

# Determining Tax Residency Status in the UAE



## 1. What is Tax Residence ?

- ✓ A place where the Obligation to pay taxes arise
- 

## 2. Why is it important to determine the Tax Residency Status for any person (Natural or legal) ?

- ✓ It is your Tax residency Status that determines, which country's tax jurisdictionn has the right to tax your income and in which country you are not obliged to pay taxes!
  - ✓ Under the International Tax Agreements, each countries Domestic Rules for Tax Residency are evaluated to determine the Person's Tax Residency Status which ultimately determines the Tax Obligations
- 

## 3. How is Tax Residence of an Individual or a Company determined?

- ✓ Domestic Tax laws and regulations of different jurisdictions set out the criteria for determining the Tax Residence of Natural Persons and Legal Persons

*\*Individuals – Number of days of stay/Place of Work and/or Permanent Living*

*\*Companies – Place of Establishment / Place of Management*





وزارة المالية  
MINISTRY OF FINANCE

# UAE's Tax Residency Rules

In view of increasing importance of establishing Tax residency, Ministry of Finance issued following decisions –

## **Cabinet Decision No. 85 of 2022**

Determination of Tax Residency

---

## **Ministerial Decision No. 27 of 2023**

Implementation of Certain Provisions of Cabinet Decision No. 85 of 2022 on Determination of Tax Residency

---

## **Ministerial Decision No. 247 of 2023**

on the Issuance of Tax Residency Certificate for the Purposes of International Agreements

# Cabinet Decision No. 85 of 2022 on Determination of Tax Residency

Domestic Rules for Determining Tax Residency  
in the UAE for :

- ✓ Company/Legal Person – Article 3
- ✓ Individuals/ Natural Person – Article 4



وزارة المالية  
MINISTRY OF FINANCE

## Determining Tax Residency pursuant to Cabinet Decision Number 85 of 2022



### Legal Persons

---

A **legal person** shall be considered a Tax Resident in the State in either of the following cases:

- ✓ It was incorporated, formed or recognised in accordance with the legislation in force in the UAE, and that does not include the branch of a foreign legal entity in the UAE
- ✓ It is considered a Tax Resident in accordance with the Tax Law in force in the UAE.

## Determining Tax Residency pursuant to Cabinet Decision Number 85 of 2022



### Natural Persons

---

A **natural person** shall be considered a Tax Resident in the State where any of the following conditions are met:

**Condition 1** : If his usual or primary place of residence and the centre of his financial and personal interests are in the UAE, or he meets the conditions and criteria determined by a decision from the Minister

OR

**Condition 2** : If he has been physically present in the State for a period of (183) one hundred and eighty-three days or more, within the relevant (12) twelve consecutive months

OR

## Determining Tax Residency pursuant to Cabinet Decision Number 85 of 2022



### Natural Persons

---

**Condition 3** : If he has been physically present in the UAE for a period of **90 days or more**, within the relevant 12 consecutive months and

- ✓ is a UAE national,
- ✓ Is holding a **valid Residence Permit** in the UAE; or
- ✓ holds the nationality of any other **Gulf Cooperation Council** country; and

has either a **Permanent Place of Residence** (i.e. the place located in the UAE and available to the natural person at all times) in the UAE, or **carries on employment or business** in the UAE.



Ministerial Decision No. 27 of 2023  
on Implementation of Certain  
Provisions of Cabinet Decision No.  
85 of 2022 on Determination of Tax  
Residency





## Relevant clarifications as per Ministerial Decision No. 27 of 2023

### Condition 1 Explained –

#### Usual or Primary Place of Residence and Centre of Financial and Personal Interests in the State

- ✓ An individual's 'usual place of residence' will be in the UAE if this is where he/she normally or habitually resides.
- ✓ An individual does not need to own his 'permanent place of residence', but such place must be continuously available to them
- ✓ An individual's 'centre of financial and personal interests' will be in the UAE if this is where their work, personal, economic relationships or other connections are the strongest.



