defined by the clarity, predictability, and credibility of its regulatory systems. Businesses seeking long-term success in such an environment must treat accountability as part of strategy, rather than as an administrative burden to be managed after decisions have already been made.

Corporate Tax will continue to generate technical questions, and those questions will require specialist advice. Its more lasting influence, however, will be seen in how organizations change their behaviour. Businesses that invest in better reporting, stronger tax governance, ethical financial practices, and more informed leadership will gain far more than compliance readiness. They will build institutions capable of sustaining growth under greater scrutiny.

**For educators, the lesson is equally clear. The next generation of graduates will enter organizations where accountability is no longer peripheral to business performance.** They will need to understand how tax governance supports growth, how regulation shapes strategy, and how ethical judgement influences credibility. Preparing them for that reality is one of the most important responsibilities of business education today.

Corporate Tax marks a significant moment in the UAE's business evolution because it asks organizations to become more deliberate about how they operate, how they report, and how they lead. The businesses that respond well will be those that recognize the reform as an opportunity to strengthen their foundations. The graduates who succeed in this environment will be those prepared to think beyond functional boundaries and contribute to organizations that are built not just for growth, but for endurance.

