

United Arab Emirates Tax Facts

Introduction	Like most of the Middle East states the Government of the United Arab Emirates receives most of its revenues from the oil industry.
Tax Year	Not applicable.
Assessment Basis	Not applicable.
Income Tax	There is no individual income tax in the United Arab Emirates.
Taxation of Investment Income	There are no taxes in the United Arab Emirates on investment income.
Tax on Property Rental Income	There is no taxation of rental income in the United Arab Emirates.
Wealth Taxes	There are no wealth taxes in the United Arab Emirates.
Capital Gains Tax	There is no capital gains tax in the United Arab Emirates.
Inheritance and Gift Tax	There are no inheritance or gift taxes in the United Arab Emirates.
Regional and Municipal Taxes	Municipal taxes are levied in most Emirates the rate and application of which varies from Emirate to Emirate.
Property Taxes	There are no property taxes in the United Arab Emirates.
Stamp Duty/Transfer Tax	There is no stamp duty in the United Arab Emirates.
Sales Tax	There are no consumption taxes or VAT in the UAE however individual Emirates may charge levies on certain products such as liquor and cigarettes and on certain services such as those provided in the hospitality industry.
Social Security Contributions	Expatriate employees are not required to make social security contributions. Health care coverage is required in order for an individual to obtain a UAE residence permit.
Other	There is a standard 5% importation duty on most imports throughout the Emirates. With higher rates being applied to alcohol and tobacco.

Taxation of Expatriates Living in the **UAE**

Expatriates living in the UAE and UAE nationals are taxed (or not) in the same way.

Expatriate **Financial Planning**

As a whole, the UAE tax regime is advantageous to expatriates living and working in the UAE.

If you are an expatriate currently living in or considering moving to the UAE, you should review your finances with a suitably qualified financial advisor. In particular, if you are about to move to the UAE, you should plan and review your finances before making the move. You may wish to consider offshore investments, including offshore life products, in order to manage your tax liability and/or control when tax charges are made, as well as considering options available to you for estate planning.

Whilst the specific benefits of an offshore life product will depend upon your individual circumstances they do offer a number of potential benefits:

- Investments in an offshore life product grow virtually free of tax throughout the time the product is held, suffering only a small amount of irrecoverable withholding tax on investment funds located in certain countries.
- They allow you, in general, to manage when you take benefits and potentially to defer the benefits to a period that may be more advantageous to you from a taxation perspective.
- Offshore products often feature a strong range of the life company's own individual offshore funds and managed offshore funds specifically tailored to fit with the spread in clients' attitudes to risk. Offshore products also offer access to household name fund managers, including many international and specialist fund managers.
- An offshore product has the flexibility to adapt to changes in your individual circumstances, including changes in your residency status.
- Most companies offering offshore life products are subsidiaries of global financial services companies.
- The offshore life companies are regulated in first class jurisdictions which benefit from strong regulatory controls.

Your independent financial adviser can help you ensure that you maximise the financial benefits of your expatriate status and help you to assess if offshore life products are right for your individual circumstances.

This document has been prepared on behalf of the members of the Association of International Life Offices ("AILO") and relies on information and technical analysis provided by third party professionally qualified tax advisers. Whilst AILO has used its best endeavours in selecting its advisers to ensure the accuracy of the information contained in this document, AILO cannot be held responsible for any errors and omissions.

This document has been prepared for general information purposes only. The information contained in this document is a summary of the law relating to taxation that is generally applicable in the UAE and is intended for guidance only. The information contained in this document reflects the law as at December 2003. Tax legislation is complex and subject to frequent change. This document cannot be relied upon as a specific analysis of the current law as it applies to each individual. Individuals should seek detailed tax advice from a suitably qualified professional adviser before making any decision in relation to his or her tax planning.

The information contained in this document does not and is not intended to amount to investment advice and anyone reading it should consult their professional adviser before making an investment into any investment product of a type mentioned in this document.