IRAA
AUDIT . TAX . ADVISORY

INSIGHTS

INSIGHT
BEYOND NUMBERS

ACCOUNTING · 21 JULY 2026 · 10 MIN READ

The UAE Month-End Close: A 10-Day Finance Operating Model for Growing Companies

A controlled ten-day close gives management reliable numbers while decisions are still timely, and creates the evidence needed for tax, audit and financing.

Akash Chetwani, CFA
SENIOR PARTNER · ADVISORY

IRAA Global Advisory

EDITORIAL GUIDE

Contents

ACCOUNTING · 10 MINUTE READ · JULY 2026

A controlled ten-day close gives management reliable numbers while decisions are still timely, and creates the evidence needed for tax, audit and financing.

> A reliable month-end close is not an accounting ceremony. It is the operating process that converts sales, purchasing, payroll, treasury and tax activity into information management can use while decisions are still timely.

For a growing UAE business, the target should be a controlled close completed within ten working days, with material balances reconciled, significant judgements reviewed and management commentary attached to the numbers. Speed matters, but an early pack built on unreconciled data is not progress. The objective is repeatability: the same owners, cut-offs, evidence and review standards every month.

What a ten-day close should deliver

DAY 0	Operational cut-off instructions are issued and source systems are closed for the reporting period.
DAYS 1-4	Subledgers, banks, payroll, revenue, inventory and major accruals are posted and reconciled.
DAYS 5-7	Controllers review estimates, unusual entries, intercompany balances and tax-sensitive accounts.
DAYS 8-10	Management receives financial statements, cash and working-capital analysis, forecasts and decisions required.

Begin with the accounting framework, not the calendar

Federal corporate tax makes the accounting base commercially important. Ministerial Decision No. 114 of 2023 requires a taxable person to apply International Financial Reporting Standards. A person with revenue not exceeding AED 50 million may apply IFRS for SMEs. The FTA’s Accounting Standards Guide explains that accrual accounting recognises revenue when earned and expenditure when incurred, not simply when cash or an invoice moves.

That distinction drives the close. Finance must identify goods delivered but not billed, services received without supplier invoices, employee costs earned but unpaid, contract milestones, depreciation, foreign-currency remeasurement and expected credit losses. A bank balance and invoice register cannot produce compliant accrual financial statements by themselves.

Businesses with revenue not exceeding AED 3 million may be eligible to prepare financial statements on the cash basis for corporate-tax purposes, subject to the applicable conditions. Management should not confuse that tax permission with good management reporting. Even a small company usually needs visibility over receivables, payables, commitments and inventory to control liquidity.

Design one close calendar with named owners

The close calendar should be a controlled workflow, not a spreadsheet circulated by finance after deadlines are missed. Each task needs an owner, reviewer, source, due date and definition of completion. Operational teams must own the information they create. Sales confirms delivery and contract changes; procurement confirms goods and services received; HR confirms payroll changes and leave obligations; operations confirms inventory movements and project progress.

Day 0 is the discipline point. Finance publishes cut-off times, exchange rates, materiality thresholds and instructions for late transactions. The team protects the period from casual backdating. Post-close entries should require a reason and approval, with the effect visible in the close log.

A well-designed calendar sequences dependencies. Bank feeds and sales interfaces are loaded before reconciliation; intercompany confirmations are exchanged before consolidation; fixed-asset additions are approved before depreciation; and revenue cut-off is reviewed before margins are analysed.

> *“A faster close comes from removing ambiguity before month-end, not asking accountants to work later after it.”*

Reconcile the balance sheet before explaining profit

The balance sheet is the control surface for the close. Every material account should have a reconciliation that agrees the general ledger to independent support, explains reconciling items and records who prepared and reviewed it. Copying the ledger into another spreadsheet is not a reconciliation.

Bank reconciliations should identify old outstanding payments, deposits in transit, bank charges and restricted balances. Trade receivables should agree to the customer subledger and ageing, with credit notes, unapplied cash and expected credit losses reviewed. Payables should address unmatched receipts, debit balances and unrecorded liabilities. Payroll liabilities should agree to approved payroll and payment evidence.

Suspense, clearing and intercompany accounts deserve particular attention. A growing balance often signals a broken interface or unresolved ownership. Set ageing limits and escalation rules. Items should not roll forward merely because they are individually small; a recurring population can become material and can hide fraud or process failure.

