



UAE TP Disclosure Form

Regulations, Content, key issues and practical aspects

Finance and Tax delivered through technology

Note: This material has been prepared for informational and training purposes only, and is not intended to provide, and should not be relied on for tax or accounting advice.

About the Trainer



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14 years of transfer pricing experience in India, Middle East and UK. Ajit is also ICAI research awardee and regular speaker at various forum.

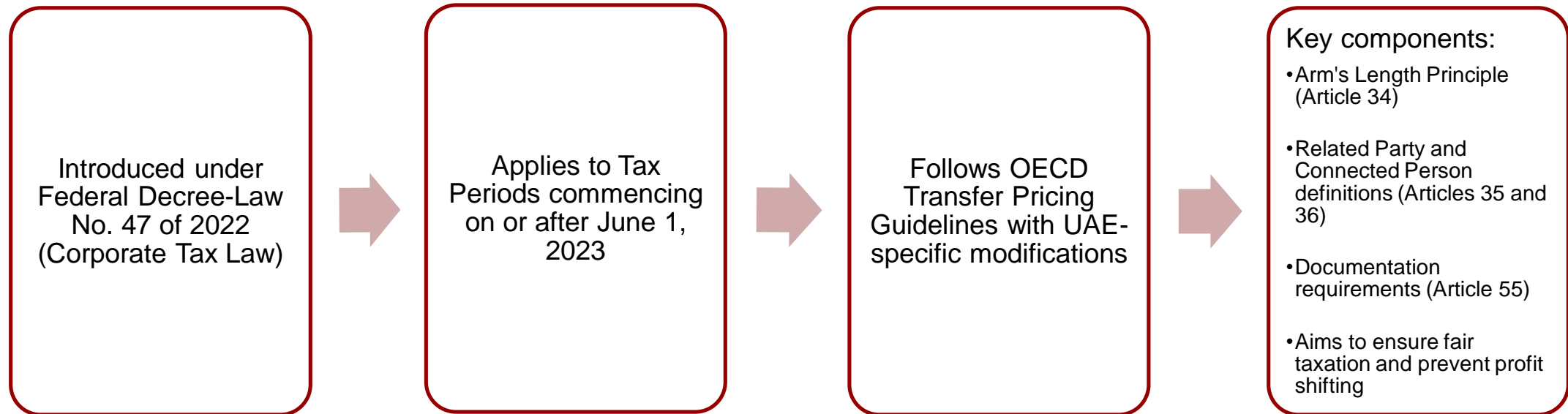


Topics: UAE TP Disclosure Form

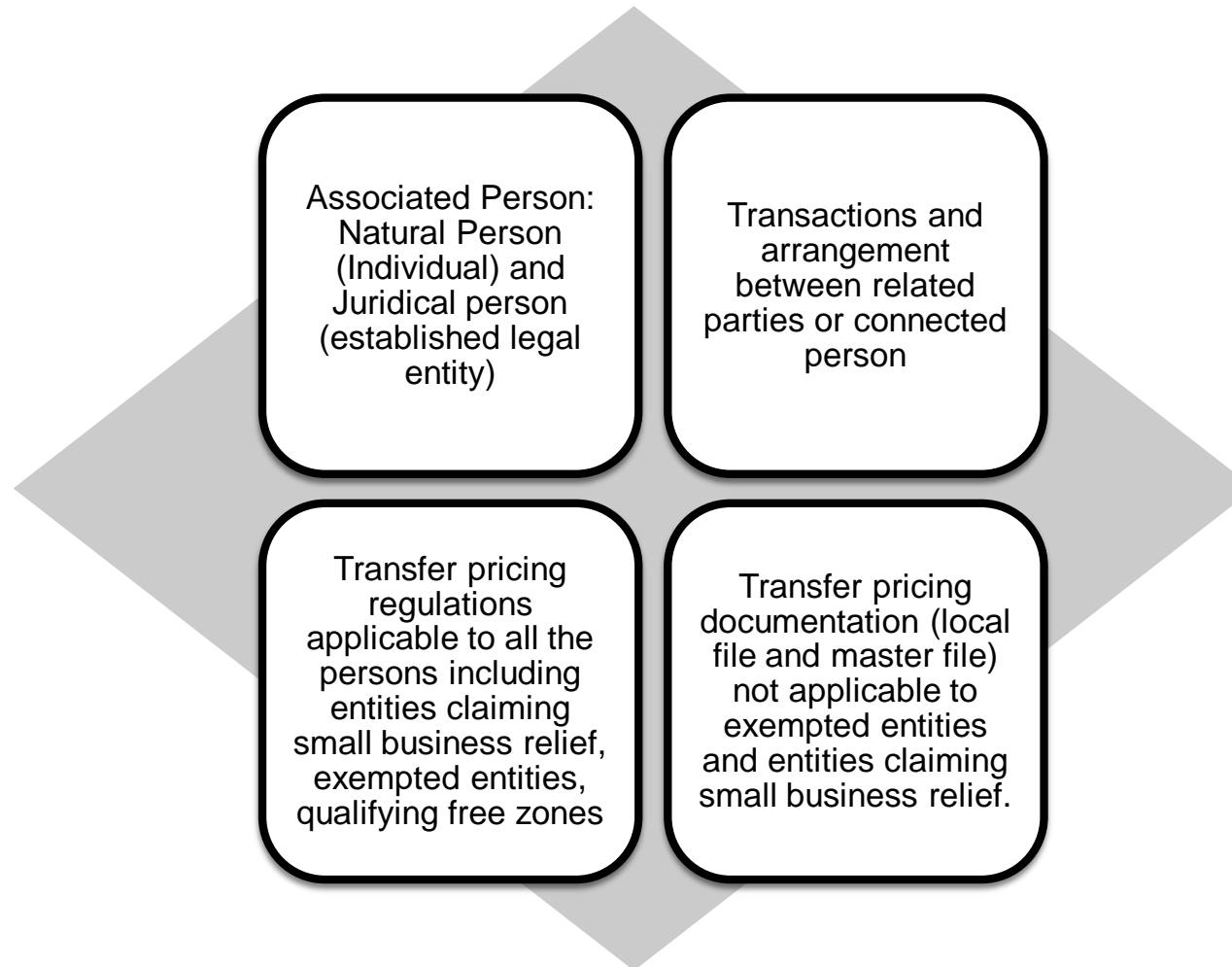


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UAE Transfer Pricing Framework



Applicability of TP regulations



Applicability of TP regulations

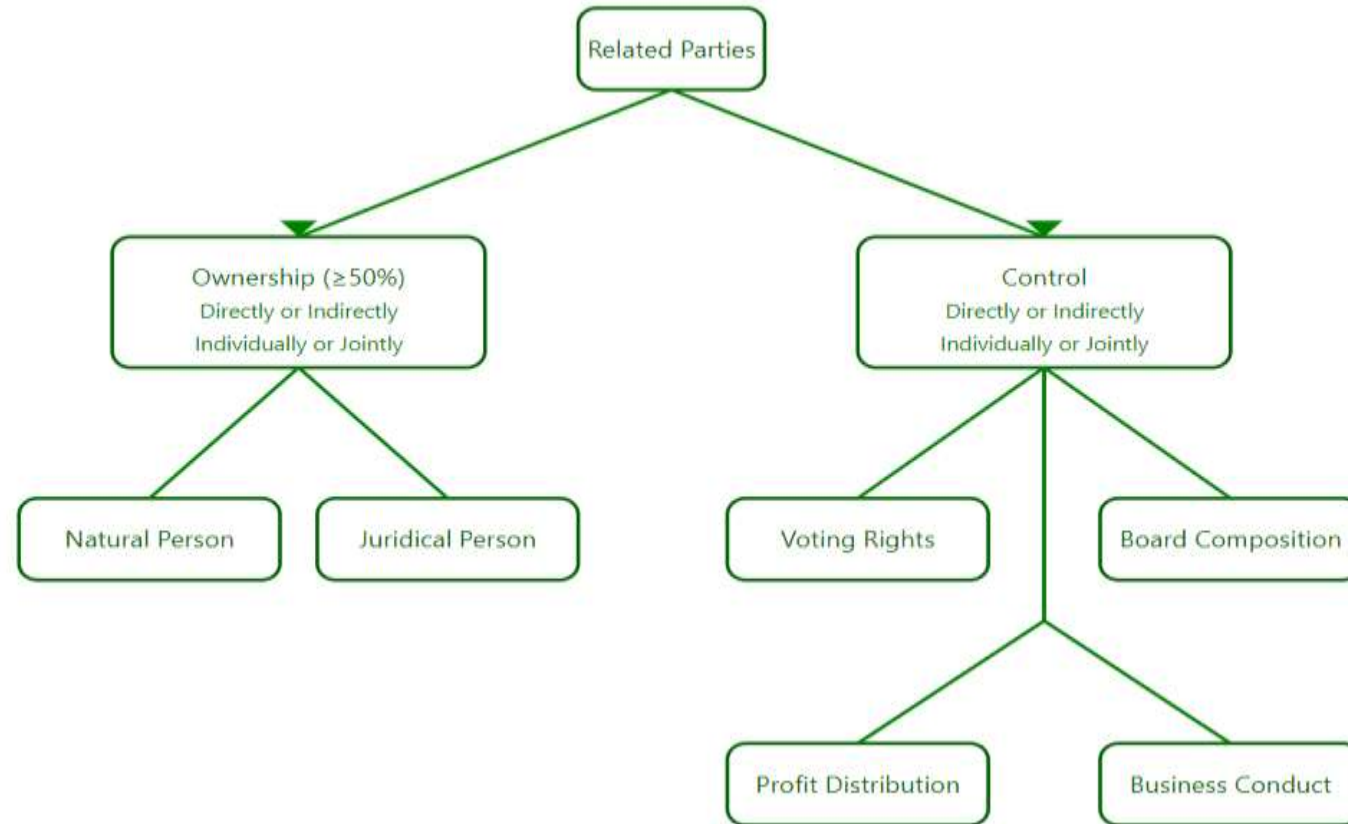
Entity	Taxable person	Exempted person	Qualifying free zone person	Entity Claiming small business relief	Tax Group
Arm's length principle	Yes	Yes	Yes	Yes	Yes
Transfer Pricing documentation (Local file & master file)	Yes	No	Yes	No	Yes

