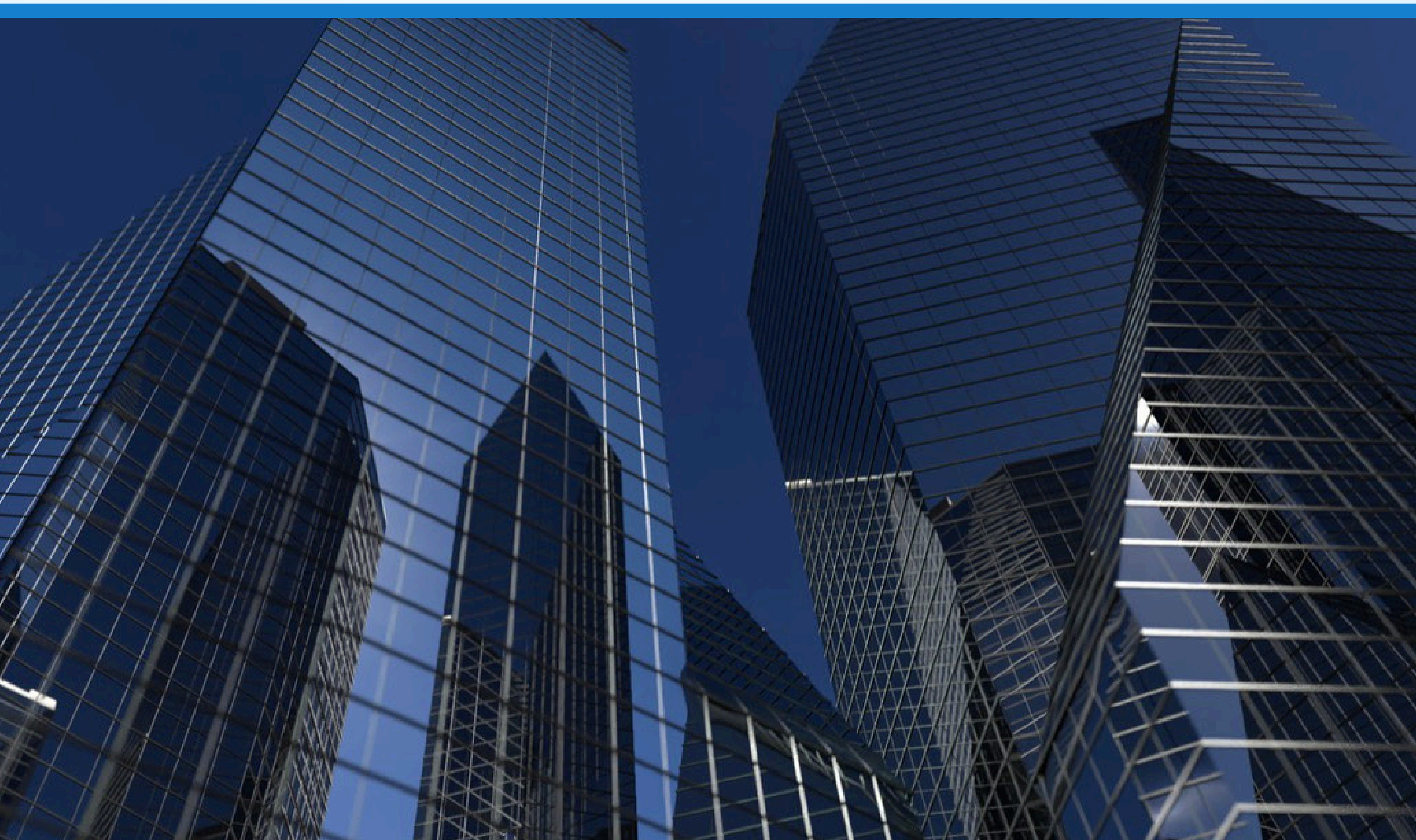
FTA Sets Registration & Deregistration Timelines for the UAE DMTT



The Federal Tax Authority (FTA) has issued Decision No. 12 of 2026 (16 July 2026) setting out the timelines within which Entities subject to Domestic Minimum Top-up Tax (DMTT) must register, deregister, and notify the FTA of changes in their scope, for Fiscal Years starting on or after 1 January 2025. Cabinet Decision No. 142 of 2024 already imposed the obligation to register and deregister and Decision No. 12 now provides the timelines, following the recent activation of registration on EmaraTax.

DMTT Registration

Standard deadline: Registration application to be submitted within 7 months from the end of the first Fiscal Year in which the Entity is in scope.

Transitional deadline: If the Fiscal Year of the in-scope entity ends before 30 April 2026, the application must be submitted on or before 30 November 2026.