Control estimates and manual journals

Accruals and estimates are necessary, but they are also a common source of bias. Use standard templates showing the business rationale, calculation, source data, assumptions, reversal treatment and approval. Compare prior estimates with actual outcomes. Persistent over-accruals or late reversals should trigger a process correction.

Manual journals should be risk-ranked. Entries posted by senior users, round-number entries, weekend postings, entries to revenue or reserves, and entries without automatic reversal deserve enhanced review. The preparer and approver should be different people where the team size permits. System access must not allow an approver to approve their own journal.

Material judgements should be collected in a close memorandum. Examples include revenue recognition, useful lives, impairment indicators, provisions, related-party balances and going-concern assumptions. The memo creates continuity when staff change and gives auditors a clear record of what management knew at the reporting date.

Connect VAT and corporate tax to the ledger

Tax should be embedded in account design and transaction coding. VAT control accounts should reconcile filed returns to the general ledger, with timing differences, reverse-charge entries, adjustments and payments explained. Corporate-tax-sensitive accounts should make non-deductible expenses, related-party items, entertainment, fines, exempt income and elections traceable.

The FTA has reminded taxable and exempt persons to retain relevant records for at least seven years after the end of the tax period. A close file should therefore preserve source reports, reconciliations, approvals and calculation versions in a searchable structure. Links to an employee’s desktop are not a retention system.

Turn the close into a decision pack

Once control is established, management reporting should explain what changed and what action follows. Compare actual performance with budget, forecast and prior period. Separate price, volume, mix, timing and one-off effects. Bridge EBITDA to operating cash flow and show the movement in receivable days, payable days and inventory days.

A useful pack distinguishes accounting results from operational drivers. Revenue growth can coexist with weak cash conversion. Margin improvement can be caused by an unrecorded accrual. A favourable working-capital movement can arise because suppliers were paid late. Commentary should identify the cause, sustainability and owner of each material variance.

01	**Set policy:** Confirm IFRS or IFRS for SMEs, materiality, cut-off and journal rules.
02	**Map dependencies:** Link each close task to its source, owner, reviewer and downstream report.
03	**Standardise evidence:** Use controlled reconciliation and estimate templates.
04	**Measure quality:** Track late tasks, post-close entries, aged reconciling items and repeated adjustments.
05	**Automate carefully:** Automate stable rules only after source data and control ownership are clear.

06

Use the output:
End with decisions, owners and forecast changes, not only a PDF of accounts.

A ten-day close is achievable when the business treats financial information as a shared operational product. The durable advantage is not merely earlier reporting. It is a ledger that can support tax filings, audits, financing conversations and management decisions without a separate reconstruction every time.

Official sources

1. **Ministry of Finance: Ministerial Decision No. 114 of 2023**
2. **Federal Tax Authority: Accounting Standards and Corporate Tax Guide**
3. **Federal Tax Authority: corporate-tax record retention reminder**

Online edition: **https://iraaglobal.com/insights/uae-month-end-close-10-day-finance-operating-model/**

ABOUT THE CONTRIBUTOR

Akash Chetwani, CFA

SENIOR PARTNER · ADVISORY

Cross-border advisory for professionals, founders, investors, and globally connected families.

PHONE	+971 56 921 0222
EMAIL	info@iraaglobal.com
PROFILES	LinkedIn · Contributor page and articles

IRAA GLOBAL

AUDIT · TAX · ADVISORY

A connected advisory firm for businesses operating across borders.

OUR EXPERTISE

Audit & Assurance	Corporate Tax & VAT
Accounting & Bookkeeping	Finance & CFO Advisory
AML, Risk & Compliance	Business Advisory & Setup
Human Resources Advisory	AI, Technology & Digital Assets
India-UAE Cross-Border Advisory	Private & Family Advisory

IRAA GLOBAL
AUDIT · TAX · ADVISORY

Insight beyond numbers.

IRAA Global Advisory

503 Mustafawi Carpet Building, Sharaf DG Metro Exit 1
Dubai, United Arab Emirates

+971 56 921 0222 · +971 50 677 9455
info@iraaglobal.com · www.iraaglobal.com

LAYOUT & DESIGN BY SURESH TAMANG