

KNOWLEDGE

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Here's why you must maintain visible economic presence through business activities in the UAE

A few years back, the UAE did not have any taxation on most business activities, and free zones allowed foreign investors to completely own a company, turning the country into a tax haven of sorts for global firms. But as the UAE has set its sights on becoming an international trading hub, the administration has introduced levies along with checks and balances to comply with the norms of the Organisation of Economic Cooperation and Development (OECD). This includes a 5% VAT on products and services, as well as a 9% tax on corporate profits, which are the lowest globally, and negligible considering how profits can be freely transferred and the UAE offers a vast consumer base.

As part of the push to establish its credibility in the global business ecosystem and instill confidence among genuine investors, it's also important for the UAE to address concerns about compliance. Therefore, the FTA has increased its inspections to detect violations of VAT norms, and the government has announced protection and rewards for whistleblowers who flag suspicious economic activity. In this scenario, it becomes essential for businesses to conduct regular audits to figure out their tax compliance and keep account books in order to be prepared for an audit by the tax authorities. Registering with VAT and filing regular returns within the given time frame is also crucial for retail and other businesses offering services to conduct their business activities glitch-free.

With time it had also become common for many entities to establish shell companies in the UAE only for intellectual property and gather profits, to avoid taxes in their home country, without much activity. To make sure that only firms genuinely

interested in conducting business operate in the country, and comply with OECD's norms, the UAE introduced an Economic Substance Regulation. This rule requires companies to maintain a considerable presence in the UAE by carrying out business activities and demonstrate it by filing timely reports. The relevant business activities which fall under the economic substance regulations are banking, insurance, investment fund management, lease-finance business, headquarters business, shipping, intellectual property business, and distribution, as well as service centre businesses.

The Economic Substance Regulation report must include:

1. Detailed clarification about the nature of the economic activity being conducted by a company.
2. Papers which help authorities calculate the income generated from these activities.
3. Minutes agenda and resolution of a board meeting and evidence that confirms the presence of non-resident directors for meetings.
4. CVs as well as biometric logs of full-time employees engaged in the reported economic activities.

The firms first need to notify regulators whether they are conducting the relevant business activities or not, within 6 months from the end of financial Year and then conduct ESR test and submit a report listing their activities within 12



months after the financial year ends. Businesses who fail to comply with the Economic Substance Rules, will face penalties, and their information will be exchanged with the relevant foreign authority watching over tax compliance. It can also lead to regulatory action such as suspension, revocation of licenses or denial of extension on a trade permit. The penalties for not demonstrating an economic presence in the UAE through relevant activities, can be anything between AED20,000 to AED400,0000.

Through these ESR reports, the FTA can also ask for additional details to filter out shell companies that have been established in the UAE only to save taxes and aren't conducting any activity. With corporate taxation and rules on transfer pricing coming in to make compliance with OECD norms even more watertight, the FTA may make further changes to Economic Substance Regulations.

FAQ for ESR

1. Why have the Economic Substance Regulations ("the Regulations") been introduced in UAE?

A: The Regulations are introduced in UAE to align with OECD's BEPS Action Plans and affirming UAE's commitment in addressing concerns around the shifting of profits to "no or nominal tax jurisdictions" without corresponding local economic activities.

2. When do the Regulations enter into force?

A: The Regulations apply to financial years starting on or after 1 January 2019.

3. Who is covered under the Regulations?

A: Any entity which qualifies as 'Licensee' under the Regulations shall be covered.

4. Who is the licensee?

A: A Licensee is a juridical person or an unincorporated partnership that is registered in the UAE and that undertakes one or more prescribed Relevant Activity.