DMTT Deregistration

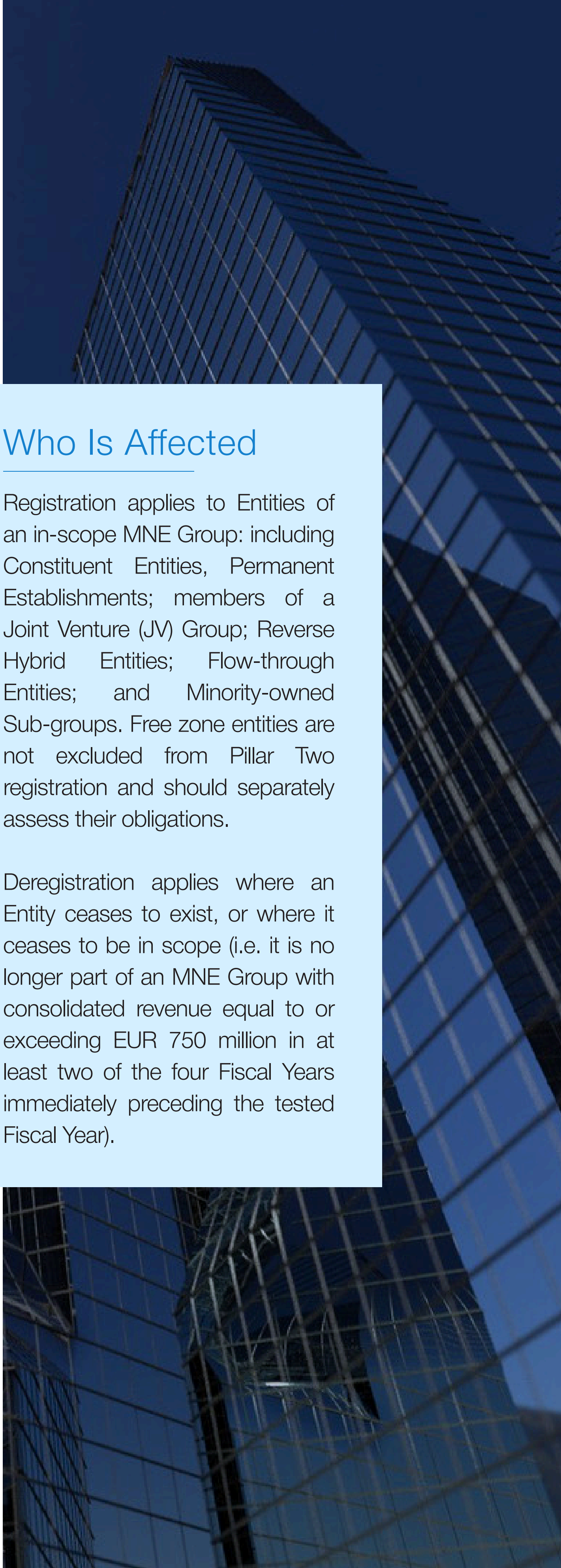
Standard deadline: Application to be submitted within 6 months from the earliest of: the date the Entity ceases to exist, or the end of the Fiscal Year in which the Entity leaves the MNE Group and the Entity is no longer in scope. Where an out-of-scope notification has been filed (refer below), the deregistration application falls due within six months from the end of the fifth consecutive out-of-scope Fiscal Year.

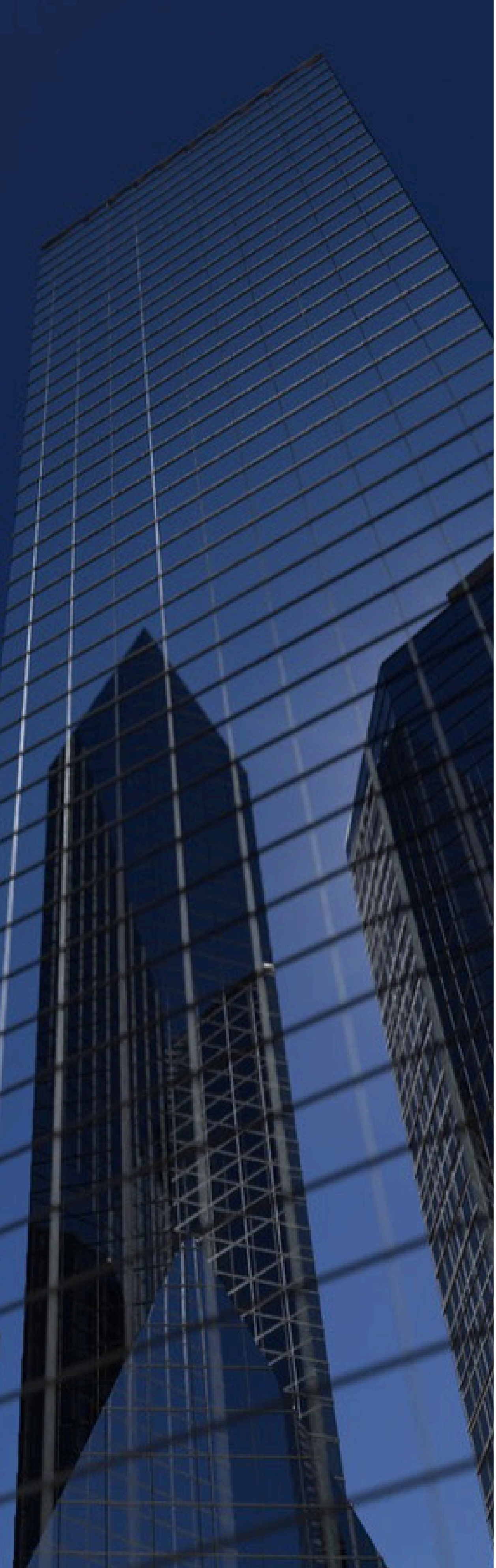
Transitional deadline: Where the entity ceases to exist before 30 June 2026, application to be submitted on or before 31 December 2026.

