Global Transfer Pricing Firm

Pillar Two Registration & Compliance

UAE| OECD PILLAR TWO

Federal Tax Authority (FTA) decision no 12— DMTT effective for fiscal years beginning on or after 1 January 2025

150+
Years of Experience

300+
Clients Served

5
Global Offices

17+
Countries Covered

GLOBAL MINIMUM TAX

Background – Pillar Two

- UAE had officially implemented OECD Pillar Two Global Minimum Tax framework, effective for fiscal years beginning on or after 1 January 2025, introducing the Domestic Minimum Top-Up Tax (DMTT)
- FTA opened the portal for Pillar Two registration in June 2026 however the compliance timeline for registration was awaited
- Recently, FTA released a decision[1] covering compliance timelines for registration, deregistration, and in scope & out scope notification
- This is applicable from Fiscal year beginning on or after 1st January 2025

15%
Minimum Effective Tax Rate

EUR 750M+
Consolidated Revenue Threshold

For Fiscal Year ending before 30th April 2026

30th November 2026

For Fiscal Year ending on or after 30th April 2026

Within 7 months of end of fiscal year

[1] Federal Tax Authority Decision No. 12 of 2026

Registration & Deregistration

Registration

- **Timeline:** For FY ending before 30th April 2026 Registration application should be submitted by 30th November 2026

  For FY ending on or after 30th April 2026, Registration application should be submitted within 7 months from the end of the fiscal year in which entity becomes in scope of pillar two regulations

- **Process:** Entities can register Individually or appoint a Designated Domestic filling entity to register on behalf of all in-scope entities in the group

- DDFE can register on behalf of subsidiaries, PEs, minority owned sub-groups and Reverse Hybrid entities whereas JV Group requires separate registration and can appoint a member of the JV group as the DDFE

Deregistration

- **Applicability :** Applicable when an entity ceases to exist or when entity stops being an in-scope member of the MNE Group.

- **Timeline – for entities ceasing to exist**

Event before 30th June 2026	Event on or after 30th June 2026
Deregistration by 31st December 2026	Deregistration by the earliest of : A) 6 months from the date entity ceases to exist; or B) 6 months from the end of the fiscal year in which the entity ceases to be an in-scope entity

- **Approval**: Contingent on settling all tax payables and penalties relating to top up tax and filing of all top up tax returns and GIR return

- **DDFE :** In case entity has nominated a DDFE, Deregistration application is to be filed by DDFE

In-scope & Out of scope notification

A

Out of Scope notification

Required if MNE Group ceases to be in-scope (i.e., is below the threshold for Pillar Two)

B

When

- 6 months from the end of tested Fiscal year where MNE Group is out of scope
- Valid for tested fiscal year and subsequent 4 years. If out of scope at the end of fifth year, to be renewed within 6 month from the end of fifth year.

C

In Scope notification

Required if the MNE becomes in-scope within 4 years of filing of an out of scope notification

D

When

7 month from the end of tested Fiscal year where MNE Group is in scope

If DDFE is nominated, In scope & out scope notification is to be filed by DDFE

READINESS & NEXT STEPS

Assess Now to Avoid Tax and Penalty Risk

- **Assess Scope**

  Confirm whether the Group meets the EUR 750M+ Pillar Two threshold and identify the Designated Local Entity.

- **Strengthen Governance**

  Build a Pillar Two governance framework covering registration, filing, and audit-readiness responsibilities.

- **Prepare Data & Documentation**

  Get records, books, and supporting documentation audit-ready to avoid record-keeping penalties.

- **Review Filing Responsibilities**

  Map out registration timelines and DMTT filing well ahead of time.

WHO WE ARE

VSTN Consultancy — Global Transfer Pricing Firm

VSTN Consultancy is a Global Transfer Pricing firm with extensive expertise in the field of transfer pricing having its offices in India, Singapore, UAE, USA, and the KSA. 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 recognised Practitioners.

Our offering spans the end-to-end Transfer Pricing value chain, including design of intercompany policy, drafting of Interco agreement, ensuring effective implementation of the Transfer Pricing policy, year-end documentation and certification, Global Transfer Pricing Documentation, BEPS related compliances (including advisory, Masterfile, Country by Country report), safe harbor filing, audit defense before all forums, Pillar 2 Analysis advice and dispute prevention mechanisms such as Advance Pricing agreement.

We are structured as an inverse pyramid where leadership get involved in all client matters, enabling clients to receive the highest quality of service.

Being a specialized firm, we offer advice that is independent of an audit practice and deliver it with an uncompromising integrity.

Our expert team brings in cumulative experience of over several decades in the transfer pricing space having worked with multiple Multinational Companies across sectors/industries and have cutting edge knowledge and capabilities in handling complex TP engagements.

WHO WE ARE

VSTN Consultancy — Global Transfer Pricing Firm

VSTN Consultancy is a transfer pricing firm with a global footprint across India, UAE, Singapore, USA, and KSA. We combine deep technical expertise with a client-centric approach to deliver premium transfer pricing services.

01 **Specialisation**
Exclusive focus on transfer pricing — not a generalist practice.

02 **Global Reach**
Serving clients across 17+ countries with local expertise.

03 **Industry Recognition**
Awarded Best Newcomer APAC & Best Newcomer Middle East.

04 **Licensed Databases**
11+ premium databases.

150+
Years' Experience

300+
Clients Served

17+
Countries

5
Global Offices

11+
Licensed Databases

50+
Team Members

THANK *YOU*

We look forward to partnering

with you on this engagement.

INDUSTRY RECOGNITION

- ✦ Best Newcomer — APAC
- ✦ Best Newcomer — Middle East
- ✦ Middle East TP Practice Leader
- ✦ Notable & Trusted Practitioner
- ✦ Women In Tax Leader
- ✦ Wealth & Finance Best Global TP Firm - India

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