

UAE TP Disclosure Form

Schedules, thresholds & best practices

Essential guidance for UAE
Corporate Tax compliance in 2025



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Transfer Pricing Disclosure Form

Pursuant to Article 55(1) of the UAE Corporate Tax Law

Filing Requirements

- ✓ Required for Taxable Persons with Related Party or Connected Person transactions
- ✓ Must exceed materiality thresholds
- ✓ Includes domestic and foreign transactions
- ✓ Submitted with Tax Return

Submission Details

- ⌚ Deadline: **9 months** from end of Tax Period
- ↻ Filing: Annual submission
- 🔗 With Corporate Tax Return
- 🌐 Sample available on FTA website

Disclosure Requirements

Transaction Information

- ↔ Nature of Controlled Transaction(s)
- 📊 Value of Controlled Transaction(s)
- 🏢 Details of Related Party(ies)
- 👤 Connected Person information






















Methodology Information

- ⚖️ TP method(s) used
- 📏 Arm's length value
- 📈 Comparability analysis
- 📄 TP adjustments

Key Information

The TP disclosure form covers transactions between the Taxable Person and its Related Parties or Connected Persons, ensuring compliance with arm's length pricing principles and preventing tax base erosion.








UAE CT Return - TP Disclosure Form

 Related Party Schedule	 Connected Persons Schedule	 Documents Requirement List
<ul style="list-style-type: none">  Related Party Name  Country of Tax Residence  CT TRN (if available)  Type of Transaction <i>Goods, Services, IP, Interest, Assets, Liabilities, Others</i>  Transaction Value <i>Gross amount</i>  TP Method <i>CUP, Resale Price, Cost Plus, TNMM, Profit Split</i>  Arm's Length Value  Tax Adjustment 	<ul style="list-style-type: none">  Connected Person Name  CT TRN (if available)  Type <i>Payments or Benefits</i>  Description <i>Detailed explanation required</i>  Value <i>Actual amount paid/received</i>  Market Value <i>Arm's length value</i>  Tax Adjustment <i>Difference between Value and Market Value</i> 	<ul style="list-style-type: none">  Local File <i>Detailed TP documentation for local entity</i>  Master File <i>Group-wide TP policies and practices</i>  Financial Statement <i>Financial records for the relevant period</i>

Form Requirements

The TP disclosure form must be submitted alongside the Tax Return within 9 months from the end of the relevant Tax Period. Ensure all transactions are properly categorized and reported according to the relevant schedule requirements.

TP Disclosure Form Schedules

Disclosure Aspect	 Related Party Schedule	Article 35	 Connected Person Schedule	Article 36
 Purpose	Disclose high value transactions with Related Parties		Disclose high value transactions with Connected Persons	
 Threshold Trigger	Should be completed by all Taxable Persons who have transactions with Related Parties where the aggregate value of all transactions with all Related Parties recorded in the Financial Statements or at Market Value exceeds: AED 40 million		Completed only if the aggregate value of transactions with Connected Persons (including their Related Parties) exceeds: AED 500,000	
 What to Disclose	Once you exceed the threshold, transactions with Related Parties where the aggregate transaction value per category (with all Related Parties) exceeds: AED 4 million		This schedule should be completed for each Connected Person where the aggregate payment or benefit exceeds: AED 500,000 (together with its Related Parties)	
 Exclusions	Dividends declared between Related Parties are excluded from thresholds and disclosure		Not all Connected Person transactions require disclosure under this schedule	
 Reporting Method	Gross income (Revenue) and expenditure must be reported separately by type for each Related Party		Aggregate payment or benefit amounts including transactions with Related Parties of the Connected Person	



Important Threshold Update **Art. 55(1)**

The threshold for related party & connected persons schedules and transactions are currently e-return triggers – subject to change once FTA issues materiality decision under Art. 55(1)



Key Points to Remember

- Both schedules use different thresholds for triggering disclosure requirements
- Check reporting and disclosure exclusions carefully before filing

Related Party Relationship (Article 35)

Article 35 of the UAE Corporate Tax Law defines Related Parties based on association criteria



Kinship & Affiliation

Degrees of kinship or affiliation include:

1st Degree

A Natural Person's parents and children

As well as the parents and children of their spouse

2nd Degree

Additionally includes grandparents, grandchildren, and siblings

As well as the grandparents, grandchildren, and siblings of their spouse

3rd Degree

Additionally includes great-grandparents, great-grandchildren, uncles, aunts, nieces and nephews

