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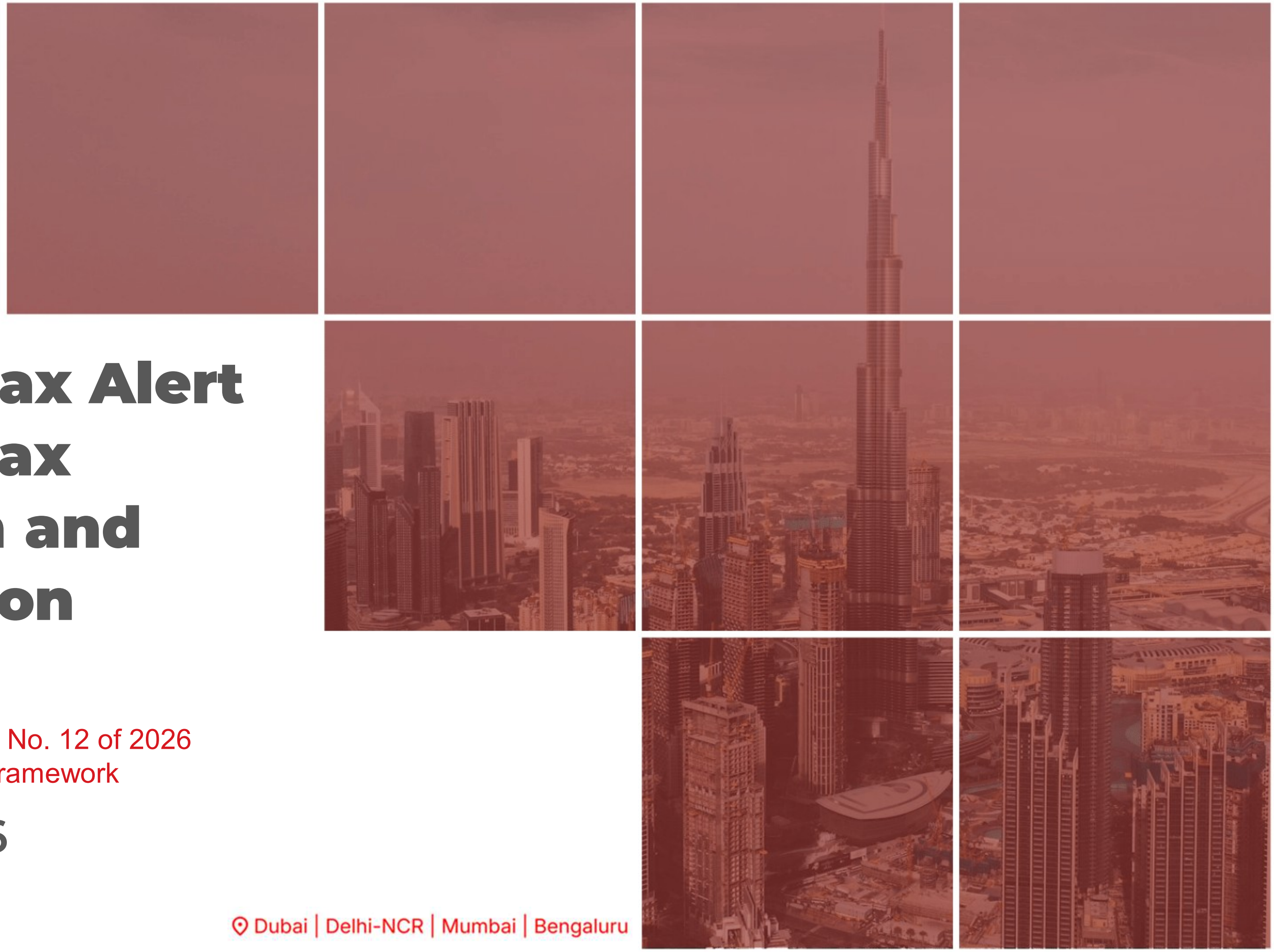

United Arab Emirates – Tax Alert on Top-Up Tax Registration and Deregistration Timelines

Federal Tax Authority Decision No. 12 of 2026
Pillar Two / UAE Top-Up Tax Framework

4th August 2026

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EXECUTIVE SUMMARY

The FTA has issued Decision No. 12 of 2026 prescribing the registration, deregistration and in-scope / out-of-scope notification timelines for entities subject to the UAE Top-Up Tax under Cabinet Decision No. 142 of 2024.

