

Your First Year in Business: A Financial Checklist for UAE Start-ups

From your licence and bank account to VAT, corporate tax and audit-ready books — what to set up in year one.

Your first year sets the foundation for everything that follows. Getting the financial basics right early saves time, avoids penalties and makes your business far more credible to banks, investors and partners.

1. Set up the right structure

- Choose between mainland, free zone and offshore — each has different activity, tax and audit rules.
- Obtain your trade licence before trading; it is the basis for every later registration.
- Open a dedicated corporate bank account and never mix personal and business spending.

2. Register for tax on time

- VAT: registration is mandatory once taxable supplies exceed AED 375,000 in 12 months (voluntary from AED 187,500). Apply within 30 days.
- Corporate tax: every company must register, usually within three months of incorporation — even if no tax will be due.
- Late registration carries a penalty of AED 10,000 for each tax.

3. Build your bookkeeping system

- Pick accounting software that supports UAE VAT and, soon, e-invoicing.
- Set up a chart of accounts that suits your business model.
- Record sales, purchases and expenses weekly, and reconcile bank accounts monthly.
- Keep every invoice and receipt — digitally — for at least five years (seven for corporate tax).

4. Review performance monthly

- Produce a monthly profit and loss statement and cash-flow forecast.
- Track a few key indicators: revenue growth, gross margin and cash runway.
- Compare actual results to budget every quarter and adjust.

5. Prepare for year-end

- Check whether your free zone or corporate tax position requires audited financial statements.
- Keep contracts, board resolutions and reconciliations organised in one place.

- Book a pre-audit review so surprises are fixed before the deadline.

Need help setting up your finance function? Aequora Auditing supports start-ups with setup, bookkeeping, VAT and corporate tax from day one.

Need help applying this to your business?

Aequora Auditing supports UAE companies with audit, accounting, VAT, corporate tax and e-invoicing. Visit our website to request a quote.