As well as those of their spouse

4th Degree

Additionally includes great-great-grandparents, great-great-grandchildren, grand uncle, grand aunt, grandniece, grandnephew and first cousins

As well as those of their spouse



Ownership

Per Article 35, Related Parties by ownership include:



A Natural Person and a juridical person where the individual, or one or more Related Parties of the individual, are shareholders in the juridical person, and the individual, alone or together with its Related Parties, directly or indirectly owns a

≥ 50%

ownership interest in the juridical person



Two or more juridical persons where a juridical person, alone or together with its Related Parties, directly or indirectly owns a

≥ 50%

ownership interest in the other juridical person



Any Person, alone or together with its Related Parties, directly or indirectly owns a

≥ 50%

ownership interest in two or more juridical persons

As per Article 35(1)(b)(1) and Article 35(1)(c)(1) of the Corporate Tax Law



Control

Control is the direction and influence over one Person by another Person and can be determined when:



A Person can exercise 50% or more of the voting rights of another Person



A Person can determine the composition of 50% or more of the board of directors of another Person



A Person can receive 50% or more of the profits of another Person



A Person can determine, or exercise significant influence over, the conduct of the Business and affairs of another Person

May require consideration of factors specific to the scenario being tested



Additional Criteria

Also considered Related Parties:



A Person and its Permanent Establishment (PE) or Foreign PE



Two or more Persons that are partners in the same Unincorporated Partnership



Trustee, founder, settlor or beneficiary of a trust or foundation and the trust/foundation

Connected Person Definition

Article 36 of the UAE Corporate Tax Law defines Connected Persons and their tax treatment



Who Qualifies as Connected Person?

- ✓ Individual who directly/indirectly owns or controls the Taxable Person
- ✓ Director or officer of the Taxable Person
- ✓ Partner in an Unincorporated Partnership
- ✓ Related Parties of any of the above individuals



Deduction Requirements

- ✓ Payments deductible only to the extent they correspond to Arm's Length Price
- ✓ Must be incurred wholly and exclusively for business purposes
- ✓ Mixed business/personal payments require manual splitting
- ✓ Personal expenses should be reported with market value of zero



Exempted Taxable Persons

Listed Companies

Taxable Persons with shares traded on a recognised stock exchange

Regulated Entities

Taxable Persons subject to regulatory oversight by a competent authority in the UAE

Cabinet Determination

Any other Person as may be determined in a decision issued by the Cabinet



Important Note on Downward Adjustments

Any transfer pricing adjustment that **decreases the Taxable Income** (i.e. downward adjustment) will be allowed **only upon a successful application to the FTA.**

Related Party Schedule (Article 35): Practical Scenarios

Review these practical examples to understand Related Party disclosure requirements:

#	Value (AED m)	Category breakdown	>40m?	Schedule?	Categories >4m	Why it matters
RP-1	25	· Goods 15 · Services 10	❌ No	No	n/a	Below 40m, form not filed even if categories > 4m
RP-2	45	· Goods 20 · Services 18 · Interest 5	✅ Yes	Yes	Goods, Services, Interest	Over 40m: all categories > 4m must be listed
RP-3	38	· Goods 30 · Services 8	❌ No	No	n/a	Aggregate < 40m; schedule not triggered
RP-4	48	· Goods 38 · Services 10	✅ Yes	Yes	Goods, Services	Two categories > 4m disclosed
RP-5	43.1	· Mgmt-fees 30.6 · Interest 6 · Goods 3 · Services 3.5	✅ Yes	Yes	Mgmt-fees, Interest	Categories < 4m not reported even if total > 40m
RP-6	60	· Goods 50 · Services 7 · Interest 3	✅ Yes	Yes	Goods, Services	3m stays off-schedule (< 4m) despite total > 40m

Key Observations

- Schedule required when **aggregate** value exceeds AED **40 million**
- Only categories > AED **4 million** need disclosure
- Dividends between Related Parties excluded from these thresholds

Practical Tips

- ▶ Group similar transactions to minimize line items
- ▶ Maintain clear category distinction (goods, services, etc.)
- ▶ Use gross transaction values before any adjustments

Common Pitfalls

- ▶ Overlooking the AED 40M aggregate trigger threshold
- ▶ Including categories below AED 4M individual threshold
- ▶ Failing to keep proper category documentation

Related Party Schedule: Key Observations



Gross value reporting

Reporting requires full gross value of income to be disclosed without netting off discounts or rebates. This applies primarily to income transactions.



