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UAE Transfer Pricing Introduction of APA Fee structure

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Introduction of APA Fee Structure Cabinet Decision No. 174 of 2025

The United Arab Emirates (“UAE”) Federal Tax Authority (“FTA”) has issued Cabinet Decision No. 174 of 2025, revising Cabinet Decision No. 65 of 2020 and its subsequent amendments. This new decision introduces a revised fee structure for FTA services and comes into effect from 01 January 2026. The APA fee structure is outlined as follows:

Service Description	Amount in AED
Request for concluding a unilateral advance pricing agreement for the first time.	30,000 for each application
Request for renewal or amendment to a unilateral advance pricing agreement	15,000 for each application

On 12 June 2024, the Federal Tax Authority (FTA) issued Decision No. 4 of 2024, clarifying that the start date for receiving Advance Pricing Agreement (APA) applications, along with the procedures for submission of applications and issuance of agreements, would be announced in the fourth quarter of 2024.

Subsequently, through Decision No. 2 of 2025, the FTA confirmed that applications for unilateral APAs will officially be accepted starting from October 2025.

With this announcement of the APA fee structure, it is anticipated that the comprehensive rules and regulations governing the APA framework will be formally notified in coming months, marking a significant milestone in the implementation of the APA regime in UAE.

PS: This Alert captures only Transfer Pricing related amendments.



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KEY TAKEAWAYS FOR BUSINESSES

The amendment underscores the UAE government's unwavering commitment to cultivating a framework of tax certainty and transparency.

Nonetheless, the decision to pursue an Advance Pricing Agreement (APA) remains a strategic choice for businesses which requires:-

- Careful deliberation of the **nature, materiality, and value of related-party transactions**, alongside the **Pillar II implications** to assess if APA is warranted
- Evaluation should also consider the **time, cost, and administrative investment** inherent in the APA process., particularly since even amendment to the filed application is subject to payment of fees as per this new cabinet decision.

With the fee structure for APA applications now clearly defined, enterprises are better positioned to forecast expenditures, allocate resources, and undertake a measured evaluation of the strategic benefits of entering into an APA. Nevertheless, the formal issuance of the detailed rules and regulations governing the APA framework are much anticipated.

ABOUT US

The VSTN logo is located in the top right corner. It consists of the letters 'vstn' in a white, lowercase, sans-serif font, with a small orange flame-like graphic above the 'n'. The logo is set against a dark grey circular background.

- » VSTN Consultancy is a Global Transfer Pricing firm with extensive expertise in the field of international taxation and transfer pricing having its offices in India, UAE and Singapore. VSTN Consultancy has been awarded by **International Tax Review (ITR)** as **Best Newcomer in Asia Pacific – 2024 | Middle East Transfer Pricing Practice Leader of the Year 2025 | Middle East Best Newcomer of the year - 2025** and is ranked as one of the recommended transfer pricing firms. VSTN Consultancy has been shortlisted in other awards as finalist by ITR for Tax Innovator, Tax Compliance and Reporting Firm, Transfer Pricing Leader , Transfer Pricing Rising Star in Asia Pacific – 2025 | Best Newcomer, Tax Innovator and Transfer Pricing Leader in EMEA – 2025. VSTNs senior partners have been ranked in ITR in the list of recognized Practitioners.
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