

UAE Corporate Tax

Implementation of Advance Pricing Agreement scheme in the UAE



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Federal Tax Authority has recently issued Decision No. 4 of 2024, dated June 12, 2004, and effective from July 1, 2024, specifying that the start date for receiving applications for advance pricing agreements and procedures related to the submission of applications and the issuance of agreements will be announced in the fourth quarter of 2024.

What is an Advance Pricing Agreement (APA)?

An Advance Pricing Agreement (APA) is a pre-emptive arrangement between a taxpayer and the tax authority that determines, in advance, the transfer pricing methodology for pricing the taxpayer's international transactions for a specified period. This programme helps businesses mitigate the risk of transfer pricing adjustments and potential disputes with tax authorities.

1

Certainty & Predictability

APAs provide businesses with greater certainty regarding their tax obligations, allowing them to plan their finances more effectively.

2

Reduced Risk of Audits

With an APA in place, taxpayers can minimize the risk of transfer pricing audits and the associated administrative burden.

3

Enhanced Compliance

The APA programme encourages proactive compliance, fostering a cooperative relationship between taxpayers and the tax authority.

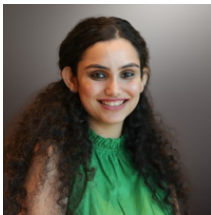
How Andersen can help?

At Andersen, we are a global network of transfer pricing specialist with years of experience in assisting our clients navigate the complexities of filing an APA in various jurisdiction. We welcome you to initiate a conversation with us to explore how this development can benefit your business.

Contact Us



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