## Relevant clarifications as per Ministerial Decision No. 27 of 2023

### Condition 3 Explained

#### Permanent Place of Residence \_

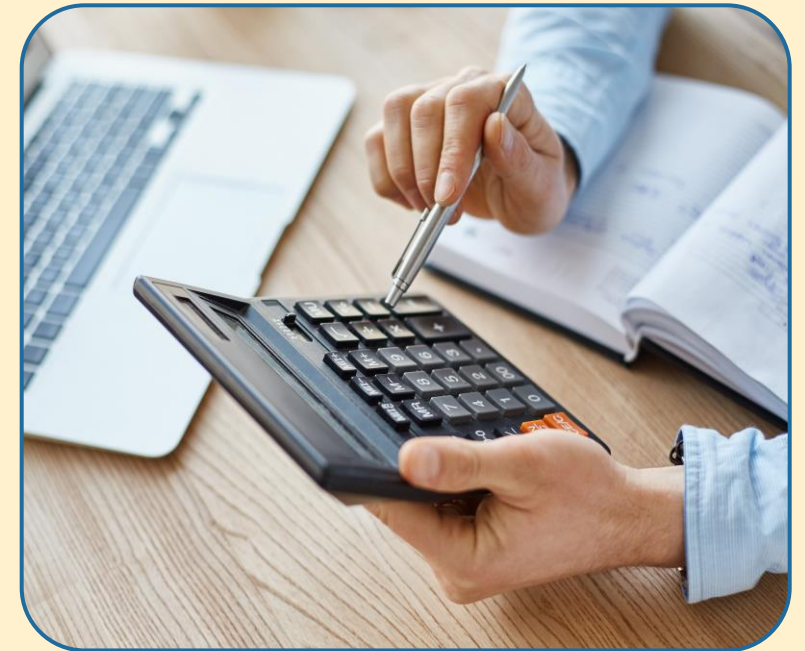
- ✓ Permanent Place of Residence whether owned or not is a
  - furnished house
  - apartment
  - room or any other form of dwelling
  - made continuously available to the natural person.
  
- ✓ Place of Residence shall be considered as being available, where natural person has **continuous right of occupation therein at all times and on a regular basis with some degree of permanency and stability**
  
- ✓ **Documentary Proof** : *Title deed, EJARI, Utility Bills or Other long-term Rent Contract.*



## Relevant clarifications as per Ministerial Decision No. 27 of 2023

### Calculation of Time Periods

- ✓ all days or parts of a day in which an individual is physically present in the UAE will be counted in determining whether the 183-day or 90-day thresholds are met.
- ✓ **Exceptional Circumstances** - The days on which the natural person's presence in the State was due to **exceptional circumstances may be disregarded** by the Authority in determining the afore mentioned (183) day or (90) ninety-day period criteria





الهيئة الاتحادية للهوية والجنسية والجمارك وأمن المنافذ  
FEDERAL AUTHORITY FOR IDENTITY, CITIZENSHIP, CUSTOMS & PORT SECURITY



United Arab Emirates

📄 🏠 [Public Services](#) [Golden Services](#) [Public Visa Services](#) [Help](#) [User Manual](#)

🗣️ [Translate](#) | 🌐 [عربي](#) | 🔍 [Login](#) [Settings](#)

[FAQ](#) | [Happiness Formula](#) | [Sitemap](#) | [Contact Us](#) | [Archive](#) | [ICA Email](#) | [Suppliers' inquiries](#) | [Help](#)

Federal Authority | هيئة اتحادية

Visitors Counter

**5,382,919**  
Visitors

Social Media & Programs



Call Center

**600522222**  
Available 24/7



[Accessibility](#) - [Disclaimer](#) - [Terms & Conditions](#) - [Privacy Policy](#) - [Copyright](#) - [ICA Terminology](#)





