

Status of Branches as per UAE CT Decree Law

A. Will the income of UAE branches of a UAE business be subject to UAE CT?

Yes. The income of UAE branches will be included in the taxable income and UAE CT return of their UAE “parent” or “head office”.

B. Are UAE branches of a UAE juridical person required to separately register or file for UAE CT?

UAE branches of a UAE juridical person are not required to separately register or file for UAE CT.

C. Will the income of foreign branches of a UAE business be subject to UAE CT?

The income of foreign branches of a UAE business will be included in the taxable income and UAE CT return of their UAE “head office” unless the UAE business elects to claim an exemption for its foreign branch profits. This exemption is available for foreign branch profits that have already been subject to tax in the foreign jurisdiction.

D. Will UAE branches of foreign businesses be subject to UAE CT?

Where no election is made or the income of the foreign branch or permanent establishment is not eligible for an exemption from CT, the UAE CT payable on the income of the foreign branch can be reduced by the corporate tax (or similar) paid on the relevant income in the foreign jurisdiction.

E. Will a UAE branch constitute a taxable Permanent Establishment for the foreign business?

A UAE branch of a foreign business would **generally be subject to UAE CT**, unless the activities of the branch do not give rise to a permanent establishment in the UAE for CT purposes.

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