

United Arab Emirates

Overall findings

Overall determination on the legal framework: In Place

The United Arab Emirates' legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes the United Arab Emirates' domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of the United Arab Emirates' Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Conclusions on the legal framework

General context

The United Arab Emirates commenced exchanges under the AEOI Standard in 2018.

The United Arab Emirates has a decentralised regulatory system to provide for Reporting Financial Institutions to collect and report the information to be exchanged. There are now six Regulatory Authorities specified by Cabinet Resolution No. (5/11) of 2020, with each Regulatory Authority of the United Arab Emirates having enacted rules to cover the entities they regulate. These are:

- The Central Bank (CB)- Notice No. 404/2016, amended on 20 August 2020;
- The Securities and Commodities Authority (SCA) - Decision of the Chairman of the SCA Board of Directors No. (25 / R.M) of 2017 Concerning the Issuance of Regulation for Common Standards to Prepare the Tax Reports, amended on 3 August 2020;
- The Insurance Authority (IA) - Insurance Authority Circular No. 34 issued on 9 September 2020;
- The Dubai International Finance Centre (DIFC) - Common Reporting Standard Law No. (2) of 2018 and the CRS Regulations of the Board of Directors of the DIFCA, amended on 30 July 2020;
- The Abu Dhabi Global Market (ADGM) - Common Reporting Standard Regulations 2017, amended on 24 June 2020; and
- Ministry of Finance (MoF) – CRS Guidance Notes issued in 2016, revised and reissued on 3 August 2020.

The United Arab Emirates also made reference to Federal Decree-law No. 20 of 2018 relating to anti-money laundering for the purposes of the identification of Controlling Persons under the AEOI Standard.

Centralised guidance was also issued by the Ministry of Finance. The Guidance and the aforementioned rules enacted by Regulatory Authorities are legally binding.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2017 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2018.

Following the initial Global Forum peer review, the United Arab Emirates amended its legislative framework to address issues identified, the last of which was effective from 20 August 2020.

With respect to the exchange of information under the AEOI Standard, the United Arab Emirates is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for the United Arab Emirates are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place

The United Arab Emirates' domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

The United Arab Emirates has defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is consistent with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

The United Arab Emirates has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

The United Arab Emirates has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

The United Arab Emirates has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

The United Arab Emirates' international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of the United Arab Emirates' Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from the United Arab Emirates and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

The United Arab Emirates has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

The United Arab Emirates put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

The United Arab Emirates' exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.



From:
**Peer Review of the Automatic Exchange of
Financial Account Information 2020**

Access the complete publication at:

<https://doi.org/10.1787/175eeff4-en>

Please cite this chapter as:

OECD (2020), "United Arab Emirates", in *Peer Review of the Automatic Exchange of Financial Account Information 2020*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/8892e272-en>

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