Free Zone

No specific selection of entities (Free zone or QFZP) in the form. There is an arm's length requirement to maintain QFZP status.



Other Method

No option in the related party schedule to select any other method (e.g. DCF valuation)



Free of cost transactions

No separate place to disclose free of cost transactions



Head office and Domestic PE

While one tax return is filed, there may be TP analysis required for Head office and domestic PE if one of the entities are based in QFZP and other in Mainland and there are transactions between these two entities.



Transitional provisions

The form does not clarify how **related party transactions** that were initiated **before** the effective date of the UAE Corporate Tax (i.e., before June 1, 2023), the opening balances to be revised if not undertaken on ALP



Loan and Interest

Whether both principal amount and interest on loan to be disclosed separately? as it is required to disclose liabilities. However, it is not practical to determine ALP and select method for principal amount.



Practical Tips

- ✓ Group similar transactions to minimize reporting line items
- ✓ Report full values before any adjustments
- ✓ Ensure alignment with Master File and Local File documentation



Common Pitfalls

- ! Overlooking the AED 40M aggregate trigger threshold
- ! Including categories below AED 4M threshold
- ! Failing to maintain proper documentation

Connected Person Schedule: Scenarios

Review these practical examples to understand CP disclosure requirements:

#	Aggregate payments (AED)	CP-level breakdown (AED)	Aggregate >500k?	Schedule required?	CPs to disclose (>500k each)	Key takeaway
CP-1	400 k	CP-A 250 k CP-B 150 k	● No	No	n/a	Below 500k aggregate, so no schedule.
CP-2	600 k	CP-A 400 k CP-B 200 k	● Yes	Yes	None	As per Tax return guide, schedule is triggered but no transaction to report, clarity is awaited from FTA
CP-3	900 k	CP-A 600 k CP-B 300 k	● Yes	Yes	CP-A	Only CP-A exceeds 500k and is disclosed.
CP-4	1,500 k	CP-A 400 k CP-B 700 k CP-C 400 k	● Yes	Yes	CP-B	Each CP tested individually against 500k threshold.
CP-5	2,000 k	CP-A 1,000 k CP-B 1,000 k	● Yes	Yes	CP-A, CP-B	Both CPs exceed the per-CP threshold.

i Key Observations

- A schedule is required when **aggregate** payments to all CPs exceed AED 500k
- Only individual CPs receiving more than AED 500k are disclosed in the schedule

TP Disclosure Reporting Examples

Practical scenarios for disclosure reporting

☰ Related Party - Arm's Length

1000 = 1000 (AED)

Book Value = ALP

- Transaction is already at arm's length
- No adjustment required for tax purposes
- Report both book value and ALP as the same amount
- No tax difference to report

↑ Related Party - Upward Adjustment

800 < 1000 (AED)

Book Value < ALP (+200)

- Transaction value is below arm's length price
- Increases taxable income by 200 AED
- Automatic adjustment for tax purposes
- Report both book value and correct ALP

↓ Related Party - Downward Adjustment

1200 > 1000 (AED)

Book Value > ALP (-200)

- Transaction value exceeds arm's length price
- Decreases taxable income by 200 AED
- Report both book value and correct ALP

⚠ FTA approval required for downward adjustment

👤 Connected Person - Arm's Length

1000 = 1000 (AED)

Book Value = Market Value

- Transaction is at arm's length and for business
- No adjustment required for tax purposes
- Must demonstrate business purpose
- Report if aggregate CP payments >500k AED
- Only disclose if this CP received >500k AED

💡 Interest-Free Loan Example

Book Value:

Interest: 0 AED

Arm's Length Value:

Interest: 1000 AED

Adjustment:

+1000 AED (7% rate)

i The 7% interest rate is determined through benchmarking analysis of comparable third-party loans

Transfer Pricing Analysis Process

Practical approach for Transfer Pricing Disclosure Form




Other aspects

Practical approach for Transfer Pricing Disclosure Form



Best Practice

- 
 Implementing these steps systematically will ensure accurate TP disclosure reporting and minimize potential compliance issues with the UAE Federal Tax Authority.

⚠ Disclaimer: This presentation is for information purposes only and does not constitute professional advice.