Exempt person:

- Govt entity
- Govt controlled entity
- Extractive business
- Non-extractive natural resource business

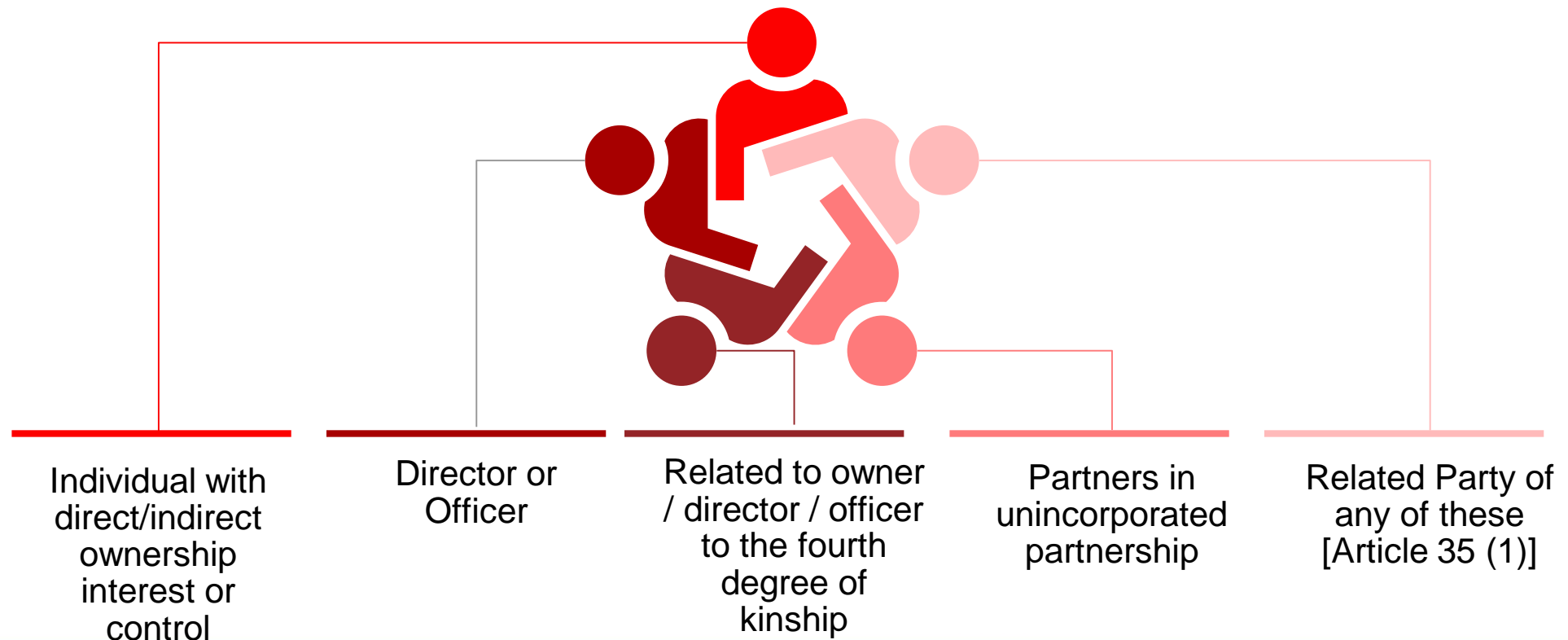
Related Parties- Article 35

Related Parties in UAE Transfer Pricing



Payment to Connected Persons- Article 36

- Any payment made to **“Connected Persons”** is not deductible if:
 - ✓ Not occurred wholly and exclusively for the business; and
 - ✓ Not at market value/arm’s length.



UAE CT Return - TP Disclosure Form

Related Party Schedule	Connected Persons Schedule	Documents Requirement List
<ul style="list-style-type: none"> • Related Party Name • Country of Tax Residence • CT TRN (if available) • Type of Transaction <i>Goods, Services, IP, Interest, Assets, Liabilities, Others</i> • Transaction Value <i>Gross amount</i> • TP Method <i>CUP, Resale Price, Cost Plus, TNMM, Profit Split</i> • Arm's Length Value • Tax Adjustment 	<ul style="list-style-type: none"> • Connected Person Name • CT TRN (if available) • Type <i>Payments or Benefits</i> • Description <i>Detailed explanation required</i> • Value <i>Actual amount paid/received</i> • Market Value <i>Arm's length value</i> • Tax Adjustment <i>Difference between Value and Market Value</i> 	<ul style="list-style-type: none"> • Local File <i>Detailed TP documentation for local entity</i> • Master File <i>Group-wide TP policies and practices</i> • Financial Statement <i>Financial records for the relevant period</i>

