

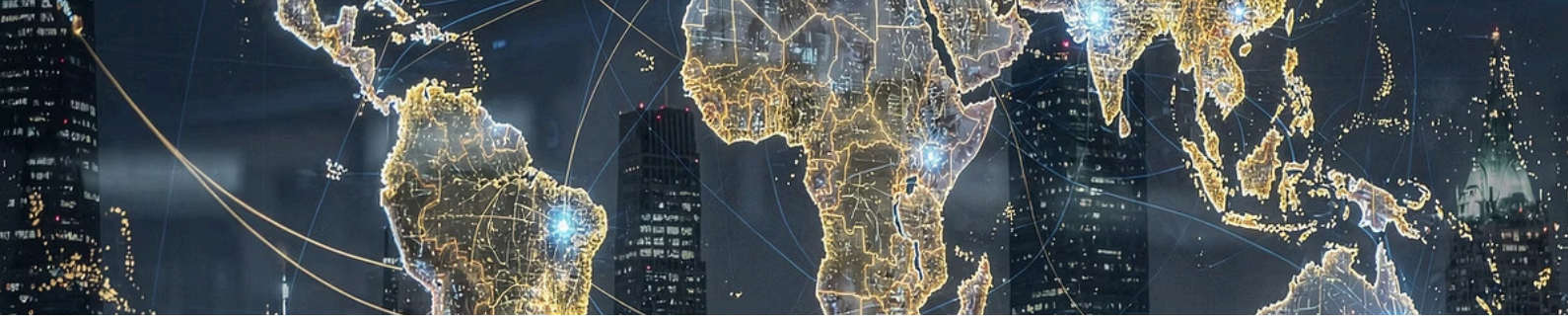
UAE Pillar Two Registration Process

EFFECTIVE: FINANCIAL YEAR 2025

MINIMUM TAX RATE: 15%

THRESHOLD: EUR 750 MILLION

UAE Cabinet Decision No. (142) of 2024, implementing the OECD Pillar Two minimum tax framework for large Multinational Enterprise Groups operating in the United Arab Emirates



PILLAR TWO

UAE

OECD

What is Pillar Two?

The UAE enacted **Cabinet Decision No. (142) of 2024**, implementing a global minimum tax of **15%** for large Multinational Enterprise (MNE) groups, in alignment with the OECD's Pillar Two Rules. These obligations apply to all qualifying MNE groups for financial years commencing on or after **1st January 2025**.

15%

Minimum Tax Rate

Global minimum effective tax rate applicable to all in-scope MNE groups

EUR 750M

Revenue Threshold

Consolidated annual revenue threshold triggering Pillar Two obligations

2 of 4

Preceding Years

Revenue threshold must be met in at least 2 of the 4 years preceding the tested year

1 Jan 2025

Effective From

Financial years starting on or after 1st January 2025

What Must They Do?

Complete a **one-time registration** in the Emara Tax portal

Annual filing of the **GloBE Information Return (GIR)**

Annual filing of the **Top-up Tax Return**

Separate registration for JVs, JV groups, and reverse hybrid entities



Who is Covered?

MNE groups whose consolidated annual revenue exceeds **EUR 750 Million** in at least 2 of the 4 years preceding the tested year are subject to Pillar Two obligations.