Immediate deadline

Entities with a Fiscal Year ending before 30 April 2026 must submit the Top-Up Tax registration application on or before 30 November 2026.

Standard registration rule

An Entity that is subject to Top-up Tax must submit a Tax Registration application within 7 months from the end of the first Fiscal Year in which the Entity is in scope.

Deregistration rules

An Entity must apply for deregistration within 6 months from the earliest of the date on which the Entity ceases to exist or the end of the Fiscal Year in which the Entity leaves an MNE Group and is no longer in scope.

Key message

Pillar Two compliance in the UAE has moved from framework legislation to operational administration. In-scope MNE groups should now identify their UAE filing population, determine whether the transitional 30 November 2026 deadline applies, and confirm whether a Domestic Designated Filing Entity will centralise the submissions.

Applicable to Fiscal Years starting on or after 1 January 2025.

LEGAL CONTEXT AND WHO IS AFFECTED

Decision No. 12 of 2026 does not rewrite the UAE Top-Up Tax framework. It prescribes the administrative timelines for registration, deregistration and notifications under Cabinet Decision No. 142 of 2024.

Framework	Scope trigger	Practical impact
Cabinet Decision No. 142 of 2024 Sets out the UAE Top-Up Tax rules for Multinational Enterprises and contains the underlying scope provisions referred to in Decision No. 12 of 2026.	**Entity in scope** The deadline rules apply by reference to an Entity that is in scope under Article 1.1 of the annexure to Cabinet Decision No. 142 of 2024.	**Operational readiness** Groups must move from high-level Pillar Two analysis to entity-level administration, deadlines, portals, data ownership and delegated filing responsibilities.

Important distinction

The Decision is focused on procedural compliance. A separate technical assessment is still required to confirm whether a group or UAE entity is actually in scope of the Top-Up Tax framework.

Note: The Decision was issued on 16 July 2026, published by the FTA on 4 August 2026 and applies to Fiscal Years starting on or after 1 January 2025. It came into effect from its date of issuance.

TAX REGISTRATION TIMELINES

An Entity that is subject to Top-Up Tax must submit a Tax Registration application to the FTA for Top-Up Tax purposes within the prescribed timelines.

STANDARD RULE	TRANSITIONAL RULE	ACTION REQUIRED
7 months	**30 Nov 2026**	**Entity-level review**
From the end of the first Fiscal Year in which the Entity is in scope.	For an Entity with a Fiscal Year ending before 30 April 2026.	Confirm the first in-scope Fiscal Year and whether the transitional deadline overrides the standard rule.

Illustrative examples

31 December 2025 year-end: registration deadline falls under the transitional rule: 30 November 2026.
30 June 2026 year-end: standard rule applies: 7 months from year-end, i.e. 31 January 2027.

TAX DEREGISTRATION TIMELINES

Decision No. 12 of 2026 also prescribes when an Entity must apply to deregister for Top-Up Tax purposes.

Standard deadline

Within 6 months from the earliest of:
- the date the Entity ceases to exist; or
- the end of the Fiscal Year in which the Entity leaves an MNE Group and is no longer in scope.

Transitional deadline

An Entity ceasing to exist before 30 June 2026 must submit a Tax Deregistration application on or before 31 December 2026.

Deregistration prerequisites

An Entity may not be deregistered unless it has settled in full all Top-up Tax and penalties payable and filed all Top-up Tax Returns and Pillar Two Information Returns that are due.

Where an Entity satisfies the Tax Deregistration requirements but has not submitted a Tax Deregistration application, the FTA may, at its discretion and based on the information available to it, deregister the Entity.