TP Disclosure form : Objective

1. Ensure Compliance

Facilitate taxpayer adherence to Arm's Length Principle

2. Risk Assessment

Enable FTA to identify potential Transfer Pricing risks

3. Transparency

Provide clear overview of intra-group transactions

4. Data Collection

Gather key information on Related Party dealings

5. Audit Selection

Assist FTA in determining need for comprehensive audits

6. Streamline Documentation

Complement Master File and Local File requirements

7. Promote Consistency

Align local practices with global TP standards

8. Resource Allocation

Focus FTA's efforts on high-risk transactions

9. Self-Assessment:

Encourage taxpayers to critically evaluate TP positions

TP Disclosure form : Features

Scope Determination

- Applies to transactions with Related Parties and Connected Persons
- Materiality threshold set by FTA Decision (pending)

Critical Timelines

- Due within 9 months from Tax Period end
- Aligns with CT Return submission deadline

Compliance Framework

- Penalties for non-compliance (detailed in Corporate Tax Law)
- Potential impact on risk assessment and audit likelihood

Embedded Component

- Integral part of UAE Corporate Tax ecosystem
- Not a separate filing, but integrated within CT Return

Strategic Activation

- Aligned with Tax Period commencement (on/after June 1, 2023)
- Form becomes accessible as CT Return deadline approaches

Disclosure Form – 1st Page

UAE CT Return - TP disclosure form

Corporate Tax Return

Transactions with Related Parties and Connected Persons

Were there any transactions with Related Parties in the current Tax Period?
 Yes No

Related Party Transaction Schedule

Were there any transactions with Connected Persons in the current Tax Period?
 Yes No

Connected Persons Schedule

Description	Total Amount (AED)
Adjustments as a result of Payments or Benefits provided to Connected Persons which were not at Market Value (AED)	<input type="text"/>
Adjustments to gains in relation to assets or liabilities previously received from Related Parties at a non-arm's length price (AED) ⓘ	<input type="text"/>

Previous Step Cancel Save as Draft Next Step

Corporate Tax Return

Were there any transactions with Related Parties in the current Tax Period?
 Yes No

Related Party Transaction Schedule

Were there any transactions with Connected Persons in the current Tax Period?
 Yes No

Connected Persons Schedule

Disclosure Form – Related party schedule (1/3)

Related Party Schedule

Corporate Tax Return

Filing Period	Corporate Tax Return Period 01/06/2023 - 31/12/2023	Corporate Tax Return Due Date 31/12/2024	Corporate Tax Year End 31/12/2023
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Related Party Transaction Schedule

[Gross Income Received from Related Parties](#)
 [Expenditure Paid to Related Parties](#)
 [Summary Table](#)

Gross Income Received from Related Parties + Add New Item

Customize Columns								
Name of the Related Party	Transaction type	Tax Residence	Gross income (AED)	Transfer Pricing method applied	Arm's Length Value (AED)	Tax adjustment (AED)	Action	
Mr. A	Goods	India	1,000	The resale price method	800	-200	***	
Total (AED)						-200		

Corporate Tax Return

Filing Period	Corporate Tax Return Period 01/06/2023 - 31/12/2023	Corporate Tax Return Due Date 31/12/2024	Corporate Tax Year End 31/12/2023
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Related Party Transaction Schedule

[Gross Income Received from Related Parties](#)
 [Expenditure Paid to Related Parties](#)
 [Summary Table](#)

Expenditure Paid to Related Parties + Add New Item

Customize Columns								
Name of the Related Party	Transaction type	Tax Residence	Expenses (AED)	Transfer Pricing method applied	Arm's Length Value (AED)	Tax adjustment (AED)	Action	
No data								
Total (AED)								

Disclosure Form – Related party schedule (2/3)

Gross Income Received from Related Parties

Name of the Related Party

Tax Residence

Gross Income (AED)

Arm's Length Value (AED)

Transaction type

- Goods
- Services
- Intellectual Property
- Interest
- Assets
- Liabilities
- Others

Add

Gross Income Received from Related Parties

Name of the Related Party

Tax Residence

Gross Income (AED)

Arm's Length Value (AED)

Transaction type

Corporate Tax TRN/TIN (where available)

Transfer Pricing method applied

- The comparable uncontrolled price method.
- The resale price method.
- The cost-plus method.
- The transactional net margin method.
- The transactional profit split method.

Disclosure Form – Related party schedule (3/3)

Corporate Tax Return

Related Party Transaction Schedule

Gross Income Received from Related Parties
 Expenditure Paid to Related Parties
 Summary Table

Total Transfer Pricing adjustments (AED)

Summary Table

Aggregated value of Transactions or Arrangements in the Tax Period with Related Parties	Income (AED)	Expenses (AED)
Sale or Purchase of goods ("Goods")	<input type="text"/>	<input type="text"/>
Services rendered or received ("Services")	<input type="text"/>	<input type="text"/>
Royalties, licence fees, and other receipts/payment in relation to intellectual properties ("Intellectual Property")	<input type="text"/>	<input type="text"/>

Corporate Tax Return

Sale or Purchase of goods ("Goods")	<input type="text"/>	<input type="text"/>
Services rendered or received ("Services")	<input type="text"/>	<input type="text"/>
Royalties, licence fees, and other receipts/payment in relation to intellectual properties ("Intellectual Property")	<input type="text"/>	<input type="text"/>
Interest Income and Expense ("Interest")	<input type="text"/>	<input type="text"/>
Assets ("Assets")	<input type="text"/>	<input type="text"/>
Liabilities ("Liabilities")	<input type="text"/>	<input type="text"/>
Other transactions not falling under the items above ("Others")	<input type="text"/>	<input type="text"/>
Total of aggregated value of transactions or arrangements in the Tax Period with Related Parties		

