

UAE Tax Residency –

Interplay with international domicile rules

20 February 2025



UAE Recent Developments



Introduction of Corporate Tax & Pillar 2



Long Term Residency Options – Golden Visa/ Blue Visa



Continued access to GCC tax treaties



Access to alternate payment mechanisms e.g., cryptocurrency



Proximity to Emerging Markets



Evolving economy with increased focus on tech e.g., R&D innovation incentives



Ease of access to international capital and labour



Digital Banking Options

Basic premise

1 Primary place of residence

Financial and Personal Interests

Habitual or normal residence; Settled Routine

Place of employment/ business; Location and management of financial and other investments

2 183 Days + Test

3 90 Days + Test

*Employment /
Business*

+

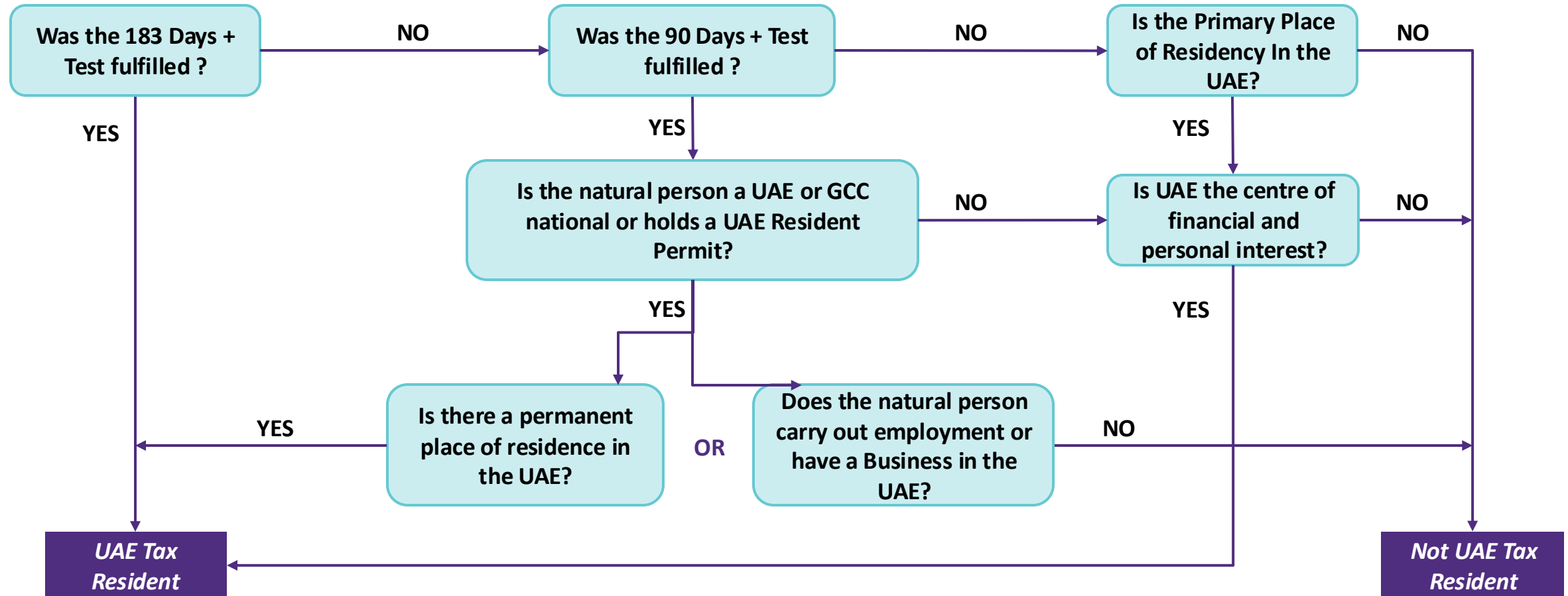
*Permanent
Place of
Residence*

Limited/ Unlimited; Full-Time/ Part-Time

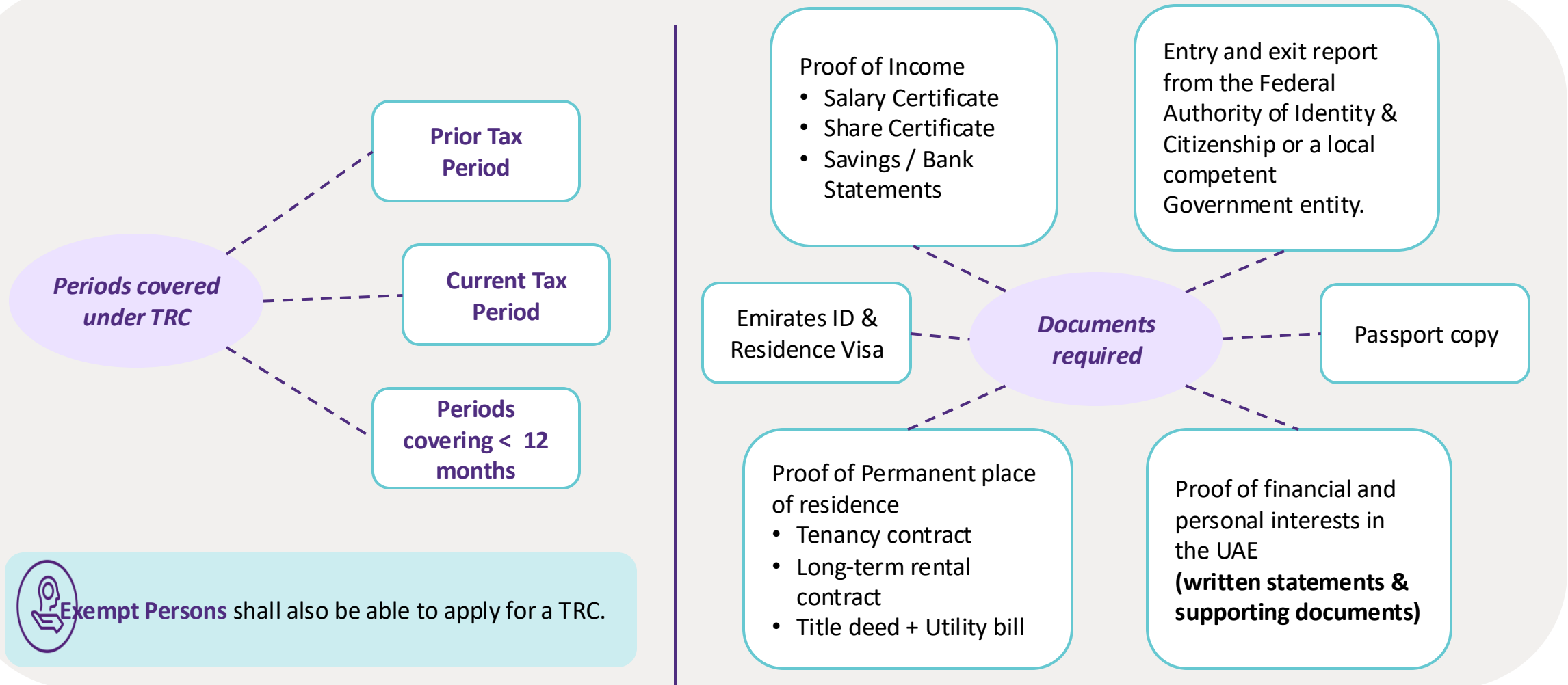
Furnished house/ Apartment/ Room, etc.;
Continuously made available.

Lease/ Rentals/ Otherwise Made Available

Decision flow-chart



Tax Residency under UAE domestic law – Administrative Procedures



Taxation of Natural Persons (1/2) – Overview

Natural Persons are subject to Corporate Tax on:

1 Business or Business Activity conducted in the UAE

- Place of work or residents of the UAE,
- Location of contracting or business development
- Location of the assets

2 Total Turnover > AED 1 Mn within Calendar Year

Exclusions:

- Wage
- Personal Investment Income
- Real Estate Investment Income

