

Cabinet Decision No. (35) of 2025

Concerning the Determination of the Nexus of a Non-Resident Person in the State for the purposes of

Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses

The Cabinet

Having reviewed the Constitution,

- And Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses, and its amendments,
- And Cabinet Decision No. (56) of 2023 on Determining the Nexus of a Non-Resident Person in the State for the purposes of Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses,
- And Cabinet Decision No. (34) of 2025 on Qualifying Investment Funds and Qualifying Limited Partnerships for the purposes of Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses,
- And based on the proposal of the Minister of Finance and the approval of the Cabinet,

Has decided:

Article (1)

Definitions

The definitions contained in the aforementioned Federal Decree-Law No. (47) of 2022 shall apply to this Decision. Otherwise, the following terms shall have the meanings assigned to them, unless the context requires otherwise:

- : Means any of the following:
 - a. Any plot of land over which rights, interests, or servitudes are established.
 - b. Any building, structure, or engineering work permanently attached to the land or affixed to the seabed.
 - c. Any fixtures or equipment that become a permanent part of the land or are permanently attached to the building, structure, engineering work, or affixed to the seabed.

Corporate Tax : Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses, and its amendments.

Article (2)

Nexus in the State

For the purposes of paragraph (c) of clause (4) of Article (11) of the Corporate Tax Law, a juridical person that is established, formed, or otherwise recognised under the laws of another country or foreign territory shall have a nexus in the State in any of the following cases:

1. It derives income from Immovable Property in the State, including income derived from a real right in Immovable Property, and from its sale, disposal, assignment of rights therein, direct use, lease including sublease, and any other form of exploitation.
2. Its income has been adjusted pursuant to clause (2) of Article (3) of the aforementioned Cabinet Decision No. (34) of 2025.
3. Its income has been adjusted pursuant to clause (5) of Article (3) or clause (3) of Article (4) of the aforementioned Cabinet Decision No. (34) of 2025, and the nexus in the State shall arise from the date on which profit distributions are made by an investment fund that distributes (80) eighty percent or more of its income from Immovable Property within (9) nine months from the end of that fund's financial year, or the date of acquisition of an ownership interest in an investment fund that does not distribute this percentage within the aforementioned time period.

Article (3)

Fictitious Transfer of Rights in Immovable Property

If a Non-Resident Person fictitiously transfers their real right in any Immovable Property in the State to another person or disposes of it in any other manner, and such transfer or disposal is not for a genuine commercial purpose or for a non-financial purpose that reflects economic reality, it shall be considered an arrangement to obtain a Corporate Tax advantage in accordance with clause (1) of Article (50) of the Corporate Tax Law.

Article (4)

Corporate Tax Registration Requirements

A Non-Resident Person who has a nexus in the State in accordance with Article (2) of this Decision must register for Corporate Tax with the Authority in accordance with Article (51) of the Corporate Tax Law.

Article (5)

Executive Decisions

The Minister may issue the necessary decisions to implement any of the provisions of this Decision.

Article (6)

Repeals

1. Cabinet Decision No. (56) of 2023 on Determining the Nexus of a Non-Resident Person in the State for the purposes of Federal Decree-Law No. (47) of 2022 on the

Taxation of Corporations and Businesses is hereby repealed, provided that it shall continue to be effective for Tax Periods that commenced before 1 January 2025.

2. Any provision that contravenes or conflicts with the provisions of this Decision is hereby repealed.

Article (7)

Application of the Decision to Tax Periods

This Decision shall apply to Tax Periods that commence on or after 1 January 2025.

Article (8)

Publication and Entry into Force

This Decision shall be published in the Official Gazette and shall come into force from the date of its issuance.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued:

Date: 27 / Ramadan / 1446 H

Corresponding to: 27 / March / 2025 G