Related Party : Key issues

Issue	Details
Gross value reporting	Separate reporting for discount, rebate
Exempted entities/ SBR	No specific mention of entities which are exempted to prepare TP Local file and master file
Free Zone	No specific mention of free zone. QFZP. As there is arm's length requirements, such specification was needed
Other Method	No option to select other method
Tax Group	Transactions between tax group members and third parties must be distinguished from intra-group transactions. Failing to make this distinction in the disclosure form can lead to inaccuracies.
Free of cost transactions	No separate place to disclose free of cost transactions
Head office and Domestic PE	Whether do we need to report the transaction?
Transitional provisions	The form does not clarify how related party transactions that were initiated before the effective date of the UAE Corporate Tax (i.e., before June 1, 2023), the opening balances to be revised if not undertaken on ALP
Financial statement	No specification on whether these need to be audited or if management accounts are acceptable.
Reporting of liability	Payables, loans, contingent liability

Connected Person Schedule (1/2)

Connected Persons Schedule

Corporate Tax Return

Taxpayer Details
Elections
Accounting Schedules
Accounting Adjustments and Exempt Income
Reliefs
Other Adjustments
Tax Liability and Tax Credits
Review and Declaration

Filing Period	Corporate Tax Return Period 01/06/2023 - 31/12/2023	Corporate Tax Return Due Date 31/12/2024	Corporate Tax Year End 31/12/2023
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Connected Persons Schedule

[+ Add New Item](#)

Name of the Connected Person	Corporate Tax TRN/TIN (where available)	Payment or benefit	Description	Value of the payment or benefit provided to the Connected Person (AED)	Market Value of the service or benefit provided by the Connected Person (AED)	Adjustment for transactions with Connected Persons (AED)	Action
No data							
Total (AED)							

Connected Person Schedule (2/2)

Connected Persons Schedule

Name of the Connected Person	Corporate Tax TRN/TIN (where available)
<input type="text"/>	<input type="text"/>
Payment or benefit	Description
<input type="text"/>	<input type="text"/>
Value of the payment or benefit provided to the Connected Person (AED)	Market Value of the service or benefit provided by the Connected Person (AED)
<input type="text"/>	<input type="text"/>
Adjustment for transactions with Connected Persons (AED)	
<input type="text"/>	

Add

Connected Persons Schedule

Name of the Connected Person	Corporate Tax TRN/TIN (where available)
<input type="text"/>	<input type="text"/>
Payment or benefit	Description
<input type="text"/>	<input type="text"/>
Payments	Market Value of the service or benefit provided by the Connected Person (AED)
Benefits	<input type="text"/>
Adjustment for transactions with Connected Persons (AED)	
<input type="text"/>	

Add

Connected person: Key issues

Issue	Description	Action/Reporting
No confirmation of whether payments are wholly and exclusively for business purposes	The TP Disclosure Form does not explicitly ask if payments to connected persons are wholly and exclusively for business purposes, leading to potential disallowance.	Ensure all payments to connected persons are supported by documentation proving they are for business purposes.
Reporting mixed-purpose payments in the TP Disclosure Form	The form does not have a built-in feature to automatically disallow personal expenses. Need to manually split and report the business and personal portions.	Report the business portion with market value, and the personal portion with market value of 0.