3 Not Exempt within the Small Business Relief

- Revenue from the taxable Business / Business Activity in the current & previous Tax Periods < AED 3 Mn for each Tax Period.

Non-Resident Natural Person are subject to Corporate Tax on:

1 State Sourced Income

- UAE Resident Person,
- UAE PE of a Non-Resident Person, or
- Activities performed, assets located, capital invested, rights used, or services performed or benefitted from in the UAE.

2 Income not derived through a Business or Business Activity conducted in the UAE.

Taxation of Natural Persons (2/2) – Real Estate Investment Income

Real Estate Investment

Direct or Indirect sale, leasing, sub-leasing, and renting of land or real estate property in the UAE that is not conducted through a License

Key Points:

- The third party's use of the land or real estate property is irrelevant.
- Applies land or real estate property in the UAE and/ or outside of the UAE.
- Natural person may engage a third-party agent to manage the renting on their behalf.

UAE Residency Clauses in Key UAE Treaties

Treaty	Residency Clauses
UAE – UK Treaty	<i>Domiciled in UAE or has habitual abode or centre of vital interest in UAE</i>
UAE – Switzerland Treaty	<i>Domiciled in the UAE and maintains a <u>substantial presence</u> in the UAE</i>
UAE – Singapore Treaty	<i>As per the domestic tax laws in the respective countries</i>
UAE – India Treaty	<i>Natural person in the UAE > 183 days in a calendar year</i>
UAE – Cyprus Treaty	<i>Domiciled / Resident in UAE</i>

Q&A

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