5. Who are not considered as 'Licensees' under the Regulations?

A: The following persons are not considered as "Licensees" under the Regulations:

- A natural person
- A sole proprietorship
- A Trust
- A Foundation

6. Which are the prescribed Relevant Activities under the Regulations?

A: The following Relevant Activities are covered under the Regulations:

- Banking Businesses
- Insurance Businesses
- Investment Fund Management Businesses
- Shipping Businesses
- Holding Company Businesses
- Intellectual Property Businesses
- Headquarter Businesses
- Lease-Finance Businesses
- Distribution and Service Center Businesses

7. What are the compliance requirements under the Regulations?

A: The Licensees which undertake one or more of the prescribed Relevant Activity and earn income out of such Relevant Activity are required to submit 'Annual Notification' and 'Economic Substance Report'.



8. What is the timeline to submit the ‘Annual Notification’ and ‘Economic Substance Report’?

A: Annual Notification must be submitted within six (6) months from the end of the Licensee’s accounting year and Economic Substance Report must be submitted within twelve (12) months from the end of the Licensee’s accounting year.

9. How to file the ‘Annual Notification’ and ‘Economic Substance Report’?

A: The Annual Notification and Economic Substance Report is required to be submitted through designated ESR portal created on Ministry of Finance (“MOF”) website.

10. What information must be submitted in the ‘Annual Notification’?

A: Following indicative information is required to be submitted in the Annual Notification:

- Licensee details such as Name, Legal form, License number, Financial year end, Registered office address
- Reportable Period
- Relevant activities (“RA”) details such as whether RA carried out during the year, type of RA carried out, whether income earned from such RA, whether such income taxable outside UAE. Whether licensee is “high-risk IP Licensee”, name and country of the immediate parent, ultimate parent, and ultimate beneficial owners in case of high-risk IP Licensee.

11. What information must be included in the ‘Economic Substance Report’?

A: Following indicative information is required to be included in the Economic Substance Report:

- Square footage area of the premises
- Total income, net profit, and total tangible assets of the Licensee
- Total income, total operating expenditure, and net profit from the RA
- Core Income Generating Activities carried out in relation to RA
- Number of full-time equivalent employee(s) engaged in the RA
- Details of outsourced service provider
- Declaration that Licensee satisfies the Economic Substance Test
- Copy of the standalone financial statements

12. Does a Licensee have to submit the Audited Financial Statements along with the Economic Substance Report?

A: No, the Licensee may submit unaudited financial statements or management accounts in the absence of Audited Financial Statements. However, it may be advisable to file audited financials wherever possible.



13. Are there any exemptions under the Regulations?

A: The following class of Licensees are exempt (subject to certain conditions) from submitting the ‘Economic Substance Report’:

- A Licensee that is tax resident outside the UAE.
- An Investment fund and its underlying SPVs / investment holding entities.
- An entity owned by Emiratis or UAE resident which is not part of a multinational group and that only carries on business in the UAE.
- A branch of a foreign entity that is subject to tax outside UAE.

However, the above class of Licensees are still required to submit the ‘Annual Notification’

14. Is there any monetary threshold for undertaking compliances under the Regulations?

A: There is no monetary threshold for undertaking compliances under the Regulations.

15. What if a Licensee does not undertake any Relevant Activity during a financial period?

A: If a Licensee does not undertake any Relevant Activity during the financial period, it shall not qualify as ‘Licensee’ under the Regulations and accordingly, shall be out of scope of the Regulations for that financial period.

16. What if a Licensee undertakes a Relevant Activity, but does not earn any income from that activity during a financial period?

A: A Licensee that undertakes a Relevant Activity but does not earn any income from that activity, is not required to meet the Economic Substance Test and thus, not required to file the ‘Economic Substance Report’ for that financial period.

17. When should a Licensee assess whether it undertakes a Relevant Activity?

A: This assessment must be done for each financial period starting on or after 1 January 2019 and should consider the activities undertaken by the Licensee at any time throughout the relevant financial period.

