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DIRECT TAX ALERT

August 21, 2026

DMTT Registration, Deregistration and Notification Timelines

FTA Decision No. 12 of 2026 (Effective from Fiscal Years starting on or after 1 Jan 2025)

OVERVIEW

The UAE Domestic Minimum Top-up Tax ('DMTT') applies to MNE Groups falling within the scope of **Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises ('DMTT Law')** to Fiscal Years commencing on or after **1 January 2025**. Broadly, the DMTT applies to an MNE Group where its **consolidated revenue is EUR 750 million or more in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year**.

Article 13 of the DMTT Law requires Entities to register and deregister for Top-up Tax purposes in the form, manner and timeline prescribed by the Federal Tax Authority ('FTA').

Accordingly, the FTA has issued **FTA Decision No. 12 of 2026** ('FTA Decision'), prescribing the timelines for DMTT registration, deregistration and notifications. FTA Decision shall apply to Fiscal Years starting on or after 1 January 2025.

This alert summarises the key provisions of FTA Decision.

FTA DECISION NO. 12 OF 2026 IN DETAIL

1. Tax Registration of Entities (Article 2)

Requirement	Timeline
General rule	An Entity subject to Top-up Tax must submit a Tax Registration application within 7 months from the end of the first Fiscal Year in which it falls within scope of the DMTT Law
Transitional rule	Where the first in-scope Fiscal Year ends before 30 April 2026, the application must be submitted on or before 30 November 2026

Illustrative Scenarios

First in-scope Fiscal Year-end	Applicable rule	Registration deadline
31 December 2025	Transitional	30 November 2026
30 June 2026	General	31 January 2027
31 December 2026	General	31 July 2027

2. Tax Deregistration of Entities (Article 3)

Requirement	Timeline
General rule	An Entity must apply for Tax Deregistration within 6 months from the earlier of: (a) the date it ceases to exist, or (b) the end of the Fiscal Year in which it leaves the MNE Group and ceases to fall within scope of the DMTT Law
Transitional rule	Where the Entity ceases to exist before 30 June 2026, the application must be submitted on or before 31 December 2026
Precondition	An Entity may not be deregistered unless it has settled in full all Top-up Tax and penalties payable, and filed all Top-up Tax Returns and Pillar Two Information Returns due
Validity pending deregistration	Where a deregistration application is approved, the Entity's registration remains valid until the earliest of: • its cessation, • the end of the Fiscal Year it leaves the MNE Group and ceases to fall within the UAE DMTT Rules, *or* • any other date determined by the FTA
FTA-initiated deregistration	Where an Entity meets the deregistration conditions but does not apply, the FTA may, at its discretion, deregister the Entity on its own initiative

Dhruva's Note:
The transitional deregistration deadline of 31 December 2026 appears to apply only where an Entity ceased to exist before 30 June 2026. Entities that left an MNE Group and ceased to be in scope before that date may need to separately assess their deregistration position. Groups should review such cases to determine whether any follow-up action or clarification is required.

3. In-Scope and Out-of-Scope Notification (Article 4)

Requirement	Timeline
Out-of-scope notification	Where an Entity's MNE Group ceases to be in scope of the DMTT for a tested Fiscal Year, the Entity must notify the FTA within 6 months from the end of that Fiscal Year
Validity of out-of-scope notification	Remains valid for the tested Fiscal Year and the following 4 consecutive Fiscal Years unless in-scope notification is required
In-scope notification	Where an Entity that has a valid out-of-scope notification becomes in scope again, it must notify the FTA within 7 months from the end of the tested Fiscal Year
Application for deregistration after 5 consecutive out-of-scope Fiscal Years	Where the out-of-scope notification remains valid for 5 consecutive Fiscal Years, the Entity must apply for deregistration within 6 months from the end of the fifth Fiscal Year (unless an in-scope notification is required instead)

Dhruva's Note:
Because the revenue threshold is tested using a rolling four-year period, an MNE Group may move out of and subsequently back into scope. A single out-of-scope Fiscal Year does not trigger immediate deregistration. Instead, the Entity submits an out-of-scope notification, which may remain valid for up to five consecutive Fiscal Years, subject to an earlier in-scope notification.

4. Tax Registration and Deregistration by a Domestic Designated Filing Entity ('DDFE') (Article 5)

Where a Domestic Designated Filing Entity is appointed under Article 2.2 of the DMTT Law, the DDFE shall submit the Tax Registration application, Tax Deregistration application, and in-scope/out-of-scope notifications **on behalf of all members of**: (a) a Domestic Main Group, a Domestic Minority-owned Subgroup, or a Reverse Hybrid Entity; or (b) a Domestic JV Group.

Dhruva's Note:
In-scope MNE Groups may register each UAE entity individually or appoint a DDFE to undertake the relevant compliance on behalf of the MNE Group.

DHRUVA COMMENTS

The FTA has enabled DMTT registration through the existing EmaraTax portal. The registration is a detailed process and requires MNE Group and Entity information, supporting documents providing overview of the entire structure the Group, details of members, relevant authorizations etc.

With the timelines now prescribed, in-scope MNE Groups are recommended to confirm the UAE Entity population within scope, review changes in the Group's structure during the year, determining the preferred registration approach (i.e. registration individually or through a DDFE), commence preparations by, collating the required information and completing the necessary authorisations.

The chosen registration approach should be aligned with the broader DMTT compliance framework, including governance, data ownership, return preparation, payment processes and interactions with the FTA.

Dhruva Consultants achieved ITR World Tax Ranking 2026:

- Tier 1 – Indirect Tax
- Tier 2 – General CT, Transfer Pricing, Transactional Tax
- Other Notable: Tax Controversy

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