Registration Overview: Two Pathways

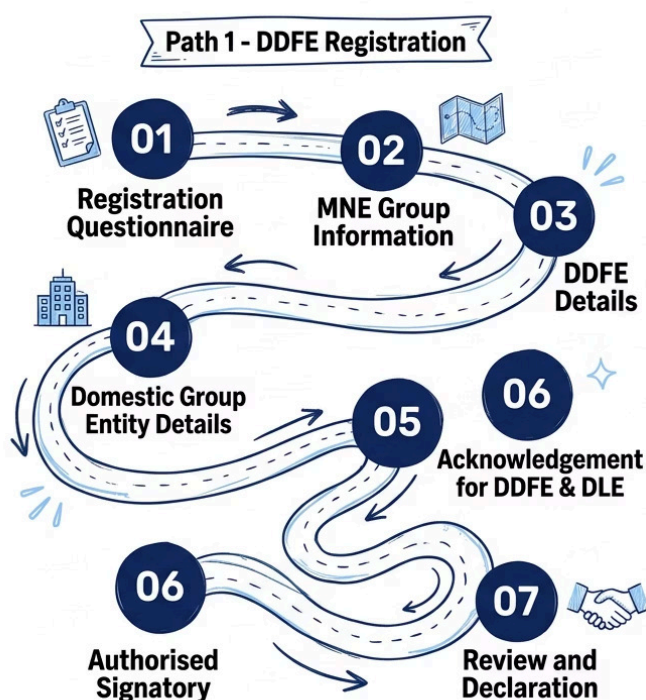
All MNE groups liable to comply with Pillar Two obligations must register in the **Emara Tax portal** and obtain a **Pillar Two Top-up Tax Registration Number**. The portal offers two distinct registration pathways depending on the group's structure and preference.

Path 1 - Domestic Designated Filing Entity (DDFE) Registration

7 Steps - Domestic Designated Filing Entity registers on behalf of the group

Path 2 - Individual Registration

5 Steps - Each constituent entity registers independently



i Step 01 (Registration Questionnaire) is **common to both pathways**. The taxpayer's choice at Step 01 determines which registration path is followed, DDFE (7 steps) or Individual Registration (5 steps).

Step 01: Registration Questionnaire

COMMON TO BOTH PATHWAYS

This is the foundational step where the taxpayer decides which registration approach to adopt. All entities, regardless of pathway, must complete this questionnaire first.

Part A - Choose Your Approach

Select one of the following registration types:


- **DDFE - Domestic Designated Filing Entity** acting on behalf of the MNE Group
- **Individual Registration** - Each entity registers independently with UAE tax authorities

Part B - Revenue Confirmation

Confirm that the taxpayer is a member of an MNE Group with consolidated annual revenue exceeding **EUR 750 million** in 2 of the 4 preceding years.

Part C - Tested Jurisdiction Type

- Domestic Main Group, Domestic Minority Owned Sub-group, or Reverse Hybrid Entity
- Domestic JV Group

 The taxpayer registering as DDFE is required to upload an **authorisation letter** from all UAE entities that are part of the relevant group, nominating it to act on their behalf as the Domestic Designated Filing Entity.

DDFE Path Selected

Proceed to Steps 02 through 07, covering MNE Group Information, DDFE Details, Domestic Group Entity Details, Acknowledgements, Authorised Signatory, and Review.

Individual Path Selected

Proceed to Steps 02 through 05, covering MNE Group Information, Constituent Entity / JV Details, Authorised Signatory, and Review and Declaration.

Pre-Requisites: Documents Required

Before initiating the registration process under the **DDFE approach**, the following supporting documents must be prepared and ready for upload in the Emara Tax portal.

UPE Verification



Supporting document(s) verifying the **name and Tax Identification Number (TIN) / Unique Identifier** of the Ultimate Parent Entity (UPE), where the UPE is located outside the UAE.

DFE Verification



Supporting document(s) verifying the **name and Tax Identification Number (TIN) / Unique Identifier** of the Designated Filing Entity (DFE), where the DFE is located outside the UAE.

Corporate Structure



Document providing an overview of the **entire corporate structure** of the MNE group, including all entities located both inside and outside the UAE.

DDFE Authorization Letter



Letter of Authorization confirming the appointment of the Domestic Designated Filing Entity (DDFE) for all administrative functions related to Pillar Two Top-up Tax, if not acknowledged in EmaraTax.

DLE Authorization Letter



Letter of Authorization confirming the appointment of the **Designated Local Entity (DLE)** for filing the Pillar Two Information Return (GIR) or submitting notifications, if applicable and not acknowledged in EmaraTax.