18. What are the Economic Substance requirements?

A: A Licensee must satisfy the following key criteria to meet the Economic Substance Test in relation to any Relevant Activity carried on by it:

- Perform ‘Core Income Generating Activities’ (“CIGAs”) in the UAE.
- Be ‘directed and managed’ in the UAE; and
- With reference to the level of activities performed in the UAE:
 - Have adequate number of qualified full-time employees in the UAE
 - Incur an adequate amount of operating expenditure in the UAE
 - Have adequate physical assets/premises in the UAE





19. Is ‘Outsourcing’ permitted under the Regulations?

A: A Licensee can outsource any or all its CIGAs to third parties and / or related parties if the outsourced activities are performed in the UAE. However, a Licensee cannot outsource ‘direction and management’ function.

Further, in the outsourcing arrangement, a Licensee should:

- Have adequate supervision of the outsourced activity
- Ensure the outsourced activity is conducted in the UAE
- Ensure the outsourcing provider has adequate substance in the UAE
- Ensure there is no double counting of the outsourcing provider’s resources.

20. What are the penalties in case of failure to demonstrate economic substance for the relevant financial period?

In case of first failure	Second consecutive instance of failure
• Penalty of AED 50k; and • Information exchange with foreign competent authority of: - Parent company - Ultimate parent company - Ultimate beneficial owner	• Information exchange with foreign competent authority of: - Parent company - Ultimate parent company - Ultimate beneficial owner • Penalty of AED 400k; and • Trade / commercial license could be suspended, withdrawn, or not renewed



Impact of proposed UAE Corporate Taxation on freezone entities

The UAE has recently removed restrictions on ownership of companies in the mainland to attract foreign investments by allowing overseas entrepreneurs to own 100% of a company without giving 51% share to a local partner in the country. But before this, more than 40 free zones spread across the country provided the same ease of establishing and having control over a business for foreign investors in the UAE, along with other perks such as support before and after incorporation and accelerated banking services and tech support. The companies setting up shop in the free zones may face restrictions on conducting trade on the mainland, but they enjoy more freedom as well as an ecosystem where new entrepreneurs, professionals, and innovators can interact.

Perks that companies still enjoy in the free zones is the exemption from levies such as the VAT payable on the sale of goods or services, which is to be collected from consumers and is affecting costs and prices across the UAE. As the UAE aims to become a major player in the global business ecosystem to attract major corporations, startups, and SMEs alike, it has also introduced measures to report financial information, vet suspicious financial activity, and curb the use of its territory for money laundering. These norms are being implemented to address concerns arising from the UAE's rise as a tax-free ecosystem, where banks have been used for evading VAT by using missing traders as a ploy for carousel fraud and real estate as well as gold, among other sectors have also been used for money laundering. Free zones have also raised questions about their use for trade-based money laundering and the establishment of shell companies which are solely created to evade taxes in the country from where income is generated to be parked in tax-free zones.

To address this in the mainland, the UAE has also introduced rules for companies to notify their commercial activities and demonstrate their economic presence. The free zones, while providing ease of business, also need to be careful, considering that 44 free zones in the UAE are home to 200,000 companies, which is a fairly large number to monitor. Even during the pandemic, the Emirates' free zones had registered a growth of 4.4% and have thrived in the absence of taxes and unrestricted ownership.

To ensure compliance with global taxation norms, the UAE has now announced plans to charge a 9% corporate tax, which is still the bare minimum compared to other major economies. But what does this new levy mean for free zones, which attract investors largely because they don't have to pay any tax at all? Currently, the transactions between companies registered within the free zone are not included under any corporate tax regime of the UAE, and a 0% tax is applicable for trade between an FZ company, and an entity situated outside the UAE. But at the same time, Free Zone Persons need to figure out their revenue streams to make sure whether the 9% corporate tax will be applicable to their activities or not. Now the PCD protects the tax-free status of the free zones to ensure that business isn't disrupted, but to benefit from these provisions, companies will now have to demonstrate economic substance through commercial activity and get their finances regularly audited to ensure compliance with norms against tax avoidance.



