



UAE TRANSFER PRICING DISCLOSURE FORM

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"In the world of transfer pricing, it's not about moving money; it's about moving minds—convincing the taxman you're playing by the rules."

Key insight

“No threshold has been released therefore all the Related Party and Connected Person transactions must be assessed for Arm’s Length Price and Market value”

1. BACKGROUND

The Federal Tax Authority (FTA) of the UAE recently introduced the Transfer Pricing Disclosure Form, which businesses are required to file alongside their 2024 Corporate Tax Returns.

This measure is in line with **Article 55 of Federal Decree-Law No. 47 of 2022**, which outlines, Taxable Persons requirement to submit a TP disclosure form alongside their Corporate Tax Return if the transaction is above materiality threshold.

According to the **Transfer Pricing Guide (CTGTP1)** released by the Federal Tax Authority (FTA), businesses involved in transactions with Related Parties and Connected persons must complete this disclosure form.

TP Disclosure form is live in the EmaraTax Portal, allowing businesses to update and submit it in conjunction along with their Corporate Tax returns.

This document sheds light on the various components of the TP Disclosure Form.

2. CONTENT OF THE TP DISCLOSURE FORM

2.1. RELATED PARTY TRANSACTION SCHEDULE

Summary of information required is as under:

- Name of the Related Party
- Tax residence of the Related Party
- Corporate Tax TRN / TIN of Related Party (only if available)
- Transaction type
 - Goods,
 - Services,
 - Assets,
 - Liabilities
 - Intangibles
 - Interest
 - Others
- Transfer pricing method applied:
 - The Comparable Controlled Price Method (CUP)
 - The Resale Price Method (RPM)
 - The Cost-Plus Method (CPM)
 - The Transactional Net Margin Method (TNMM)
 - The Transactional Profit Split Method (PSM)
- Gross income / Expenditure
- Arm's length value
- Tax (transfer pricing) adjustment, if any

Key insight

“Other method option is not available under Transfer Pricing Method. No Provision for selecting combination of TP methods.”

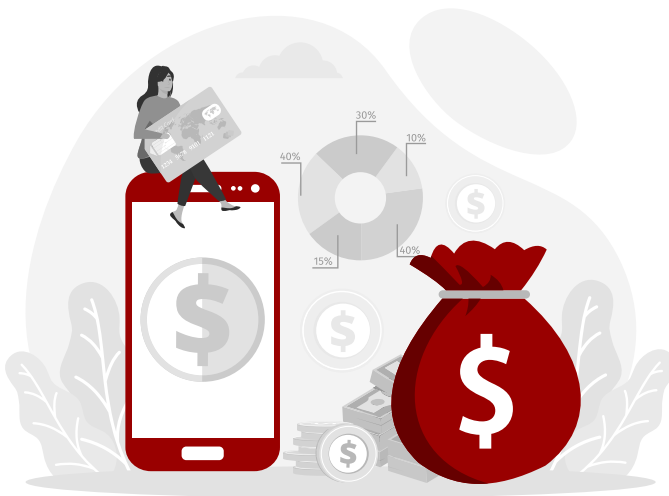


2. CONTENT OF THE TP DISCLOSURE FORM

2.2. CONNECTED PERSON SCHEDULE

Summary of information required is as under:

- Name of the Connected Person
- Corporate Tax TRN / TIN of Connected Party (only if available)
- Payment or Benefit
- Description of such Payment or Benefit
- Value of such payment or Benefit
- Market value of the service or benefit
- Tax (transfer pricing) adjustment, if any



Key insight

“The nature or type of relationship with the Connected or Related party is not specified in the Transfer Pricing disclosure form.”



2. CONTENT OF THE TP DISCLOSURE FORM

2.3. SUMMARY TABLE

Aggregated value of transactions	Income	Expense
Sale or Purchase of goods		
Services rendered or received		
Royalties, License fees and other receipt/payments in relation to intellectual properties		
Interest Income and Expense		
Assets		
Liabilities		
Others		

Key insight

“The summary table summarizes the aggregate value of the transactions / arrangements with Related parties.