## Resident for Tax purposes in the UAE

1. Check the Criteria applicable as per Cabinet Decision No. 85 of 2022
2. Evaluate which condition is satisfied, based on the clarifications and guidance provided in the Ministerial Decision Number 27 of 2023
3. IF you meet the Tax Residency criteria of the UAE – You can obtain the Tax Domicile Certificate/Tax Residency Certificate for Domestic Tax Purposes (TRC-D)



## Tax Residence Certificate For Domestic tax Purposes - Natural Person

Submission Date : 13 June 2023

Certificate Number : TRCD-XXXXX-2023

Name of Applicant: **MOHAMMED XXXX XXXXX**  
Nationality : **United Kingdom**  
Passport Number : **XXXXXXX**  
Emirates ID : **784-XXX-XXXXXX-X**

Pursuant to Cabinet Decision No. 85 of 2022 on Determination of Tax Residency, the United Arab Emirates Federal Tax Authority certifies that **MOHAMMED** \_\_\_\_\_ is a resident for Tax purposes in the United Arab Emirates

The Tax Residency Certificate Covers the period from **01 July 2022** to **30 June 2023**

This certificate is electronically certified without stamp and signature from Federal Tax Authority in United Arab Emirates on 2023 06-21 14:51:38

This certificate is issued in accordance with Cabinet Decision no. 85 of 2022 and cannot be used for the purposes of Tax Residency under any International Agreements.

Please verify the certificate using the QR Code :

Tampering with or falsifying this certificate will result in legal action and penalties in accordance with the laws of the United Arab Emirates.

1. What if you meet the Tax Residency test for more than One country?

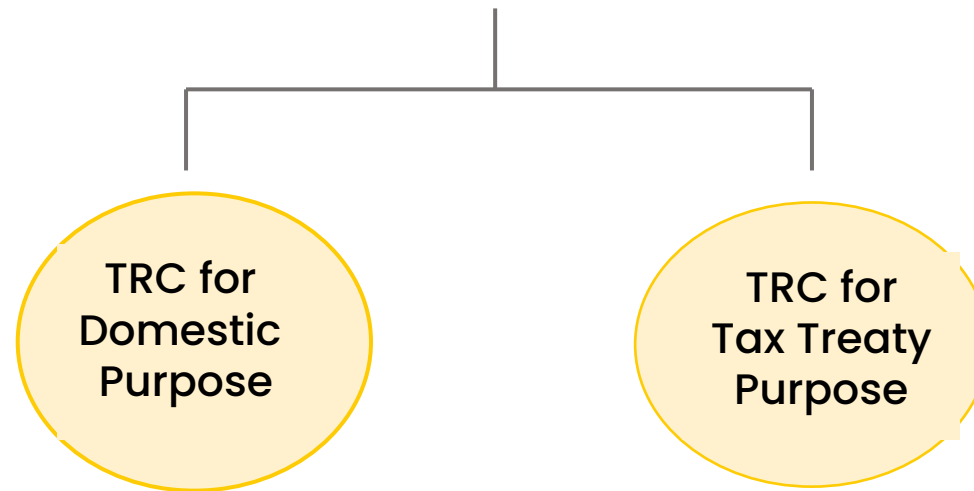
---

2. Can you take the benefit of Double Tax Treaties with same residency rules?

---

3. Can you obtain the TRC for treaty purpose if you meet the domestic tax residency criteria of 90 days of stay or Permanent Place of Residence/Business In the UAE?

