

# United Arab Emirates

1. The United Arab Emirates was first reviewed during the 2018/2019 peer review. This report is supplementary to that previous report (OECD, 2018<sup>[2]</sup>).
2. The filing obligation for a CbC report the UAE applies to reporting fiscal years commencing on or after 1 January 2019.

## Summary of key findings

3. The UAE's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[3]</sup>).
4. The UAE's 2018/2019 peer review included a recommendation that the UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. The UAE now has the primary law in place to impose and enforce CbC requirements and the recommendation with respect to domestic legal and administrative framework issued in the 2018/2019 peer review is removed.
5. The UAE's 2018/2019 peer review included a recommendation that the UAE take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which the UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Relationships are now in place and this recommendation is removed.
6. The UAE's 2018/2019 peer review included a recommendation that the UAE take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017<sup>[3]</sup>) relating to the exchange of information framework ahead of the first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.

## Part A: The domestic legal and administrative framework

7. The UAE has law in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements including the filing and reporting obligations.

### **(a) Parent entity filing obligation**

8. The UAE has primary law which imposes a CbC filing obligation on Ultimate Parent Entities of MNE Groups which have a consolidated group revenue above a certain threshold, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).
9. No inconsistencies were identified.

**(b) Scope and timing of parent entity filing**

10. The first filing obligation for a CbC report in the UAE commences in respect of fiscal years beginning on 1 January 2019 or later. The CbC report must be filed within 12 months of the last day of the fiscal year of the MNE Group.

11. No inconsistencies were identified.

**(c) Limitation on local filing obligation**

12. The UAE does not apply local filing.

**(d) Limitation on local filing in case of surrogate filing**

13. The UAE does not apply local filing.

**(e) Effective implementation**

14. The UAE has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to the Ultimate Parent Entity. There are also penalties in place in relation to the filing of a CbC report: (i) penalties for failure to file a CbC report and late filing and (ii) penalties for inaccurate information.

**Conclusion**

15. The UAE's 2018/2019 peer review included a recommendation that the UAE take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible. The UAE now has the primary law in place to impose and enforce CbC requirements. As such, the recommendation with respect to domestic legal and administrative framework issued in the 2018/2019 peer review is removed. The UAE meets all the terms of reference relating to the domestic legal and administrative framework.

**Part B: The exchange of information framework****(a) Exchange of information framework**

16. The UAE's 2018/2019 peer review included a recommendation that the UAE take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which the UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Relationships are now in place and this recommendation is removed.

17. As of 31 March 2020, UAE has 49 bilateral relationships in place for the exchange of CbC reports including those activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, the UAE has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. Regarding UAE's exchange of information framework, no inconsistencies with the terms of reference were identified.

**(b) Content of information exchanged**

18. No changes were identified.

**(c) Completeness of exchanges**

19. No changes were identified.

**(d) Timeliness of exchanges**

20. No changes were identified.

**(e) Temporary suspension of exchange or termination of QCAA**

21. No changes were identified.

**(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance**

22. No changes were identified.

**(g) Format for information exchange**

23. The UAE indicates that it intends to use the OECD XML Schema and User Guide (OECD, 2017<sup>[4]</sup>) for the international exchange of CbC reports.

**(h) Method for transmission**

24. The UAE indicates that it intends to use the Common Transmission System to exchange CbC reports.

**Conclusion**

25. The UAE's 2018/2019 peer report included a recommendation that UAE take steps to put QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which UAE has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Relationships are now in place and this recommendation is removed.

26. It is recommended that UAE take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.

**Part C: Appropriate use****Appropriate use**

27. No changes were identified.

**Conclusion**

28. The United Arab Emirates is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to the United Arab Emirates' compliance with paragraphs 11(a), (b), (c) and (d) and paragraph 12(a) of the terms of reference on appropriate use.

## Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part B	Exchange of information framework	It is recommended that the United Arab Emirates take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

## References

- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]



**From:**  
**Country-by-Country Reporting – Compilation of  
Peer Review Reports (Phase 3)**  
Inclusive Framework on BEPS: Action 13

**Access the complete publication at:**  
<https://doi.org/10.1787/fa6d31d7-en>

**Please cite this chapter as:**

OECD (2020), “United Arab Emirates”, in *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 3) : Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/5aa03d3e-en>

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