



# Almalia

CONSULTING FZCO



## TAXATION OF NON-RESIDENT PERSONS IN THE UAE

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## 1. Who is considered a Non-Resident Person for UAE Corporate Tax purposes?

**A Non-Resident Person for UAE Corporate Tax Purposes is any Individual or Juridical Person that does not meet the criteria of a Resident Person but:**

- Have a Permanent Establishment ("PE") in the UAE.
- Derive State Sourced Income.
- Have a Nexus in the UAE.

## 2. What Income of a Non-Resident Person is subject to UAE Corporate Tax?

**The following types of Income are Taxable for Non-Resident Persons:**

- Income attributable to a PE or Nexus in the UAE.
- State Sourced Income.

## 3. What is considered a PE for a Non-Resident Person?

- A PE is created when a Non-Resident Person has a Physical Presence in the UAE through a Fixed Place of Business, or when they operate through an agent who habitually exercises authority to conduct Business on their behalf.
- A PE can include Offices, Factories, Construction sites, Mine, Oil or Gas Well, Workshop or Agents.

## 4. What is State Sourced Income for a Non-Resident Person?

**State Sourced Income refers to Income that originates in the UAE (Income Accruing In or Derived from the UAE). It includes:**

- Income derived from a Resident Person. (i.e Payments from a UAE Resident)
- Income derived from another Non-Resident Person that is attributable to that other Non-Resident Person PE.
- Income from Activities/Services Performed in the UAE or Assets Located in the UAE.
- Capital Gains and Income from Real Estate in the UAE.
- State Sourced Income derived by a Non-Resident Person that is not attributable to a PE, subject to 0% Withholding Tax.

## 5. When will a Non-Resident Person be considered to have a Nexus in the UAE?

- A Non-Resident Juridical Person will be considered to have a nexus in the UAE if it derives Income from any Immovable Property in the UAE.
- Income from Immovable Property will include Income derived by way of Sale, Disposal, Assignment, Direct use, Leasing or Sub-Leasing or any Other Form of Exploitation of Immovable Property.
- The Nexus concept does not apply to Non-Resident Individuals.

## 6. What is the Tax Rate applicable to Non-Resident Persons?

- **The UAE Corporate Tax Rate for Non-Resident Persons as follows:**

Taxable Income	Tax Rate
Upto AED 375,000	0%
Above AED 375,000	9%

- **If the Non-Resident Person is a Qualifying Free Zone Person, then the UAE Corporate Tax Rate as follows:**

Taxable Income	Tax Rate
Qualifying Income	0%
Not Qualifying Income	9%

## 7. When is a Non-Resident Person required to Register for Corporate Tax?

- **A Non-Resident Juridical Person must register for Corporate Tax if they have:**
  - i. a Permanent Establishment (PE) in the UAE.
  - ii. a Nexus in the UAE.
- **A Non-Resident Individual must register for Corporate Tax if:**

- i. Turnover attributable to the PE in the UAE exceeds AED 1,000,000 (1 Million Dirhams) within a Gregorian Calendar Year (Jan-Dec).

## 8. What is the Deadline to submit a Corporate Tax Registration Application for a Non-Resident Individual?

**Starting from 1st January, 2024:**

Starting	Criteria	Deadline
from 1st January, 2024	Turnover from Business exceeds AED 1,000,000	3 Months from the Date of meeting the requirements of being subject to Tax.

## 9. What is the Deadline to submit a Corporate Tax Registration Application for a Non-Resident Juridical Person?

- **If Non-Resident before 1st March, 2024:**

Non-Resident	Criteria	Deadline
before 1st March, 2024	PE in UAE	9 Months from the Date of Existence of the PE
before 1st March, 2024	Nexus in UAE	3 Months from 1st March, 2024

• If Non-Resident On or After 1st March, 2024:

Non-Resident	Criteria	Deadline
On or After 1st March, 2024	PE in UAE	6 Months from the Date of Existence of the PE
On or After 1st March, 2024	Nexus in UAE	3 Months from the Date of Establishment of the Nexus

10. What is the Penalty for Late Registration?

**AED 10,000**

11. Do Non-Resident Persons benefit from Double Taxation Agreements (DTAs)?

- Yes, Non-Resident Persons can benefit from Double Taxation Agreements that the UAE has signed with other Countries.
- If a DTA is in place, it may Reduce or Eliminate the Tax Liability in the UAE, depending on the terms of the agreement.

12. What are the Other Corporate Tax Requirements for Non-Resident Persons?

• **Financial Statements:**

- Non-Resident Persons must prepare Financial Statements in accordance with IFRS.
- Taxable Income must be attributed to any PE or Nexus in the UAE based on the Arm's Length Principle.

**2. Corporate Tax Return:**

- Non-Resident Persons are required to File a Corporate Tax Return with the FTA within 9 Months after the end of the relevant Tax Period.

**3. Record Keeping:**

- Non-Resident Persons must maintain all relevant Records and Documents for 7 years following the end of the relevant Tax Period.

13. How can ALMALIA CONSULTING FZCO Help?

- We Provide Expert Solutions for the Business Needs.
- We can assist with smooth Corporate Tax Registration within deadlines, Financial Statements Preparation, Book-keeping, Document Preparation, Corporate Tax Return Filing, Record-Keeping and other Regulatory Requirements.

# OUR SERVICES

## UAE CORPORATE TAX SERVICES

- ✓ CT Registration
- ✓ CT Return Filing
- ✓ CT Training
- ✓ CT Penalties

## ACCOUNTING & BOOKKEEPING SERVICES

- ✓ Cloud Accounting Services
- ✓ Crypto Accounting
- ✓ Balance Sheet Preparation
- ✓ Accounts Reconciliation
- ✓ Monthly MIS Reporting

## UAE VAT SERVICES

- ✓ VAT Registration
- ✓ VAT Returns Filing
- ✓ VAT Deregistration
- ✓ VAT Training
- ✓ VAT Penalties
- ✓ VAT Refund

## BUSINESS SETUP IN UAE

- ✓ Business Setup in Mainland
- ✓ Business Setup in Free Zones
- ✓ Offshore Business Setup
- ✓ Company/LLP Incorporation
- ✓ Trade License
- ✓ Crypto Tax Services
- ✓ AML/ESR/UBO Compliance
- ✓ Other Business Compliance Services

Contact us

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