## Obtaining Tax Residency Certificate in the UAE



- ✓ There are two categories of Tax Residency certificate now issued by Federal tax Authority –
- ✓ **Tax Residency Certificate for Domestic Purposes** – Issued if the Conditions stated in Article 3 (For Juridical Persons) and Article 4 (For Natural Persons) of Cabinet Decision No. 85 of 2022 are met
- ✓ **Tax Residency Certificate for Tax Treaty purposes** – Issued If the Authority is satisfied that the applicant meets the conditions of tax residency pursuant to the relevant International Agreement



## Issuance of Tax Residency Certificate for the Purposes of an International Agreement – Ministerial Decision No. 247 of 2023

In order to set out the clear difference between **Tax Residency Certificate for Domestic Tax purpose** and **Tax Residency certificate for Tax Treaty Purpose**, the Minister of State for financial Affairs issued Ministerial Decision No. 247 of 2023 which clarifies that –

A person who **meets the condition of tax residency in the State pursuant to the relevant International Agreement** can obtain the Tax Residency Certificate from the Authority by making an application to the Authority to obtain a Tax Residency certificate



## Tax Residence Certificate For Natural Person

Submission Date : 13 December 2021

Certificate Number : TRC-XXXX-2021

Name of Authorization: XXXXXXXX  
Nationality : XXXXXXXX  
Passport Number : XXXXXXXX  
Visa Number : XXXXXXXX

Pursuant to the Agreement for the Avoidance of Double Taxation signed between the Government of United Arab Emirates and the [REDACTED], the UAE Federal Tax Authority Certifies that XXXXX is a resident of the United Arab Emirates.

The Tax Residency Certificate Covers the period from **01 December 2021** to **30 November 2022**

This certificate is electronically certified without stamp and signature from Federal Tax Authority in United Arab Emirates on 2021-12-21 19:07:33

Please verify the certificate using the QR Code :

Tampering with or falsifying this certificate will result in legal action and penalties in accordance with the laws of the United Arab Emirates.



**Don't have an account?**

If you do not already have an account with the FTA please sign up here

[Sign Up](#)

Got any question on the new system?  
[Read the FAQs](#)

## Welcome to Federal Tax Authority EmaraTax

Login

**Login with your E-mail**

E-mail Address

Password

[Forgot password?](#)

Enter Security Code

[Login](#)

OR

 **Login with UAE PASS**

A single trusted digital identity for all citizens, residents and visitors.



# EmaraTax - TRC DASHBOARD

trc.tax.gov.ae/en/user/dashboard



Welcome, **[User Name]**



- Certificate Requests
- All Requests
- Payment History
- User Profile

## Certificate Requests

TRC For Domestic Tax Purposes

[View All](#) [Create](#)

TRC For Treaty Tax Purposes

[View All](#) [Create](#)

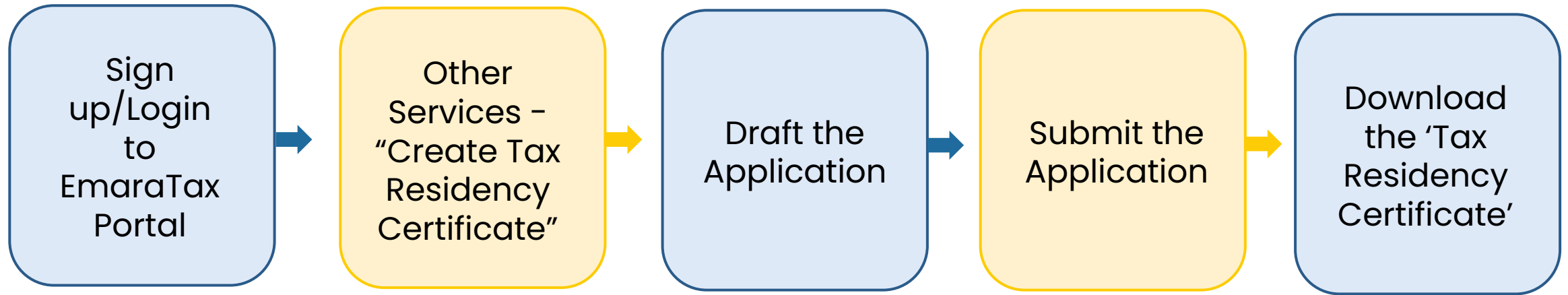
Commercial Activities Certificate

[View All](#) [Create](#)

