

## **Cabinet Resolution No. (35) of 2025**

### **Regarding the Determination of the Non-Resident Person's Nexus in the State for the Purposes of Federal Decree by Law No. (47) of 2022 Regarding Taxation of Corporations and Businesses**

#### **The Cabinet:**

- Having reviewed the Constitution;
- Federal Decree by Law No. (47) of 2022 Regarding Taxation of Corporations and Business, and its amendments;
- Cabinet Resolution No. (56) of 2023 Regarding the Determination of the Non-Resident Person's Nexus for the Purposes of Federal Decree by Law No. (47) of 2022 Regarding Taxation of Corporations and Businesses;
- Cabinet Resolution No. (34) of 2025 Regarding Qualifying Investment Funds and Qualifying Limited Partnerships for the purposes of Federal Decree by Law No. (47) of 2022 Regarding Corporate Tax; and
- Upon the proposal of the Minister of Finance and the approval of the Cabinet,

#### **Hereby resolves as follows:**

### **Article (1)**

#### **Definitions**

The definitions stipulated in Federal Decree by Law No. (47) of 2022 referred to herein shall apply to this Resolution. Otherwise, the following terms and expressions shall have the meanings assigned to each of them, unless the context requires otherwise:

- Immovable Asset** : Refers to any of the following:
- a. Any plot of land on which rights, interests, or services are established.
  - b. Any building, structure, or engineering work permanently attached to land or fixed to the seabed.

- c. Any fixtures or equipment installed as a permanent part of the land or permanently attached to the building, structure, engineering work, or the seabed.

**Corporate Tax Law** : Federal Decree by Law No. (47) of 2022 Regarding Taxation of Corporations and Businesses, as amended.

## **Article (2)**

### **Nexus in the State**

For the purposes of Paragraph (c) of Clause (4) of Article (11) of the Corporate Tax Law, a legal person established, created, or otherwise recognized under the legislation of another country or foreign territory shall have a nexus in the State in any of the following cases:

1. Deriving income from immovable property in the State, including income derived from a real right in immovable property, from its sale, disposal, assignment of rights therein, direct use thereof, lease including sublease, or any other form of exploitation thereof.
2. That its income has been adjusted pursuant to Clause (2) of Article (3) of Cabinet Resolution No. (34) of 2025 referred to herein.
3. Its income has been adjusted pursuant to Item (5) of Article (3), or Clause (3) of Article (4) of Cabinet Resolution No. (34) of 2025 referred to herein, and the nexus in the State shall arise from the date of dividend distributions by an investment fund that distributes (80%) eighty percent or more of its income from immovable assets within (9) nine months from the end of the fiscal year of said fund; or the date of acquiring shares in an investment fund that does not distribute such percentage within the aforementioned time period.

## **Article (3)**

### **Artificial Transfer of Rights in Immovable Assets**

If a non-resident person makes an artificial transfer of their real right in any immovable assets in the State to another person or disposes thereof in any other manner, and such transfer or disposition is not for a genuine commercial purpose or a non-financial purpose reflecting the economic reality, this shall be considered an arrangement to obtain a corporate tax advantage under 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 pursuant to Article (2) of this Resolution shall register for the corporate tax with the Authority in compliance with Article (51) of the Corporate Tax Law.

## **Article (5)**

### **Executive Resolutions**

The Minister may issue the necessary Resolutions to implement any of the provisions of this Resolution.

## **Article (6)**

### **Repeals**

1. Cabinet Resolution No. (56) of 2023 Regarding the Determination of the Non-Resident Person's Nexus in the State for the purposes of Federal Decree by Law No. (47) of 2022 Regarding Taxation of Corporations and Businesses is hereby repealed, provided that it shall remain in force with respect to tax periods that commenced prior to 1 January 2025.
2. Any provision that contradicts or conflicts with the provisions of this Resolution shall be repealed.

## **Article (7)**

### **Application of the Resolution to Tax Periods**

This Resolution shall apply to tax periods commencing on or after 1 January 2025.

## **Article (8)**

### **Publication and Entry into Force of the Resolution**

This Resolution shall be published in the Official Gazette and shall enter into force from the date of its publication.

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

Issued by us:

On: 27 Ramadan 1446 AH

Corresponding to: 27 March 2025 AD