

Pillar Two - UAE Domestic Minimum Top-up Tax

*Registration is now live on
EmaraTax Portal*

Andersen's Key Takeaways

- ▶ The FTA has opened Pillar Two Top-up Tax registration on EmaraTax for financial years commencing on or after 1 January 2025. With DMTT registration now live on EmaraTax, the UAE Pillar Two regime has moved firmly from assessment to execution.
- ▶ In-scope MNE Groups must elect at the outset whether to register through a Domestic Designated Filing Entity (DDFE) or on an individual entity basis. Mixed registration within the same domestic grouping is not permitted.
- ▶ Where a DDFE is appointed, all group members must respond to the EmaraTax acknowledgement request within 14 business days or DDFE must upload a letter of authorization.
- ▶ Groups should confirm their UAE scoping position, select the registration route, and prepare supporting documentation before initiating the application.

Who must register?

A. Entities required to be registered

- ▶ Constituent Entities of an in-scope MNE Group
- ▶ Permanent Establishments of in-scope MNE Groups in the UAE
- ▶ Members of a Joint Venture (JV) Group
- ▶ Reverse Hybrid Entities of an in-scope MNE Group
- ▶ Flow-through Entities within an in-scope group
- ▶ Minority-owned Constituent Entities

Free zone entities are not excluded from Pillar Two registration and should separately assess their registration obligations.

B. Entities exempt from registration

- ▶ Investment Entities located in the UAE
- ▶ Excluded Entities¹ (unless election made not to be treated as an Excluded Entity)
- ▶ Stateless Permanent Establishments
- ▶ Purely domestic UAE groups below EUR 750m threshold

¹Excluded entity includes Government entities, an International Organisation, a Non-profit Organisation, a Pension Fund, an Investment Fund that is an Ultimate Parent Entity; or a Real Estate Investment Vehicle that is an ultimate Parent Entity as included in Article 1.5 of the Cabinet decision 142 of 2024

What has changed and Registration options

The FTA has enabled Pillar Two Top-up Tax registration through Emaratax. The registration process requires in-scope MNE Groups to complete entity level registration, disclose UPE and group structure information, and formalise the appointment of a DDFE, Designated Filing Entity (DFE) or Designated Local Entity (DLE) where applicable. This is the first active compliance obligation under the UAE DMTT regime.

Two registration routes are available:

Option 1: Domestic Designated Filing Entity (DDFE)

A single Constituent Entity (DDFE) undertakes registration, filing and payment obligations on behalf of the relevant domestic grouping

Once a group adopts the DDFE approach, all entities within the relevant domestic grouping must participate in that registration. The registration process does not permit a combination of DDFE registration and individual entity registration within the same domestic grouping.

Option 2: Individual Entity Registration

Each entity that is subject to Top-up Tax, will register separately. This option is available only if the MNE Group does not have a Domestic Designated Filing Entity.

Practical Implication and Key Pointers

- ▶ Registrants must submit evidence of the UPE's identity, including its name, TIN or unique identifier, together with an overview of the MNE Group's full corporate structure covering entities both inside and outside the UAE.
- ▶ In case of Option 1, all covered entities must authorise the DDFE either via the Emaratax portal or by uploading a Letter of Authorisation appointing the DDFE for all administrative Pillar Two functions. Acknowledgement requests raised through the portal, are to be accepted by the covered entities within 14 business day window to proceed with the registration application.
- ▶ Authorised signatory details and supporting authority documents must be available to complete the submission.

- ▶ While the entities required to file the Pillar Two Information Return with the FTA are yet to be prescribed, where a Designated filing entity (a CE other than the UPE) appointed to file the Pillar Two Information Return on behalf of the MNE Group) and Designated Local Entity (UAE-located CE appointed to file the Pillar Two Information Return or submit notifications in the UAE) is appointed, letter of authorization and supporting TIN or unique identifier has to be submitted at the time of registration.
- ▶ Joint Venture group members must register separately, either through individual JV entity registrations or via a DDFE appointed for the Domestic JV Group.

How we support



Readiness assessment: Scope assessment, safe harbour testing and exemption/transitional review



Implementation: ETR modelling and simulation. Data gap analysis to build a pillar two data framework



Compliance: Top-up tax registration application, identifying DLE, identifying DDFE responding to the queries of the FTA. Globe information return. Top up tax return



Training: Strategic training for senior management. In depth - technical training for finance team

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