

ATOZ
TAX ADVISERS MIDDLE EAST

ATOZ ALERT

UAE Pillar Two: Reminder of the upcoming registration and filing deadlines

13 November 2026

The United Arab Emirates ("**UAE**") introduced the imposition of the Top-up Tax, implementing the OECD/G20 Pillar Two Global Anti-Base Erosion (GloBE) Model Rules, through Cabinet Decision No. 142 of 2024 (the "**Decision**") on the imposition of a Top-up Tax on Multinational Enterprise ("**MNE**") Groups, effective for Fiscal Years beginning on or after 1 January 2025.

The UAE's implementation of the Top-up Tax forms part of the OECD/G20 Two-Pillar Solution, which aims to address the tax challenges arising from the digitalisation of the economy. This includes the GloBE Model Rules under Pillar Two, which seek to ensure that in-scope MNE Groups are subject to an effective tax rate of at least 15% in each jurisdiction in which they operate, through a Top-up Tax mechanism[1].

FTA Decision No. 12 of 2026 adds precisions to the Decision concerning the registration and deregistration of Entities as well as the timelines for these steps.

In this Alert, we remind readers of the various upcoming deadlines for Pillar Two registration and filing obligations in the UAE.

Key deadlines at a glance

- **30 November 2026** – Top-up Tax registration deadline for Entities (or their Domestic Designated Filing Entity ("**DDFE**")) whose Fiscal Year ends before 30 April 2026.
- **31 March 2027** – Deadline to file the Pillar Two Information Return for the 2025 Fiscal Year.
- **30 June 2027** – Deadline to file the first Top-up Tax Return for the 2025 Transitional Year.
- **31 July 2027** – Registration deadline for Entities joining an in-scope group in a Fiscal Year ending 31 December 2026.

[1] *For more information the UAE's implementation and scope of the Top-up Tax, please read our previous ATOZ Alert.*

Filing of Top-up Tax Return

Each Constituent Entity[2], Joint Venture ("**JV**") or JV Subsidiary in the UAE must file a Top-Up Tax return with the Federal Tax Authority ("**FTA**") within:

- in principle, 15 months after the last day of the reporting Fiscal Year, or
- 18 months after the last day of the reporting Fiscal Year that is the first Transition Year.

Transition Year means the first Fiscal Year that the MNE Group comes within the scope of the Top-up Tax under the Decision. This means that for the 2025 reporting Fiscal Year, which should be a Transition Year for UAE Constituent Entities, such Entities shall file their first Top-up Tax return by **30 June 2027**.

The Top-up Tax return shall include the equivalent information and reporting requirements set out in the Pillar Two Information Return developed at OECD level.

Tax registration of Entities for Top-up Tax purposes

According to FTA Decision No. 12 of 2026 which adds precisions to the Decision concerning the registration and deregistration of Entities, the timelines are the following:

- For a Fiscal Year ending before 30 April 2026, the Entity (or its DDFE) must submit the Top-up Tax registration to the FTA on or before **30 November 2026**.
- For all other cases, registration must be submitted within seven months of the end of the first Fiscal Year in which the Entity falls within scope of the Decision. An Entity joining an in-scope group in a Fiscal Year ending 31 December 2026 must register by **31 July 2027**.

An administrative penalty of AED 10,000 applies for failing to register on time. Where a DDFE is responsible, an administrative penalty of AED 10,000 applies per Entity not registered.

Where an Entity is required to register for Top-up Tax purposes but neither the Entity nor a DDFE representing the Entity submits a registration application by the relevant timeline, the FTA has the discretion, based on information available to it, to register the Entity. Such registration is effective from the date the Entity was originally obliged to register under the Decision.

Pillar Two Information Return filing

According to Ministerial Decision No. 133 of 2026 concerning the Entities required to file their Pillar Two Information Return for the purposes of the Decision, the following entities are subject to such filing:

- Each Constituent Entity, excluding any Investment Entity, located in the UAE;
- Each JV and JV Subsidiary located in the UAE; and
- Each Stateless Constituent Entity that is a Reverse Hybrid Entity created in accordance with the laws of the UAE.

The Pillar Two Information Return may be filed either by the Constituent Entity, JV, JV Subsidiary or by the Designated Local Entity on its behalf.

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[2] All terms in capital letters that are not defined in this article shall be interpreted as defined under the Decision.

However, they will not be obligated to file a Pillar Two Information Return with the FTA if such filing has already been done by either the Ultimate Parent Entity or the Designated Filing Entity located in a jurisdiction that has a Qualifying Competent Authority Agreement in effect with the UAE for the Reporting Fiscal Year.

The Pillar Two Information Return shall be filed in the standard template that was published by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting on 17 July 2023 (as amended from time to time) and shall include the required information concerning the MNE Group.

The Pillar Two Information Return shall be filed with the FTA no later than 15 months after the last day of the Reporting Fiscal Year, which is **31 March 2027** for the 2025 Fiscal Year.

Do you have any questions?



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