Verification

Key documentation and verification requirements



UAE CT Return - TP Disclosure Form

Main Interface

Corporate Tax Return

Transactions with Related Parties and Connected Persons

Were there any transactions with Related Parties in the current Tax Period?

Yes No

Related Party Transaction Schedule

Were there any transactions with Connected Persons in the current Tax Period?

Yes No

Connected Persons Schedule

Description

Total Amount (AED)

Adjustments as a result of Payments or Benefits provided to Connected Persons which were not at Market Value (AED)

Adjustments to gains in relation to assets or liabilities previously received from Related Parties at a non-arm's length price (AED)

Corporate Tax Return

Transactions with Related Parties and Connected Persons

Were there any transactions with Related Parties in the current Tax Period?

Yes No

Related Party Transaction Schedule

Were there any transactions with Connected Persons in the current Tax Period?

Yes No

Connected Persons Schedule

Previous Step

Cancel

Save as Draft

Next Step

Disclosure Form – Related party schedule (1/3)

TEMPLATE

Related Party Schedule

Corporate Tax Return

Filing Period

Corporate Tax Return Period
01/01/2024 - 31/12/2024

Corporate Tax Return Due Date
30/09/2025

Corporate Tax Year End
31/12/2024

Related Party Transaction Schedule

Gross Income Received from Related Parties

Expenditure Paid to Related Parties

Summary Table

+ Add New Item

Name of the Related Party	Transaction type	Tax Residence	Gross Income (AED)	Transfer Pricing method applied	Arm's Length Value (AED)	Tax adjustment (AED)	Action
---------------------------	------------------	---------------	--------------------	---------------------------------	--------------------------	----------------------	--------

No data

Total (AED)

0

Expenditure Paid to Related Parties

Name of Related Party	Transaction type	Tax Residence	Expenses	TP method	Arm's Length Value	Adjustment	Action
-----------------------	------------------	---------------	----------	-----------	--------------------	------------	--------

Disclosure Form – Related party schedule (2/3)

Gross Income Received from Related Parties

Name of the Related Party

Transaction type

Tax Residence

Gross Income (AED)

Arm's Length Value (AED)

Add

Gross Income Received from Related Parties

Name of the Related Party

Transaction type

Tax Residence

Corporate Tax TRN/TIN (where available)

Gross Income (AED)

Transfer Pricing method applied

Arm's Length Value (AED)

Add

Disclosure Form – Related party schedule (3/3)

TEMPLATE

Summary table for aggregated transaction categories

Corporate Tax Return

Related Party Transaction Schedule

Gross Income Received from Related Parties

Expenditure Paid to Related Parties

Summary Table

Total Transfer Pricing adjustments (AED)

0

Summary Table

AGGREGATED VALUE OF TRANSACTIONS OR ARRANGEMENTS IN THE TAX PERIOD WITH RELATED PARTIES	INCOME (AED)	EXPENSES (AED)
Sale or Purchase of goods ("Goods")	0	0
Services rendered or received ("Services")	0	0
Royalties, licence fees, and other receipts/payment in relation to intellectual properties	0	0
Interest Income and Expense ("Interest")	0	0
Assets ("Assets")	0	0
Liabilities ("Liabilities")	0	0
Other transactions not falling under the items above ("Others")	0	0
Total of aggregated value of transactions or arrangements in the Tax Period with Related Parties	0	0

Connected person schedule (1/2)

Connected Persons Schedule

Corporate Tax Return

- Taxpay...
- Ele...
- Accountin...
- Accounting Adjustme...
- R...
- Other A...
- Tax Liability a...
- Review an...

Filing Period

- Corporate Tax Return Period: 01/01/2024 - 31/12/2024
- Corporate Tax Return Due Date: 30/09/2025
- Corporate Tax Year End: 31/12/2024

Connected Persons Schedule

+ Add New Item

Customize Columns

Name of the Connected Person	Corporate Tax TRN/TIN (where available)	Payment or benefit	Description	Value of the payment or benefit provided to the Connected Person (AED)	Market Value of the service or benefit provided by the Connected Person (AED)	Adjustment for transactions with Connected Persons (AED)	Action
<i>No data</i>							
						Total (AED)	

Connected person schedule (2/2)

Connected Persons Schedule

Name of the Connected Person

Corporate Tax TRN/TIN (where available)

