STUART & HAMLYN
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DOING BUSINESS IN THE UAE

2026 Investor & Tax Briefing

Company formation • economy • taxation • Free Zones • e-Invoicing



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TOPICS COVERED

1. WHY UAE
2. MACRO ECONOMICS
3. COMPANY FORMATION
4. TAX STRUCTURE
5. COMPLIANCE CHECK LIST
6. Q&A AND CONTACT US



About United Arab Emirates

Diversified Economy

Financial services, technology, logistics, digital commerce and other growth sectors

Strategic Global Hub

Connecting Asia, Europe, Africa and the Middle East

Strong Infrastructure & Connectivity

Supporting international trade and investment

Business Friendly Environment & Stable Currency.

1.With pro-investment policies and investor-focused regulations.
2. UAE Dirham pegged to the US Dollar

Evolving Tax & Regulatory Framework

UAE Corporate Tax and international tax alignment

UAE macroeconomic position

A diversified economy with strong investment, trade, tourism, infrastructure and financial-services drivers.

~AED 2.3 tn

2026 GDP estimate
USD 621.6 bn

~AED 199k

GDP per capita
USD 54,214

3.1%

2026 growth estimate
4.9 % in 2025

4.8–4.9%

2025 recorded growth



Investor strengths

- Strategic location between East and West
- World-class ports, airports and infrastructure
- Large Free Zone ecosystem
- Strong capital inflows and regional headquarters appeal

Investor watch-outs

- Rapidly evolving tax / compliance framework
- Substance and transfer-pricing expectations
- Sector-specific licensing and regulation
- Cost differences between locations and business models

Company formation — choose the structure first

The original deck quoted fixed costs. In practice, costs vary materially by emirate, licence, visa requirements, office and activity.

Mainland company

Suitable where the business needs broad UAE market access and a mainland operating footprint. Licensing and premises costs depend on activity and emirate.

Free Zone company

Often attractive for foreign investors, specialised activities and international operations. Each Free Zone has its own package, licence and office rules.

Holding / SPV

Can be appropriate for investments, holding structures or asset ownership, subject to licensing, substance, tax and regulatory requirements.

Key incorporation workstream

- Activity & licence selection
- Ownership / UBO documentation
- Registered office / lease
- Immigration and establishment requirements

Do not use a 'one-price' model

The source deck's AED 12,000 offshore / AED 55,000 Free Zone figures should be treated as indicative only, not 2026 market-wide costs.

Mainland vs. Free Zone – Entity Set-Up Comparison

Key consideration	Mainland	Free Zones
Registration authority & approvals	Department of Economic Development (DED); additional approvals may be required	Relevant Free Zone authority; 50+ Free Zones; additional approvals may be required
Type of legal entity	Private/public joint stock company; LLC; branch of a foreign company	FZE (single shareholder); FZCO (multiple shareholders); branch of a foreign company
Audit requirement	Accounts need to be audited	Accounts generally need to be audited
Typical set-up timeline	LLC: around 2 Weeks	Around 1 Week time depending on the Free Zone
Foreign ownership	100% Foreign ownership possible	100% foreign ownership possible
Minimum shareholders	1 shareholder LLC is possible	1 shareholder possible
Minimum share capital	Generally around AED 100k–300k, depending on Emirate/activity	Typically AED 10k–100K, depending on Free Zone/activity
Office space	Physical office – approximately 200 sq. ft.	No minimum sq. ft. in some cases; flexi-desk/minimal set-up may be available
Conduct of business	Generally no restriction on mainland operations	Primarily within the Free Zone; mainland activities subject to applicable licensing/regulatory requirements

Note: Requirements vary by Emirate, activity and Free Zone; current licensing rules should be confirmed before incorporation.

Taxation Framework

Category	Details
Tax Rate: Persons	Not applicable (no personal income tax)
Tax Rate: Companies	9% federal corporate tax on taxable profits above AED 375,000 (USD 102,111) 0% below threshold 0% for Qualifying Free Zone Persons on qualifying income
Large Multinationals	15% Domestic Minimum Top-up Tax (DMTT) for groups with consolidated global revenue over EUR 750m, effective 1 Jan 2025
Non-Residents	0% withholding tax on UAE-sourced income unconnected to a Permanent Establishment 9% on PE-related profits
Double Taxation Treaties	Available with most countries

9%

Corporate Tax

on profits above AED 375,000

0%

Personal Income Tax

not applicable to individuals

5%

VAT Rate

standard rate across the UAE

Note: Requirements vary by Emirate, activity and Free Zone; current licensing rules should be confirmed before incorporation.