Documents Schedule

Documents Requirement List

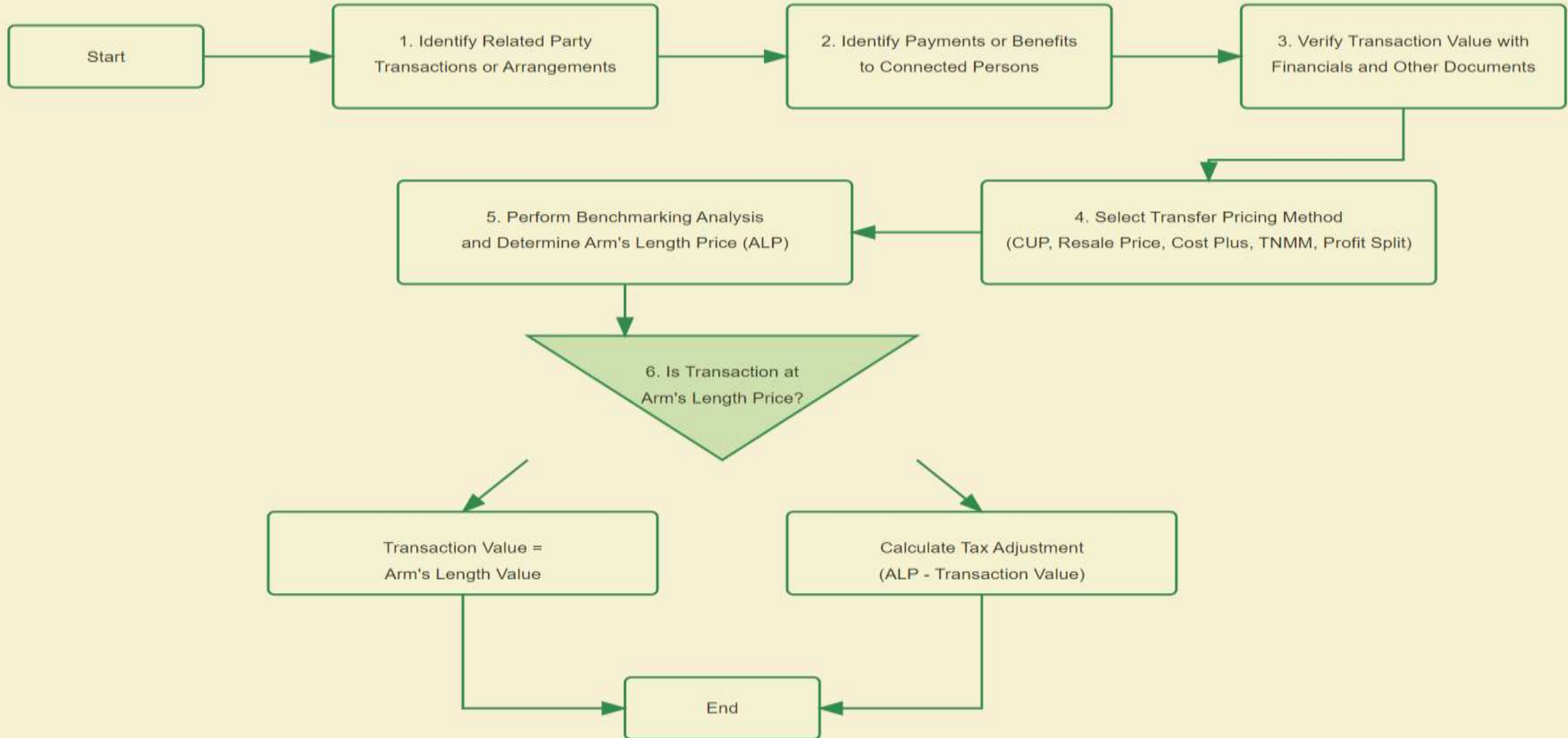
Additional Attachments

Attachment Description	Attachments	Add Reason
Financial Statements	 View/Add Attachment(s)	Add/View Reason
Local File	 View/Add Attachment(s)	Add/View Reason
Master File	 View/Add Attachment(s)	Add/View Reason
Confirmation of ownership and the right to exploit the Qualifying Intellectual Property - Patent	 View/Add Attachment(s)	Add/View Reason
Confirmation of ownership and the right to exploit the Qualifying Intellectual Property - Copyrighted software	 View/Add Attachment(s)	Add/View Reason
Confirmation of ownership and the right to exploit the Qualifying Intellectual Property - Another right functionality equivalent to a patent	 View/Add Attachment(s)	Add/View Reason
Record of Qualifying Expenditures and Overall Expenditures incurred	 View/Add Attachment(s)	Add/View Reason

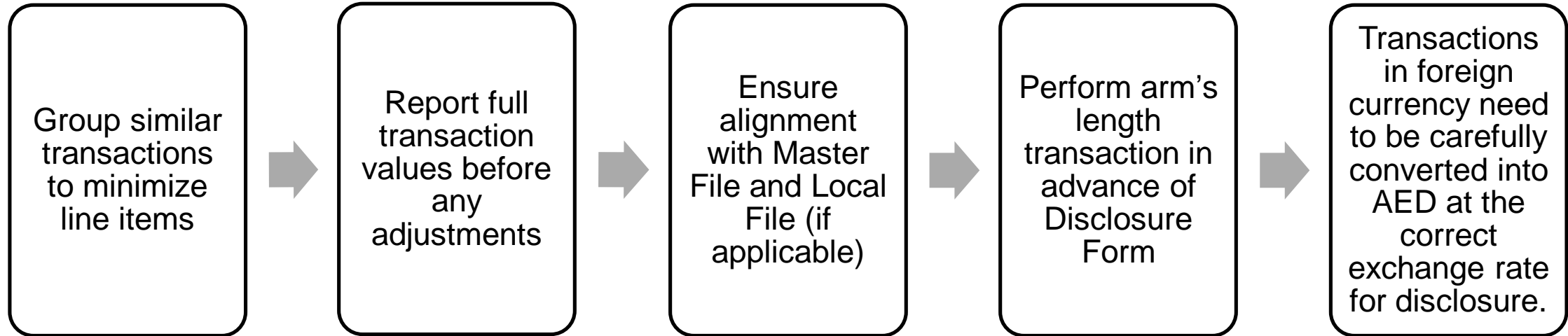
Corporate Tax Return

Confirmation of ownership and the right to exploit the Qualifying Intellectual Property - Copyrighted software	 View/Add Attachment(s)	Add/View Reason
Confirmation of ownership and the right to exploit the Qualifying Intellectual Property - Another right functionality equivalent to a patent	 View/Add Attachment(s)	Add/View Reason
Record of Qualifying Expenditures and Overall Expenditures incurred	 View/Add Attachment(s)	Add/View Reason
Record of Overall Income derived from the Qualifying Intellectual Property	 View/Add Attachment(s)	Add/View Reason
Document which sets out the link between Qualifying Expenditures and Overall Income derived from Qualifying Intellectual Property	 View/Add Attachment(s)	Add/View Reason
Documentation to support the market value of the Qualifying Immovable Property at the start of the first tax period	 View/Add Attachment(s)	Add/View Reason
Documentation to support the market value of the Financial Assets/Liabilities at the start of the first tax period	 View/Add Attachment(s)	Add/View Reason
Tax residency certificate in the foreign jurisdiction	 View/Add Attachment(s)	Add/View Reason