Payment or benefit

Payments ▼

Description

Value of the payment or benefit provided to the Connected Person (AED)

Market Value of the service or benefit provided by the Connected Person (AED)

Adjustment for transactions with Connected Persons (AED)

Connected Persons Schedule

Name of the Connected Person

Corporate Tax TRN/TIN (where available)

Payment or benefit

▼

Payments

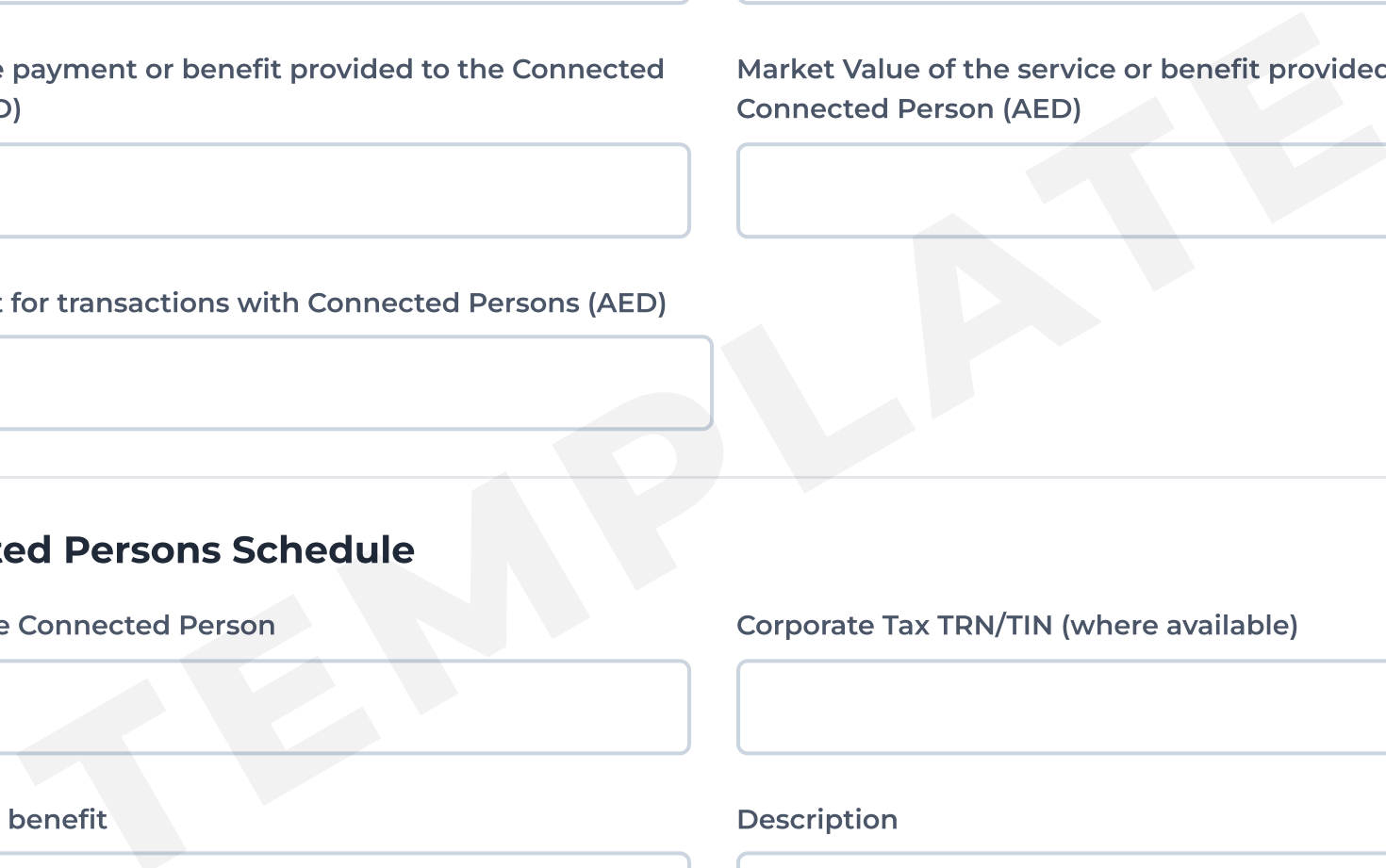
Benefits

Description

Market Value of the service or benefit provided by the Connected Person (AED)

Adjustment for transactions with Connected Persons (AED)

Add



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