Additional Evidence

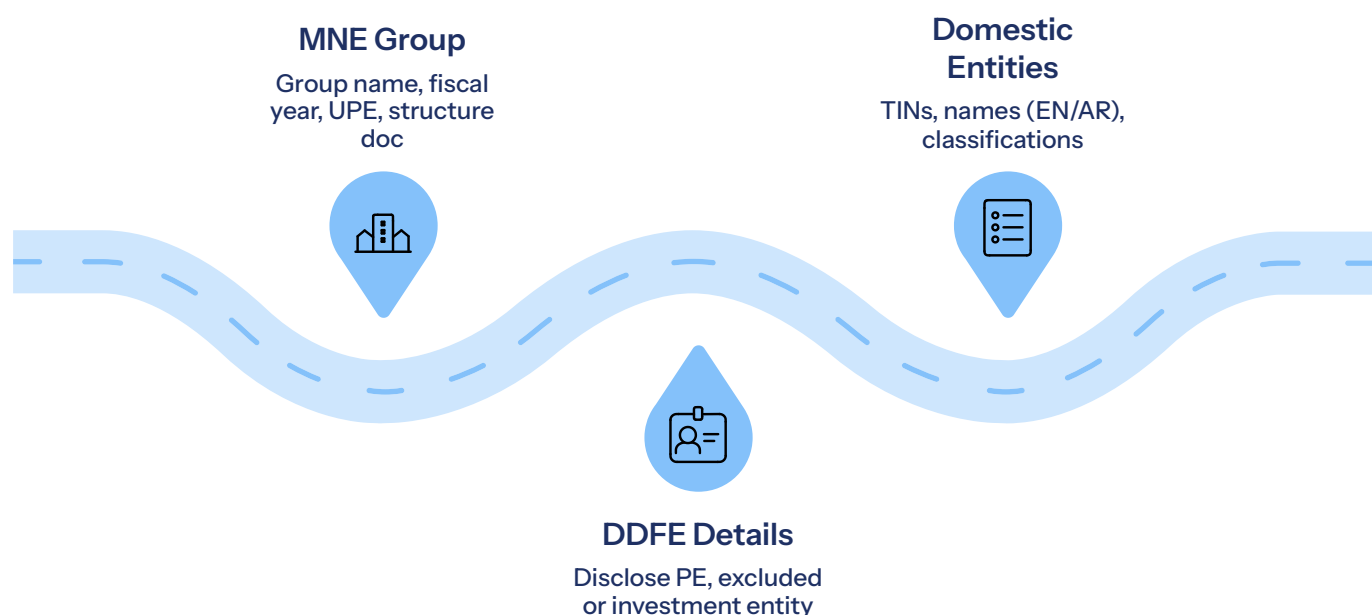


Any additional documentary evidence to support the Pillar Two Top-up Tax registration application. *(Optional)*

- Early preparation of these documents — especially the Letters of Authorization (LOAs) — is strongly recommended to ensure a smooth and timely registration process.

DDFE Path: Steps 02 to 04

DDFE REGISTRATION PATHWAY



These three steps form the core information-gathering phase of the DDFE registration pathway, covering the MNE group's identity, the filing entity's classification, and the details of all domestic constituent entities.

Step 02 - MNE Group Information

- Name of MNE Group (in English)
- Start and end date of the first Reporting Fiscal Year
- Ultimate Parent Entity (UPE) name, jurisdiction, and TIN
- Supporting documents for UPE TIN
- Designated Filing Entity (DFE) details – auto-filled if UAE entity, otherwise jurisdiction, TIN, and name required
- Corporate structure document covering all jurisdictions and inter-group shareholding

Step 03 - Domestic Designated Filing Entity (DDFE) Details

The registering taxpayer must disclose its classification:

- Permanent Establishment
- Excluded Entity
- Investment Entity

Step 04 - Domestic Group Entity Details

Information for **at least two entities** must be provided (since one entity is acting on behalf of others). Upload via Excel or manual input:

- Tax Identification Number (TIN)
- Establishment name in English and Arabic
- Entity classification (excluded, investment, or PE)

Key Definitions

Designated Filing Entity (DFE): The entity designated to file the GloBE Information Return (GIR) on behalf of the MNE group, other than the UPE. For example, if MNE Group A appoints a Dutch entity to file the GIR, that Dutch entity is the DFE.