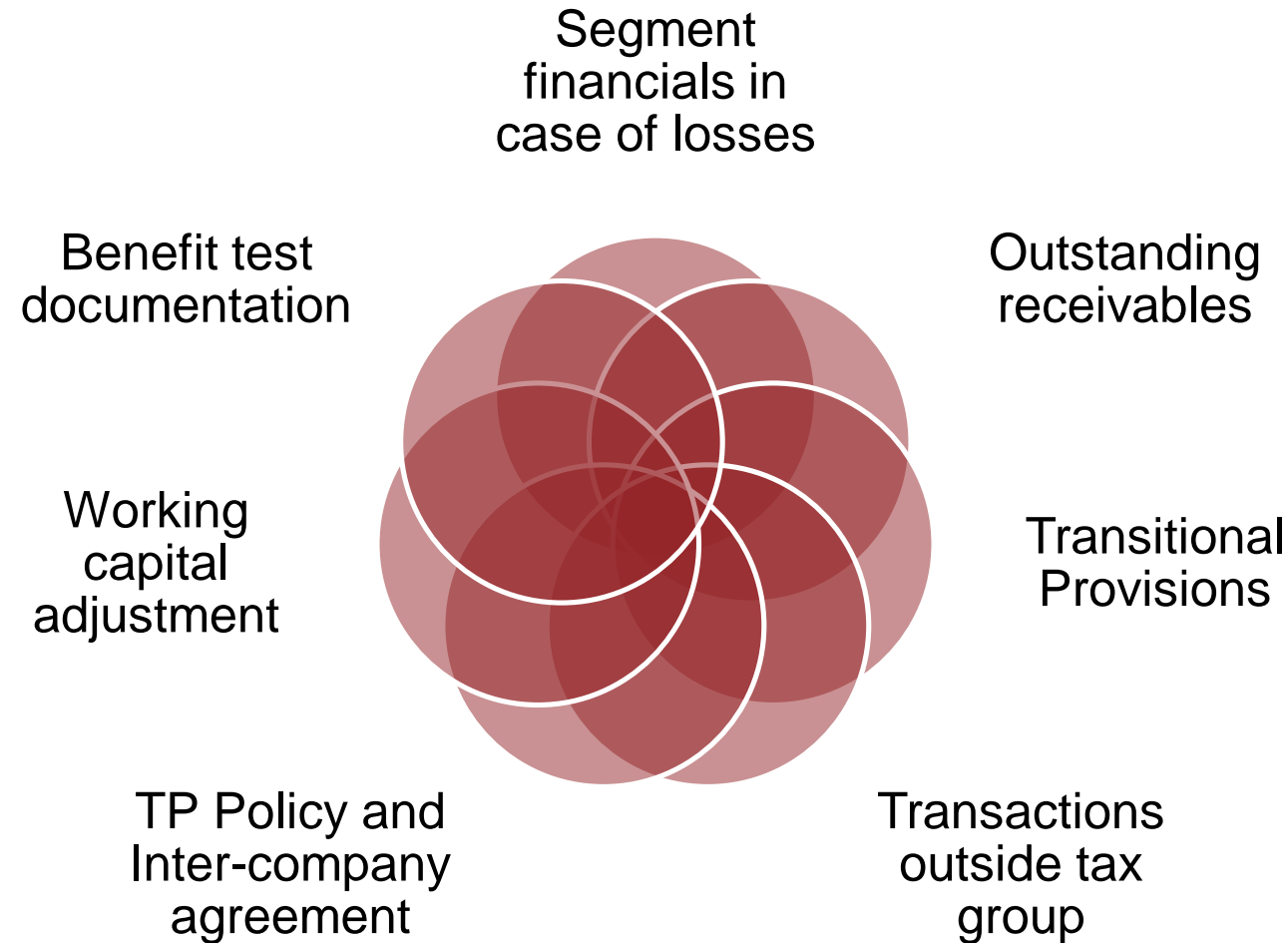
Practical approach for disclosure form



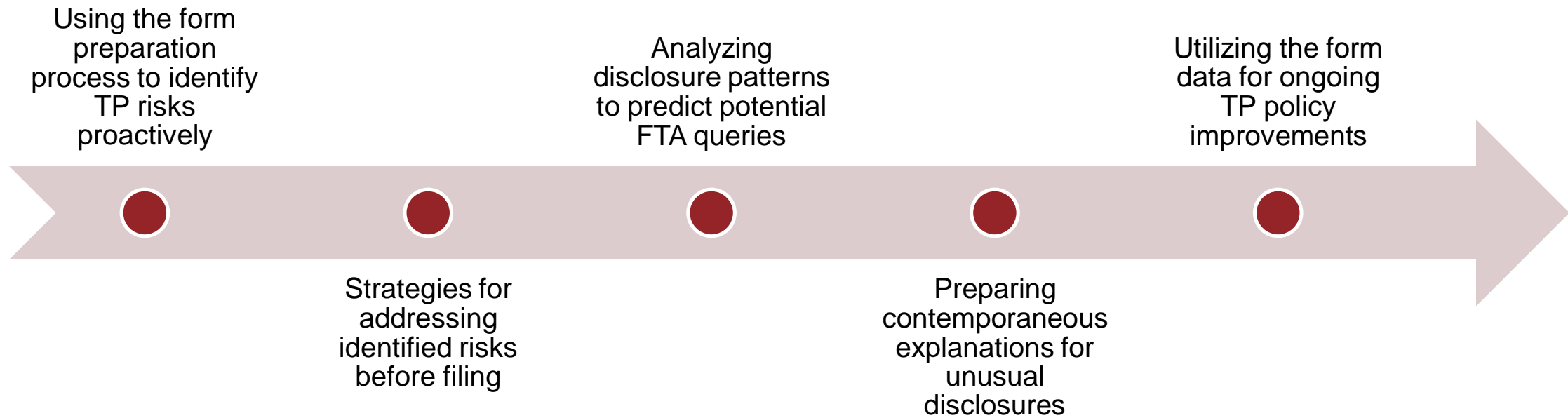
Other aspects



