



UAE RESIDENT PERMIT: SUBSTANTIATION

Substantiation

The term "tax substance" or "economic substance" refers to the requirement for an individual or company to have an actual economic presence in the jurisdiction where he/she/ is residing to qualify for the benefit(s) of a tax treaty.

Substance attached to structures have become a key theme in regulatory tax circles at all levels - domestic (anti-avoidance provisions), regional (EU's aggressive tax planning and harmful tax competition) and global (OECD's base erosion and profit shifting, or BEPS).

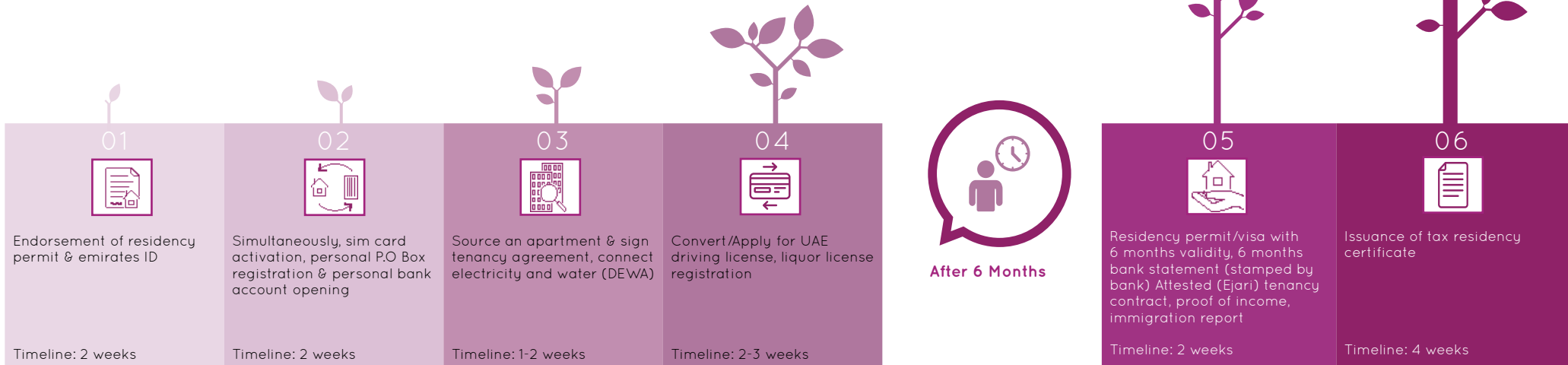
While the concept of substance has yet to be formally implemented in any treaty, it stands behind related concepts of residence and beneficial ownership, and in practice constitutes the safeguard tool of choice of governments wishing to prevent treaty shopping. It is therefore paramount for UAE residents involved in international operations to be aware of the notion of "economic substance", to prevent and counter the risk of a potential challenge over tax residency. (See our factsheet: [UAE Tax residence certificate](#)).

Maintenance

Standard Residence permit is valid for a period of up to three years. The validity is subject to the renewal of the company's license (acting as sponsor for visa purposes) and the visa holder re-entering the UAE at least once every six months. The company's license is valid for a period of one year.

We are contacting the visa holder at least three months prior to the expiry date with an assessment of the corresponding out of pocket expenses and organize the relevant renewal on his/her behalf. Unless specifically qualified as a (passive) "holding", it is advisable for the company to be kept "active" - e.g. operates, issues invoices.

Audited financial statements are currently not universally required as part of the license renewal procedure (See our factsheet: [Audit and Assurance](#)). Maintains a basic accounting is mandatory per Federal Law.



Who we are

We are a multi-services platform catering to a broad spectrum of clients - from individual entrepreneurs and local SMEs to wealthy international families, to established blue-chip companies and multinationals. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a law firm's specialist expertise and a regulatory & compliance services practice, all through one single platform.

We have broad experience in assisting clients with multi-jurisdictional interests in securing an alternative residence and domicile. Bringing together our tax and private wealth expertise, along with the broad capabilities of our sister fiduciary firm, our team can support our clients in all aspects of their immigration.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.

Who will assist you



Stephanie Campbell
Manager - Corporate Services
campbell@m-hq.com



Yann Mrazek
Managing Partner
mrazek@m-hq.com