

## COUNTRY PROFILE



# United Arab Emirates

## Tax overview

Personal Income Tax	None
Corporate Income Tax	9%
Gift Tax	None
Inheritance Tax	None
Wealth Tax	None

## Legal System

The United Arab Emirates (UAE) is a federation comprised of 7 Emirates, Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah. The legal system of the UAE is based on a mix of civil law and Sharia.

## Currency

The currency of the UAE is the UAE Dirham (AED). There are no foreign exchange controls.

## Personal Income Tax

The UAE does not impose personal income tax on individuals, or gift, inheritance or wealth tax. However, individual Emirates impose tax on certain transactions.

## Corporate Income Tax

The UAE introduced Federal corporate income tax under the CT Law, effective on June 1, 2023, based on the financial year of the company. The law imposes 9% corporate income tax on the worldwide income of certain domestic UAE corporations and foreign corporations that are managed and controlled from the UAE with income over 375,000 Dirhams. The CT law also introduced a participation exemption regime.

In addition, the individual emirates have authority to impose corporate income tax, but only do so on oil and gas exploration and production companies (up to 55%), and foreign banks (20%).

## Value Added Tax (VAT)

The UAE levies VAT on the sale of goods and services at 5%, subject to exemptions.

## Anti-Avoidance Rules

As part of the CT Law, the UAE introduced General Anti-Abuse Rules (GAAR), Transfer Pricing rules, and Thin Capitalization rules. The UAE also has Economic Substance rules. However, the UAE does not have CFC rules.

## Local Trust and Foundation Laws

The Dubai International Financial Centre (DIFC), and the Abu Dhabi Global Market (ADGM) have introduced trust and foundation laws.

## Double Tax Treaties (DTTs)

The UAE has a broad network of DTTs, including with most of the G20 countries.

## Foreign Investment Protection

The UAE has BITs and FTAs with a number of countries for the protection against expropriation of investments that provide for international arbitration.

## Common Reporting Standard (CRS)

The UAE has implemented CRS for the automatic exchange of account information, but has elected not to receive information under the non-reciprocal MCAA.

## FATCA

The UAE has a FATCA Model 1B IGA with the United States, and does not receive information from the US.

## Notice

CISA Trust is not a legal or tax advisor and this material is for general information only.