

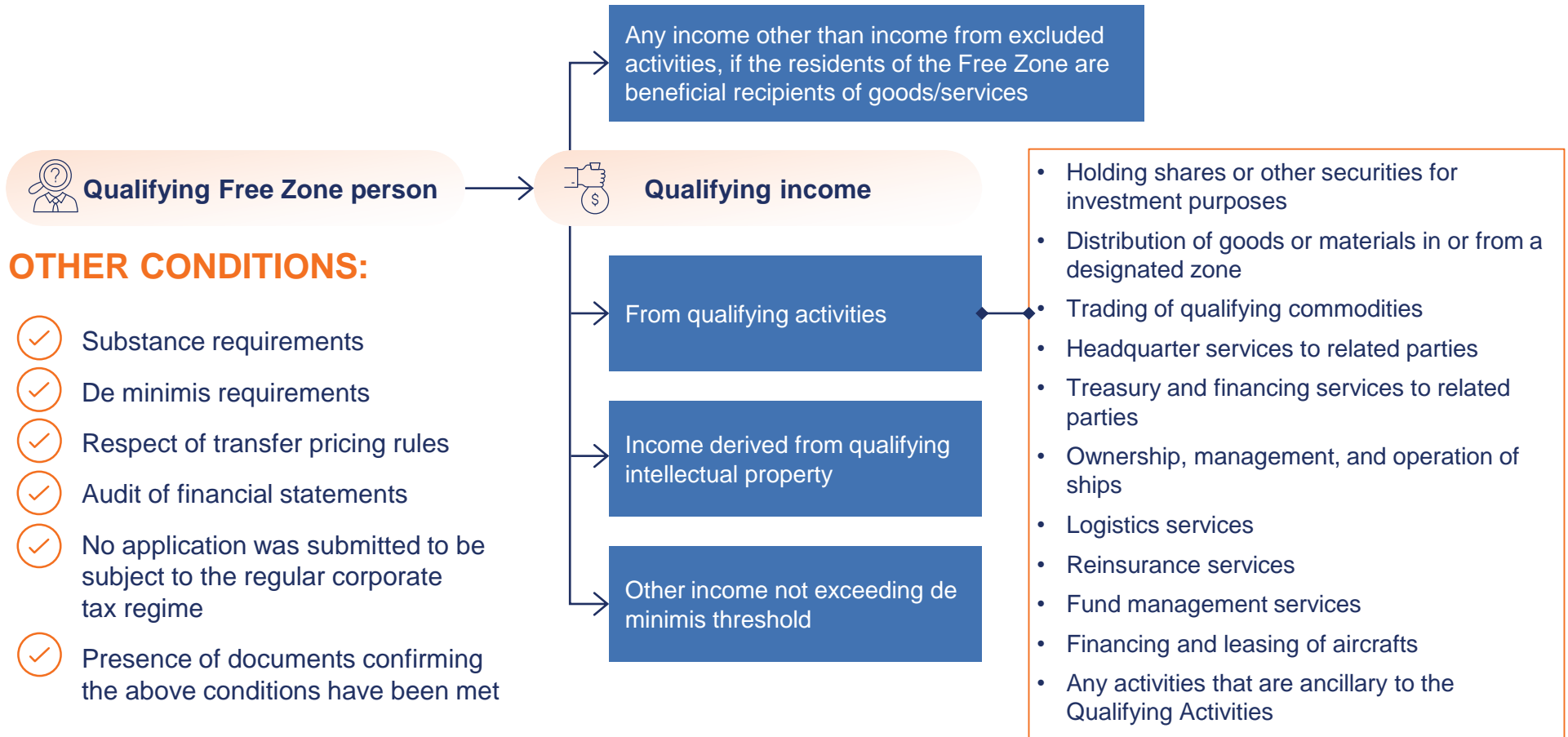


 Catalyst for success

Step plan for determining the applicable corporate tax rate for Free Zone companies in the UAE

October 17, 2024

Conditions for applying a 0% corporate tax rate for Free Zone residents



NB! Unless all respective conditions are met, the company is not entitled to apply a 0% corporate tax rate for the current and next 4 tax periods

Procedure for determining the applicable corporate tax rate

Step 1

Analysis of the company's income/planned income to determine if it is qualifying (allocation of qualifying / non-qualifying income)

Does the company have qualifying income?

NO

Corporate tax rate: 9%

Step 2

Calculation of de minimis threshold for non-qualifying income

YES

Is the de minimis threshold met?

NO

Step 3

Substance analysis (level of presence / activity) and whether the level is adequate for each qualifying income

YES

Compliance with substance requirements

NO

Step 4

Reviewing the remaining conditions for recognising a company as a qualifying Free Zone resident (no general tax regime application, audited financial statements, compliance with TP rules, documents confirming that the conditions to be recognised as a qualifying Free Zone resident are met)

YES

Other conditions met?

YES

Corporate tax rate: 0%

NO



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