Who Is Affected

Registration applies to Entities of an in-scope MNE Group: including Constituent Entities, Permanent Establishments; members of a Joint Venture (JV) Group; Reverse Hybrid Entities; Flow-through Entities; and Minority-owned Sub-groups. Free zone entities are not excluded from Pillar Two registration and should separately assess their obligations.

Deregistration applies where an Entity ceases to exist, or where it ceases to be in scope (i.e. it is no longer part of an MNE Group with consolidated revenue equal to or exceeding EUR 750 million in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year).





An Entity cannot deregister until it has settled all Top-up Tax and penalties due and filed all outstanding Top-up Tax Returns and Pillar Two Information Returns. Approved deregistration takes effect from the earliest of the Entity's cessation date, the end of the Fiscal Year it leaves the MNE Group, or any other date set by the Authority.

In-Scope and Out-of-Scope Notifications

Registration is not a one-time compliance obligation: once registered, an Entity must continue to monitor its position and notify the FTA whenever the MNE Group it forms part of moves into or out of scope.

Out-of-Scope Notification

Event: Where an Entity is a member of an MNE Group and that MNE Group ceases to be in scope.

Deadline: Within 6 months from the end of the tested Fiscal Year.

Validity: Valid for the tested Fiscal Year and subsequent 4 consecutive Fiscal Years. If it remains valid for 5 consecutive years, a deregistration application falls due.

In-Scope Notification

Event: Where an entity becomes an in-scope entity in a tested Fiscal Year while a valid out-of-scope notification remains in effect.

Deadline: Within 7 months from the end of the tested Fiscal Year.

Validity: Restores in-scope status for the tested Fiscal Year.

Role of a DDFE

A Domestic Designated Filing Entity (DDFE), once appointed, may undertake registration and file deregistration and scope notifications centrally on behalf of a Domestic Main Group, Domestic Minority-owned Subgroup, Reverse Hybrid Entity, or Domestic JV Group sharing a common Ultimate Parent Entity (UPE). Groups adopting this option should weigh the efficiency of centralised filing against the governance it requires.

What's Next

With registration live on EmaraTax and firm deadlines now in place, the immediate priority for MNE Groups is to assess their FY2025 in-scope status and confirm which registration deadline, standard or transitional, applies to each Entity.

Key Takeaway

With registration now live on EmaraTax and statutory timelines now prescribed, MNE Groups should assess their FY2025 in-scope position, determine the applicable registration deadline for each UAE Entity, and consider whether appointing a DDFE would simplify ongoing compliance.

Particular attention should be given to newly acquired entities, mid-year joiners and Groups with consolidated revenues close to the EUR 750 million threshold, as these factors may affect the first in-scope Fiscal Year, registration deadlines and ongoing notification obligations.

Decision No. 12 introduces an ongoing compliance framework rather than a one-time registration exercise. MNE Groups should establish appropriate governance to monitor registration, deregistration and in-scope / out-of-scope notification obligations on a continuing basis.

How We Support

- Assess: Confirm whether your Group and UAE Entities are in scope and determine the applicable registration deadline.
- Register: Prepare Top-up Tax registrations, advise on the use of a DDFE and assist with EmaraTax filings.
- Monitor: Develop governance processes for deregistration and ongoing in-scope / out-of-scope notification obligations.
- Comply: Support preparation of the GloBE Information Return, Top-up Tax Return and broader UAE Pillar Two compliance requirements.
- Advisory:Advising on safe harbours, ETR modelling and broader Pillar Two implementation.

Get in touch

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