If free zone firms are set up for shared functions such as procurement, HR, IT services, or treasury, they need to examine the income and insulate them from corporate taxation. While FZ companies trading with other firms in the free zone will be exempt from corporate taxes, firms will have to wait for further clarity from PCD on income earned from services. Passive income, which doesn't attract tax in the free zone, currently includes interest, dividends, royalty gains, and capital gains, but income from rent is not mentioned among them. Although a free zone company won't pay taxes on transactions with mainland firms, the entity in the mainland will still pay corporate taxes on them, and this may add to costs on a group level between firms of a single conglomerate. These are just some of the factors that businesses in the free zone will need to consider while restructuring companies to make sure that their activities remain taxation-free.

Free Zones are considered as key lifeline for Foreign Direct Investment & Foreign Trade for the economic development for any nation. In the UAE, the first Free Zone Jebel Ali came into existence in 1985 & provided international businesses & corporations a hub which connected the East & the West & expanded the horizons of their operations. Today there are more than 2 dozen Free Zones only in the Dubai with over 45 free zones all over the UAE providing top class facilities & infrastructure for doing business & most importantly are industry specific in nature. The UAE has created many economic freezones that offer benefits such as:

- (Renewable) tax holidays for 15 to 50 years,
- No restrictions on foreign ownership,
- No restrictions on the repatriation of capital and profits,
- Exemption from import duties on goods entering the free zone.

The UAE CT Regime will honor the existing incentives offered to the FZP that maintain adequate substance and comply with all regulatory requirements. Rest all the companies and branches that are registered in a Free Zone will be within the scope of the UAE CT. The applicability of CT on Free Zones on 10 different types of transactions are explained below:

- Transactions done by a FZP to a business located outside the UAE will be taxed at 0%. i.e., there is no tax on the profit earned from outside the UAE by an FZP
- Profit earned from trading within the same Free Zone will also be taxable at 0%
- Similarly, profit earned from trading with entities in another Free Zone in the UAE will also be taxable at 0%
- If the FZP has as branch in mainland ,9% tax will be applicable for the income earned on its mainland sourced income at the branch. At the same time , only 0% will be applicable for all income other than mainland sourced income from such mainland branch.



- Many companies registered in the FZ have group companies on the mainland income. Income from transactions with the group companies located in the mainland UAE will be taxable at 0%. However, payments made to the FZP by a mainland group company will not be a deductible expense in the mainland. It means, indirectly it will be taxed on the mainland at 9%
- If the FZP located in a designated zone sells goods to the UAE mainland business and such UAE mainland business is the importer of those goods on records, then the FZP will be charged at 0% CT.
- Income from certain regulated financial services directed at foreign markets will be taxed at 0%
- Any other type of mainland sourced income earned by a FZP other than above will be taxed at 9%
- If the FZP has a PE in the mainland UAE, the FZP will lose the tax incentive otherwise would have been eligible for 0% taxation



List of freezones in Dubai



Worried about the upcoming corporate tax? Here's how you can transfer losses to avoid the additional burden

In the 21st century, the UAE started to diversify from oil and gas exports as the world started looking for cleaner, more affordable alternatives to fossil fuels and also sought to expand beyond tourism and real estate, to transform itself into a data economy. The way the UAE was able to bounce back from the pandemic and deploy digitization to ensure that lives of people and businesses weren't disrupted during the lockdown turned a crisis into a major marketing pitch that strengthened the country's status as a dependable hub for commerce and innovation. The inflow of new companies into its free zones registered an uptick even during the global lockdowns, and its investor-friendly policies, along with eased immigration for techies and talented individuals, attracted entrepreneurs and professionals to the Middle Eastern tech oasis.

The removal of restrictions that allowed overseas investors to own 100% of a company without giving a majority stake to an Emirati partner opened doors for FDI worth more than \$20 billion to flow into the country in 2021. The number of startups arriving in the UAE has also surged since it provides access to funding, tech support, and other services through startup ecosystems such as the Dubai startup hub and Hub71 in Abu Dhabi. Startup challenges and hackathons have also attracted innovators who seek funding for their ideas by demonstrating the efficiency and sustainability of their inventions.