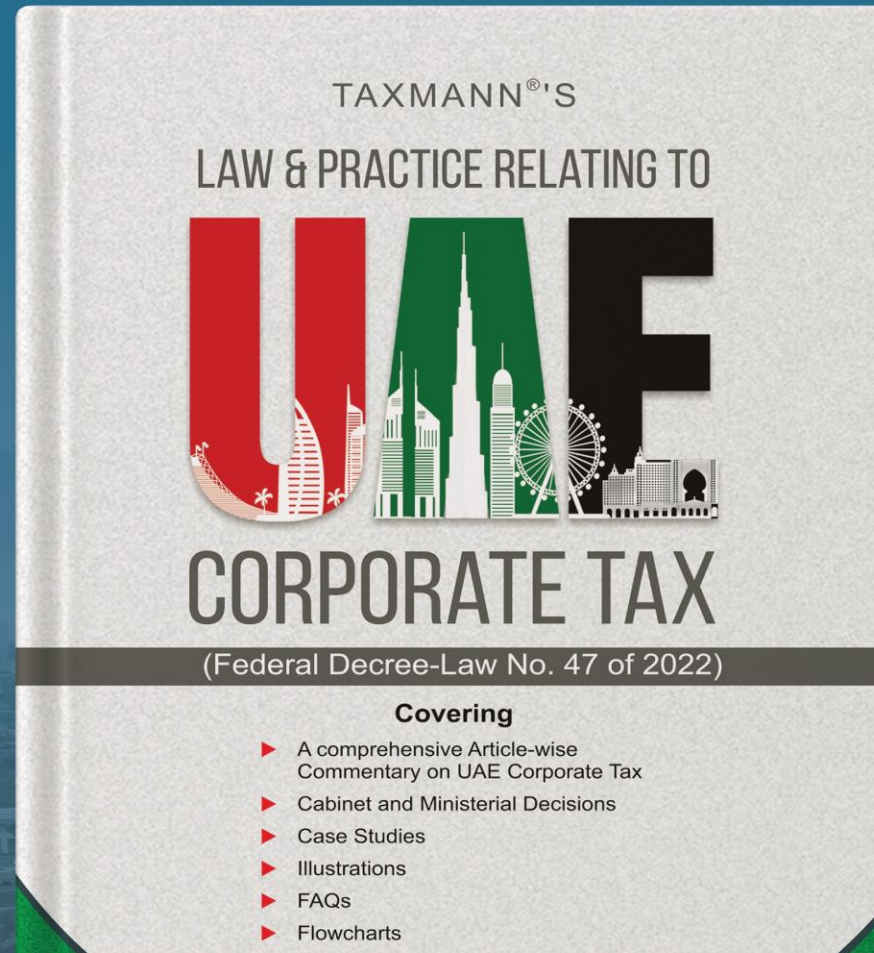




# How to Apply for TRC ?



1. Sign-up/Login to EmaraTax Portal –  
[https://eservices.tax.gov.ae/sap/bc/ui5\\_ui5/sap/zmcf\\_fmca/index.html?saml2=disabled&sap-client=100&sap-language=EN#/Logon](https://eservices.tax.gov.ae/sap/bc/ui5_ui5/sap/zmcf_fmca/index.html?saml2=disabled&sap-client=100&sap-language=EN#/Logon)
2. Login and Select 'Other Services'
3. Fill the application Form with necessary details and documents
4. Submit and Pay the Application Fees
5. Once approved, Pay the Certificate fees and Download the Tax Residency Certificate issued by FTA