Domestic Designated Filing Entity (DDFE): The UAE-based entity designated to file the top-up tax return and pay the top-up tax in UAE on behalf of all constituent entities in UAE. For example, if MNE Group Q has three UAE subsidiaries P, R, and S, it can nominate P to handle all Pillar Two filing obligations and pay top-up tax on behalf of R and S.

Designated Local Entity (DLE): The UAE entity nominated by constituent entities to submit the GIR or file the notification. DLE can be selected from the list of entities added as a "Domestic Group Entity." For example, Group Q can nominate S to file the GIR or submit the notification to UAE authorities.

DDFE Path: Steps 05 to 07

DDFE REGISTRATION PATHWAY

The final three steps of the DDFE registration pathway focus on formal acknowledgements, signatory authorization, and the final review and submission of the registration application.



Step 05 Acknowledgement for DDFE and DLE

A **Letter of Authorization** is required from each constituent entity nominating the DDFE and DLE, and acknowledging their membership in the MNE group. This step formalizes the delegation of filing responsibilities within the UAE group structure.



Step 06 Authorised Signatory

The default signatory details will be automatically populated in this section based on the registered user's profile. Additional signatories can be added as required to authorize the registration submission on behalf of the entity.



Step 07 Review and Declaration

All information provided across the preceding steps will be summarized for final review. Taxpayers must carefully review all details for accuracy and completeness before submitting the registration form. This is the final step in the DDFE pathway.

- ✔ Upon successful submission and approval, the entity will receive its **Pillar Two Top-up Tax Registration Number** from the UAE Federal Tax Authority via the Emara Tax portal.

Individual Registration Pathway

ALTERNATIVE TO DDFE

In this approach, **each constituent entity** of the MNE group registers independently with the UAE tax authorities. This pathway is simpler in structure but requires each entity to complete its own registration separately.



The individual registration process mirrors the DDFE pathway in terms of MNE group information requirements but eliminates the need for DDFE designation, domestic group entity disclosure, and acknowledgement steps.

What's Included

- MNE Group Information (same as DDFE Step 02)
- Registering entity's own details and classification
- Disclosure if the entity is a Permanent Establishment, Investment Entity, or Excluded Entity
- Authorised Signatory confirmation
- Final Review and Declaration

What's Not Required

- No DDFE designation or DDFE details
- No disclosure of other domestic group entities
- No DDFE / DLE acknowledgement letters
- No Letter of Authorization from other group entities

⚠️ Separate registration is required for Joint Ventures, Joint Venture Groups, and Reverse Hybrid Entities, regardless of whether the DDFE or individual pathway is chosen.

Due Dates & Way Forward

Registration Deadline

The deadline for Pillar Two registration has **not yet been announced** by the UAE tax authorities. MNE groups should monitor the Emara Tax portal and FTA communications for updates.

GIR & Top-up Tax Return

Filing deadline is **15 months** from the end of the UPE's financial year. For the **first year** subject to Pillar Two, this is extended to **18 months** from the end of the financial year.


Applicable Penalty Framework

Penalties prescribed under **Cabinet Decision No. (75) of 2023** will apply for Pillar Two non-compliance once the relief period ends. Groups should ensure full compliance well before the 2026 deadline to avoid exposure.

Way Forward - Action Plan

Applicable MNE groups operating in the UAE must proactively prepare for Pillar Two compliance. Key actions include:

- Assess whether the MNE group meets the EUR 750 million revenue threshold
- Determine the appropriate registration pathway, DDFE or Individual
- Begin arranging **Letters of Authorization (LOAs)** from all UAE constituent entities
- Prepare corporate structure documentation covering all jurisdictions
- Identify and confirm the DDFE, DFE, and DLE roles within the group
- Note: Groups with multiple JVs face a **higher compliance burden** as each JV requires separate registration

 Early preparation is key. MNE groups should engage their tax advisors now to map their UAE entity structure, determine filing obligations, and initiate the Emara Tax portal registration process without delay.