Entrepreneurs and major firms from across the world are also able to secure funds and support after finding visibility through events such as Expo 2020 and GITEX, among other trade fairs in the UAE.

But since the UAE aims to take its place among credible trade hubs and shed the image of a tax haven that ranks among the top 10 in the world, the authorities are taking measures to ensure compliance with global tax laws. This includes an agreement to comply with US FATCA norms, which requires financial institutions in the UAE to report transactions and financial accounts of US persons to the American tax authorities. Other norms to comply with global reporting standards include verification of politically exposed persons, rules to demonstrate economic presence, and a VAT levied on goods in the country. Norms have also been introduced to regulate transfer pricing between group companies of a single conglomerate located in different countries to make sure that the practice isn't being used for tax avoidance. Whistleblowers are also being encouraged through protective measures and rewards if their information about suspicious financial activity and possible tax evasion leads to significant recoveries.

Now a major step in the direction of complying with OECD's standards for reporting financial information is the implementation of a 9% corporate tax, which will commence from June 2023.

Coming back to corporate taxes, companies can use several measures to save up on the new levy, one of which is writing off unpaid dues from clients or consumers as bad debts to claim tax exemptions on them.



Another way to reduce the tax burden is to go lean, which means outsourcing tasks to smaller firms, using freelancers or contractors, and deploying AI to reduce the requirement for labour. One more measure to reduce the tax liability by 9% is to get an insurance policy for the company, which also translates into reduced costs for insurance. But corporate groups can also save up on taxes by strategically redistributing their losses among different entities in the group. Tax reliefs can be claimed on transfer of assets and liabilities if a company has 95% ownership in the group entities and 75% common shareholdings.

Even without meeting the ownership criteria, losses can be transferred between group companies, if their income isn't exempted or subject to a 0% corporate tax regime, which excludes free zone companies from the equation. Assets and liabilities will be removed from the books of the transferring entity and will be added to the accounts of the transferee at the same value. In case of transferring machinery between different group entities, tax authorities will calculate the tax depreciation due to losses caused by wear and tear of equipment while arriving at the net book value. Mixed use of assets will be allowed, but only business use will be taken into consideration when it comes to tax purposes. After the transfer of assets, their new usage will be used for determining how much corporate tax will be charged.

Gain or loss arising during the time of a transfer of assets between group entities will be considered while determining a transferor's tax return. During mergers or spinoffs for restructuring a company, the corporate tax authority will exempt the exchange of shares from taxation or allow a deferral only if the ownership of a business or part of a business doesn't change hands in three years. If the business or part of a business is transferred to a third party within three years of the initial restructuring, the relief from the exercise will be pulled back. Gains or losses during the time of the initial transfer will be taken into consideration while calculating tax reliefs.



UAE Corporate Tax



**Effective for financial years starting
on or after 1 June 2023**



Pact to implement US' FATCA regulations is UAE's antidote against tax evasion

For a long time, Dubai has been largely reliant on exports of oil and gas, as well as tourism, hospitality and the real-estate sector, for its revenues, but with the world going green, the UAE also decided to diversify to sustain its fast-paced economic growth achieved in a short interval of time. This wasn't a difficult task for the country, which was at the centre of major trade routes and also acted as a bridge between Europe, the Middle East, and the rest of Asia, thanks to expats from more than a hundred nationalities forming 90% of its population. This also meant that UAE accounted for a large part of remittances sent back to countries in Asia and Africa from the Middle East and was an attractive destination for entrepreneurs from Europe and the US. A large number of these expats are also entrepreneurs which are investing in small-scale businesses or in the expansion of their existing corporations into the UAE's thriving business ecosystem, leading to an inflow of FDI worth over \$20 billion into the country in 2021.

But although the UAE offered benefits such as easy incorporation, bulk visas as well as labor permits, and no taxes on income and sales at all to create an investor-friendly environment, this ease of doing business also opened doors for tax evaders. Last year the UAE was ranked among the top 10 tax havens across the world, which are territories with low or no tax regimes, where companies and individuals from other countries can park their funds to avoid paying taxes on them in countries where they generated the income from.