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2. CONTENT OF THE TP DISCLOSURE FORM

2.4. DOCUMENTS REQUIREMENT LIST

- Financial statements
- Local File
- Master File
- Confirmation of ownership and the right to exploit the Qualifying Intellectual Property – Patent.
- Copyrighted software/Another right functionality equivalent to a patent
- Record of qualifying expenditure and overall expenditures incurred
- Tax residency certificate in the foreign jurisdiction
- Record of overall income d(eri)ved from the qualifying expenditures and overall income derived from qualifying intellectual property
- Documentation to support the market value of the qualifying immovable property at the start of the first tax period
- Documentation to support the market value of the Financial Assets / Liabilities at the start of the first tax period

Key insight

“Filing of Local File and Master File along with TP disclosure has come as a surprise as earlier it was to be submitted as and when requested by the Tax Authorities with in 30 days.”



3. ESSENTIALS FOR PREPARATION OF TP DISCLOSURE FORM

The following are some of the preparations which are necessary for the information to be included in the TP disclosure form:

- Identification of Related Party and Connected Person transactions
- Functions, Assets, and Risks (FAR) Analysis
- Methods adopted to arrive at the Arm's Length price, including reasons for excluding other methods
- Necessary Transfer Pricing adjustments
- Maintenance of agreements, invoices, receipts, etc.
- Identification of low-value-added services and the applicable markup

Key insight

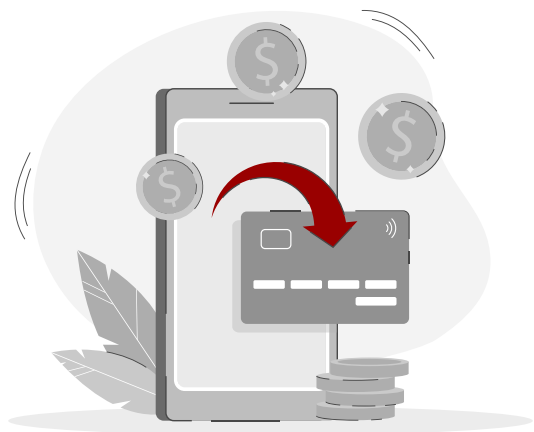
“ Disclosure of the following under “Others” option:

- Goods sold Free of cost
- Any capital contributions
- Outstanding Receivables
- Guarantees ”



4. KEY TAKEAWAYS

- **Arm's Length Standard:** All Related Party Transactions must comply with the Arm's Length Standard as per the Federal Decree Law No.47 and the TP Guide released by the FTA.
- **Documentation Requirements:** Although thresholds are set for Local and Master file, all transactions need to be justified with the appropriate Transfer Pricing Method in the TP Disclosure Form.
- **Tax Group Exemption:** Transactions between entities within a Tax Group (parent and subsidiary) are exempt from transfer pricing regulations, and TP Disclosure Form does not mention these transactions, suggesting they may not require disclosure.
- **Tax-Neutral Transactions:** The Federal Decree Law No.47 exempts tax-neutral transactions from Transfer Pricing documentation; however, there is no exemption for the TP Disclosure Form, indicating these transactions may still need to be reported.



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- Transfer Pricing [TP]
 - » Country by Country Reporting [CbCR]
 - » TP Local File and Master File
 - » TP Advisory
 - » International Tax
 - » Review of International Transaction
 - » Economic Substance Regulation
 - » Tax Residency Certificate
 - » Ultimate Beneficial Owner Regulation [UBO]

Indirect Tax

- Value Added Tax [VAT]
- Advisory
- Tax Agency Service
- Pre- Tax Audit
- VAT Return Filing & Refund
- Registration/De-registration
- Representation to FTA
- Excise Tax
- Customs Tax

Company Incorporation

- Company Formation
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 - » Free Zone
 - » Offshore
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- Company Liquidation
- Offshore Registered Agent –JAFZA
- PRO Service



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