# Available for the Purchase!

**Taxmann's Law & Practice Relating To UAE Corporate Tax**

- By CA Nirav Shah

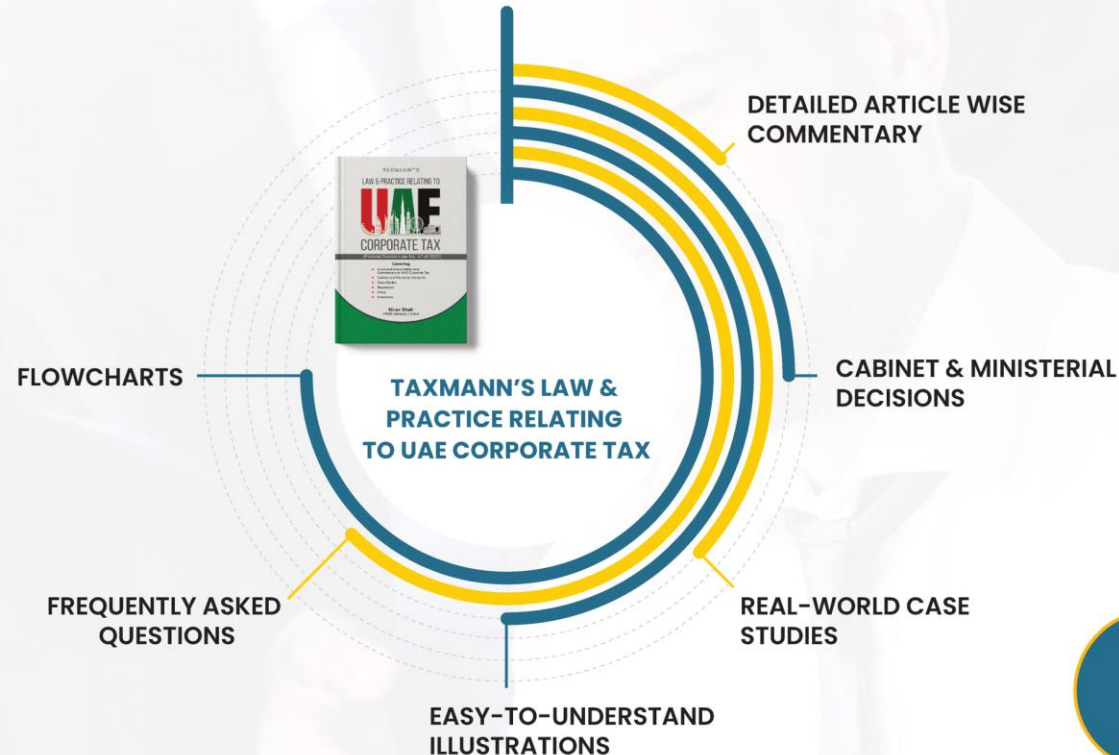
Get Exclusive Access!



# What you get with this Book?

Mr Nirav Shah crafted this amazing book covering all the aspects of corporate tax and explains them in an easy-to-understand writing tone and style. It also includes flowcharts and infographics along with real-time case studies to impart better learning.

## WHAT TO EXPECT WITH NIRAV SHAH'S NEW PUBLICATION?



**CA Nirav Shah**

Director - FAME Advisory DMCC

📞 +971 52 6559480

✉️ hemang@fame.ae

🌐 www.fame.ae



# Contact Us

---

## CA Nirav Shah

---

**Director** : FAME Advisory DMCC

**Email-id** : [nirav@fame.com](mailto:nirav@fame.com)

**Website** : [www.fame.ae](http://www.fame.ae)

**Contact No.** : +971-502771511

## Bijal Thakkar

**Manager** : FAME Advisory DMCC

**Email-id** : [bijal@fame.ae](mailto:bijal@fame.ae)

**Website** : [www.fame.ae](http://www.fame.ae)

**Contact No.** : +971-551575001

### Disclaimer

Please note that our views mentioned above are based on current prevailing regulatory regime in UAE and refers specifically to Federal Decree Law No. 47 of 2022. Our views or advise does not cover implications under any other laws or regulations that may govern the situation and are limited to the taxability consequences in UAE alone. For any other implications, we would recommend to obtain specific advice in that connection.



# Thank You

[www.fame.ae](http://www.fame.ae)