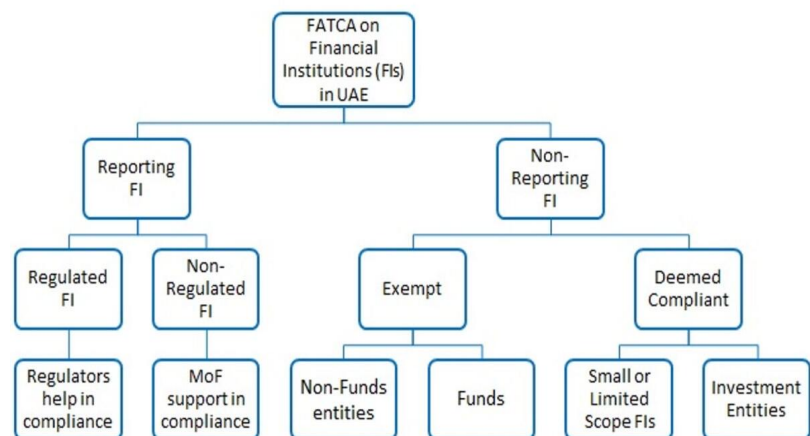
Even though the UAE is serious about becoming a hub for trade and startups across the globe, thanks to its strategic location and digital infrastructure, certain actors exploiting its loopholes to avoid taxes are fueling its image as a tax avoidance hub, which doesn't bode well for its image in the global business landscape. More than \$200 billion, which is equal to 50% of the UAE's GDP was funneled into the country through the Netherlands for the purpose of saving taxes, according to an international organization called the Tax Justice Network. The Netherlands, on its part, has also introduced a withholding tax to prevent the use of its territory as a channel for transferring such funds. One example of tax evasion schemes is the Russian Laundromat scam of 2014, which used 150 shell companies in the UAE among 5000 in 96 countries to move \$20 billion out of Russia. The UAE has become home to hundreds or maybe thousands of shell companies, which are only restricted to small offices, post-boxes or merely URLs, and are used for parking funds without any business activity in the UAE. To detect and filter these firms and to ensure that only companies serious about conducting business remain in the UAE, the tax authorities have also introduced economic substance norms to demonstrate commercial presence. The companies need to notify authorities about which business activities they are involved in and then submit a report showing income generated from them.



The corporate tax to be levied on companies in line with OECD's norms and a VAT on goods already charged in the UAE are part of the country's efforts to check tax evasion.

As part of its cooperation with the US to crack down on tax avoidance, the UAE has signed the FATCA agreement with the American government. The Foreign Account Tax Compliance Act of the US requires financial institutions outside the country, in this case from the UAE, to report information about transactions and financial accounts of US persons. To avoid paying withholding taxes to the US under FATCA, financial institutions in the UAE need to sign an agreement directly with the IRS. The act also does not require the US authorities to reciprocate by providing information to the UAE.

As part of the implementation of FATCA in the UAE, the intergovernmental agreement (IGA) may require entities to alter their business operations to collect information on clients to be shared with the US tax authorities under a new framework. The entities that do not comply due to error or have significant non-compliance issues are reported by the IRS to the UAE IGA, which then engages with them and provides 18 months to correct errors in reporting information. If the financial institution fails to provide data about the financial accounts of US persons, they are subjected to withholding levies under FATCA, which involves the imposition of a 30% withholding tax on funds paid to FIs or FFIs from the US.



UAE wants financial institutions to watch politically exposed persons to curb money laundering

After being placed on the gray list by the international organisation Financial Action Task Force (FATF) the UAE has started scaling up efforts to curb money laundering and financial malpractices by ensuring compliance from businesses and licensed financial institutions. Earlier this month, six banks have faced sanctions from the Federal Tax Authority for failing to comply with Common Reporting Standards laid down by the global body Organisation of Economic Cooperation and Development (OECD). Introducing tax regimes and upgrading laws against tax evasion as well as financial fraud and money laundering, is the UAE's way of instilling confidence among the world's investor about it being a credible trade hub in the region.

