IAS 12 Deferred Tax and UAE Corporate Tax

CertiFi micro-credential

1 course · 5 lessons · about 3 study hours · issued 28 Nov 2026

IFRS-06

IAS 12 Deferred Tax and UAE Corporate Tax

About 3 study hours · 5 lessons · pass mark 70% · AED 299

UAE Corporate Tax brought income tax accounting into the financial statements of companies that had never needed it. Following an Abu Dhabi distributor, you will move from accounting profit to taxable income, calculate current tax, identify temporary differences, measure deferred tax, and prepare the tax note with its rate reconciliation. This course teaches accounting for income tax. It is not tax advice. It leads to a CertiFi certificate of completion, which is not a qualification of the IFRS Foundation.

On completion, you will be able to:

- Explain how IAS 12 splits tax expense into current and deferred tax
- Calculate taxable income and current tax for a UAE company
- Identify temporary differences and calculate deferred tax assets and liabilities
- Decide when a deferred tax asset can be recognised
- Prepare the journal entries, the rate reconciliation and the tax note

Learning outcomes by lesson

1. Income tax accounting in one picture

- State the objective of IAS 12
- Distinguish current tax from deferred tax
- Distinguish permanent differences from temporary differences
- Set out the UAE Corporate Tax features that drive the accounting

2. From accounting profit to current tax

- Build a tax computation
- Calculate current tax
- Record the entry
- Explain the effective tax rate

3. Temporary differences and deferred tax

- Define tax base and temporary difference
- Distinguish taxable from deductible temporary differences
- Calculate a deferred tax liability
- Choose the tax rate

4. Deferred tax assets, losses and judgement

- Identify deductible temporary differences
- Apply the recognition test for deferred tax assets
- Account for tax losses, including the 75% limit
- Review deferred tax assets at each reporting date

5. The tax note and the year-end process

- Prepare the rate reconciliation
- List the required disclosures
- Run a year-end tax accounting process
- Avoid the common errors