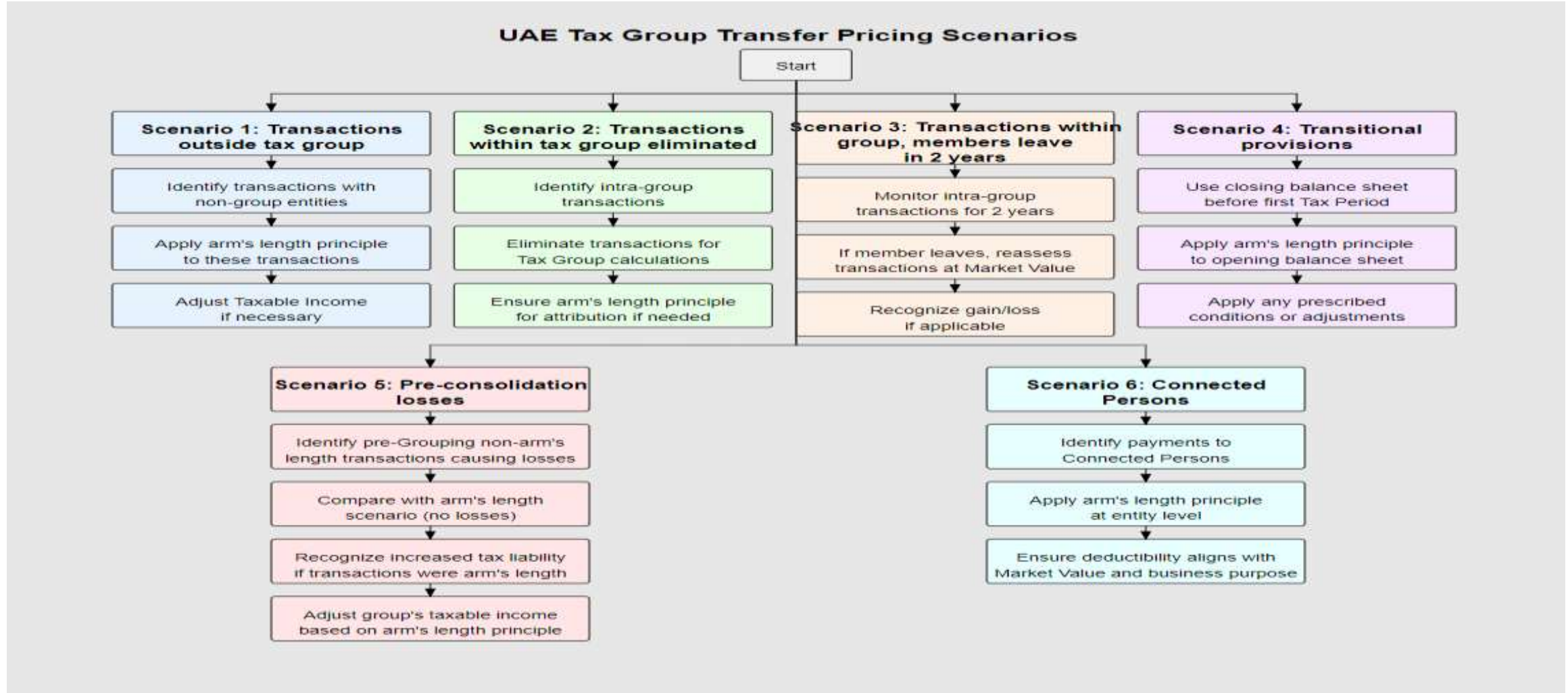
Verification



Leveraging the Disclosure Form for TP Risk Management



Tax Group



Q & A