The drive to clean up money laundering from the UAE's economy comes after concerns were expressed over real estate and other assets in the country being used for moving dubious cash, as the Emirates diversified into non-oil sectors. As part of the government's measures, traders and refiners have also been asked to implement regulations for verifying the source of gold and precious metals as well as gemstones being imported into the UAE. Another aspect that companies and financial institutions need to do is to put Know Your Customer (KYC) systems in place, to verify an investor or client's identity and credentials, as well as source of their funds, before dealing with them. The whistleblower program also provides protection and rewards for those businesses or individuals who report any suspicious financial activity.

Taking this further, the Central Bank of the UAE has released new guidelines for financial institutions to be watchful about the risks of dealing with politically exposed persons or PEPs. The individuals categorised as PEPs expose the financial institution or business to the risk of money laundering or terror financing, and LFIs are required to conduct due diligence to verify the credentials of PEPs, their close family members, and their associates. The institutions that work with PEPs must create frameworks based on the risk associated, identify PEPs before going ahead with transactions, and implement due diligence depending on risk ratings.

Financial institutions are also required to monitor business relationships of PEPs and maintain a system to monitor their transactions regularly for spotting patterns that suggest suspicious activities including money laundering. Required training should be provided to integrate the framework for compliance with anti-money laundering guidance in LFIs, when it comes to politically exposed persons. The UAE sees an influx of expats, entrepreneurs and foreign investors from more than a hundred countries, with different backgrounds and political situations, which is why due verification of each client becomes essential to mitigate risks.

But the UAE doesn't instruct LFIs to avoid transactions with PEPs, instead these individuals are divided into three distinct categories and should be evaluated accordingly.



- The first are PEPs who are appointed on prominent public positions in the UAE, which makes them domestic PEPs.
- The second are those who hold public offices in another country, this makes them foreign PEPs.
- The third are those PEPs that are responsible for carrying out duties in any international organisation.

The only reason that due diligence is needed for these PEPs, is that their transactions may carry a risk of letting in proceeds generated from corruption or misappropriation of public funds in another country. The guidance by the CBUAE clarifies that PEPs are law-abiding citizens and are not to be seen with suspicion, but the risk of money laundering in their case is higher than that for the general public, since these people have power and influence over the spending of public funds. There's also a possibility that they may trade power to illicit actors that may want to transfer government secrets or secure profitable contracts from the administration. Family members are also to be monitored since PEPs may use them for carrying out financial transactions while hiding their own involvement in dubious schemes. Payoffs for specific goals from illicit parties may also be made through family members of PEPs, that might bring funds into the UAE and deal with financial institutions, to carry out money laundering.

To stem this, LFIs need to:

- Have a risk management framework in place.
- Get senior management approval before doing business with PEPs.
- Take adequate measures to verify source of funds for PEPs.
- Use enhanced methods to monitor transactions.

Heads of state, senior politicians, senior government officers, military as well as judicial officials, senior management of state-owned firms, and top office holders of political parties, should be considered as PEPs by financial institutions. These are to be seen as natural persons, but LFIs must conduct a PEP analysis, taking the position of power and influence on outcomes of a PEP into consideration.



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K n o w l e d g e S e r i e s

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MORE USEFUL RESOURCES

- **UAE Corporate Tax Simplified:**
https://www.youtube.com/watch?v=Tp9fKHQaTn8&list=PL6Hq2B2kB5C0sansu1f-Ng_NUm_rvH4cs
- **Understanding Corporate Tax in the UAE (Webinar):**
<https://www.youtube.com/watch?v=8C9Ta0hp0kQ>
- **Proposed UAE Corporate Tax Regime Simplified (By MI Capital Services):**
<https://www.youtube.com/watch?v=O5KdVbETdo4>

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