VAT — 5% remains, but compliance is becoming digital

The 5% standard VAT rate remains the core UAE VAT rate.

Standard VAT

5% standard rate across the UAE, subject to zero-rated and exempt supplies.

Registration

Mandatory VAT registration generally applies where taxable supplies and imports exceed AED 375,000 over the relevant test period.

Voluntary registration

Voluntary registration is available where the relevant taxable-supply / expenses threshold is met.

Zero-rated vs exempt

These are not interchangeable. The distinction affects input-tax recovery and must be reviewed supply-by-supply.

VAT governance &E invoicing

Maintain correct tax invoices, evidence for zero-rating, input-tax support, adjustments and return reconciliations.

E Invoicing introduced and implementation from 2027

UAE eInvoicing — the immediate 2026/27 priority

This is a major new section that should be in any current UAE investor briefing.

Pilot programme begins

1 Jul 2026

Selected taxpayers participate voluntarily / by notification.

ASP appointment deadline

30 Oct 2026

For in-scope persons with revenue ≥ AED 50m, the ASP appointment deadline was extended from 31 Jul to 30 Oct 2026.

Phase 1 implementation

1 Jan 2027

Persons with revenue ≥ AED 50m implement the system.

Phase 2

1 Jul 2027

Below AED 50m: appoint ASP by 31 Mar 2027 and implement from 1 Jul 2027.

The UAE uses the Peppol-based 5-Corner Model. A PDF, Word file, image or scanned invoice is not itself an eInvoice.

Personal income tax & profit extraction

The UAE remains highly attractive for individuals, but corporate profit extraction needs proper structuring.

Personal income tax

There is no UAE federal personal income tax on individuals' employment income. However, other UAE taxes, licensing obligations and foreign-country tax rules can still matter.

Dividends

The UAE generally does not impose tax on dividends received by UAE entities.

Cross-border structuring

Treaty residence, beneficial ownership, permanent establishment, transfer pricing and foreign withholding tax can change the overall effective tax outcome.

Substance matters

Management, people, premises and actual business activity should support the legal and tax structure. Documentation is increasingly important.

Property & other government charges

Avoid presenting municipality charges or land-registration costs as a universal 'tax rate'.

Real estate transfer

Land Department / emirate-level registration and transaction fees vary by emirate and transaction. Dubai commonly applies a 4% transfer fee, subject to the applicable rules.

Rental / municipality charges

Municipality and housing-related charges can apply depending on emirate, property and occupant / landlord circumstances.

Customs

Customs duties and procedures depend on the goods, origin, destination, customs regime and applicable exemptions / Free Zone treatment.

Excise & sector taxes

Certain products and activities can be subject to excise or other specific regulatory regimes. These should be checked separately from Corporate Tax and VAT.

Payroll & pensions

UAE national employees can have different social-security / pension treatment. Employment compliance is applicable' as per UAE Labour Law

Compliance checklist for a new business

Licence

Correct activity, authority, premises and renewals

UBO / AML

Beneficial ownership records, AML obligations where applicable and DNFBP analysis

Corporate Tax

Registration, accounting records, return, elections and supporting schedules

VAT

Registration, invoicing, return, evidence and reconciliations

eInvoicing

ASP selection, ERP readiness, master data and Peppol-compatible workflow

Transfer Pricing

Related-party policy, benchmarking / documentation and intercompany agreements

The 2026 UAE investment message

1. UAE remains a compelling regional hub because of infrastructure, connectivity, capital and market access.

2. Tax planning is now more sophisticated: Corporate Tax, Free Zone rules, DMTT and transfer pricing must be considered together.

3. eInvoicing is the immediate operational change businesses should prepare for during 2026.

4. Company formation should start with the business model and licensing activity — not with a headline incorporation price.

5. Good structuring combines legal form, substance, tax, accounting, AML and operational compliance.

Prepared for client / investor discussion • Information current to September 2026 • Detailed advice requires fact-specific review.

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Thank you.

Questions & Discussion

This presentation is for general information purposes only and does not constitute professional tax advice.

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