Effective date of deregistration

Where a Tax Deregistration application is approved, the Entity's Tax Registration remains valid until the earliest of:
- the date on which the Entity ceases to exist;
- the end of the Fiscal Year in which the Entity leaves the MNE Group; or
- any other date determined by the FTA.

IN-SCOPE AND OUT-OF-SCOPE NOTIFICATIONS

Decision No. 12 of 2026 prescribes the timelines and validity rules for out-of-scope and in-scope notifications.

1

Out-of-scope

If the MNE Group ceases to be in scope for the tested Fiscal Year, submit an out-of-scope notification within 6 months from the end of that Fiscal Year.

2

Validity period

The out-of-scope notification remains valid for the tested Fiscal Year and the following 4 consecutive Fiscal Years.

3

Back in scope

If the Entity becomes in scope again while the out-of-scope notification remains valid, submit an in-scope notification within 7 months from the end of that tested Fiscal Year.

4

Five-year rule

If out-of-scope status remains valid for 5 consecutive Fiscal Years, apply for deregistration within 6 months from the end of the fifth year, unless an in-scope notification is required.

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SUBMISSIONS BY A DOMESTIC DESIGNATED FILING ENTITY

Where a Domestic Designated Filing Entity is appointed, the DDFE submits the relevant applications and notifications on behalf of the applicable UAE domestic group members.

DDFE

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Submits registration, deregistration and in-scope / out-of-scope notifications

- **Domestic Main Group**
- **Domestic Minority-owned Subgroup**
- **Reverse Hybrid Entity**
- **Domestic JV Group**

Practical implication: one UAE entity may need access, authorisations and information flows covering multiple domestic entities. Groups should confirm the DDFE appointment and responsibility matrix before the first registration deadline.

SUMMARY OF KEY DEADLINES AT A GLANCE

Status / event	Standard deadline	Special deadline
Registration **Entity first in scope**	Within 7 months from the end of the first in-scope Fiscal Year.	30 November 2026 if the Fiscal Year ends before 30 April 2026.
Deregistration **Cessation / exit**	Within 6 months from the earliest of the date on which the Entity ceases to exist or the end of the Fiscal Year in which the Entity leaves an MNE Group and is no longer in scope. .	31 December 2026 if the Entity ceased to exist before 30 June 2026.
Out-of-scope notification	Within 6 months from the end of the tested Fiscal Year.	Not applicable.
In-scope notification	Within 7 months from the end of the tested Fiscal Year.	Not applicable.

Note: Each UAE Entity should be identified and mapped separately. Where a Domestic Designated Filing Entity is appointed, the DDFE is responsible for submitting the relevant applications and notifications on behalf of the applicable domestic group members.

WHAT BUSINESSES SHOULD DO NOW

1	**Determine scope**	Confirm whether the MNE Group and each UAE Entity are in scope under Cabinet Decision No. 142 of 2024.
2	**Identify the first in-scope FY**	Determine the first Fiscal Year in which the Entity is in scope and whether the 30 November 2026 transitional deadline applies.
3	**Confirm filing model**	Appoint and document any Domestic Designated Filing Entity and confirm EmaraTax access and authorisations.
4	**Create a compliance calendar**	Track registration, deregistration and notification deadlines across all UAE entities and fiscal year ends.
5	**Prepare data and governance**	Align legal entity data, group membership information, Pillar Two calculations, filing ownership and review controls.

ACQUISORY COMMENT

The Decision gives in-scope groups a clear administrative timeline, but it also creates immediate action points. Groups with a 31 December 2025 Fiscal Year end, or any other Fiscal Year ending before 30 April 2026 as a hard implementation milestone and begin entity mapping, DDFE confirmation and registration readiness now.

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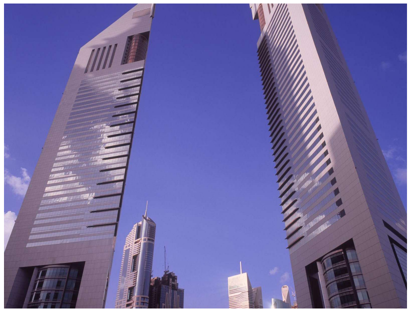

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