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UAE Pillar Two: Registration, deregistration and notification deadlines are now set

In our alert published on 5 June 2026 we reported that the FTA had opened Pillar Two Top-up Tax registration on EmaraTax, but that no registration deadline had been announced. That gap has now been closed.

FTA Decision No. 12 of 2026, issued on 16 July 2026, sets out inter alia the registration and deregistration requirements for entities within the scope of Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. It takes effect from its date of issuance and applies to fiscal years starting on or after 1 January 2025. The said FTA decision can be found here.

Registration timelines (Article 2)

Rule	Deadline to submit the registration application
General rule	Within 7 months from the end of the first fiscal year in which the entity is in scope under Article 1.1 of the Annexure to Cabinet Decision No. 142 of 2024
Transitional rule	Entities with a fiscal year ending before 30 April 2026 shall submit it on or before 30 November 2026

Deregistration timelines (Article 3)

- **Deadline:** within 6 months from the earlier of (i) the date the entity ceases to exist, or (ii) the end of the fiscal year in which the entity leaves the MNE Group and is no longer in scope.
- **Transitional rule:** an entity that ceased to exist before 30 June 2026 must apply for deregistration on or before 31 December 2026.
- **Clean-up condition:** deregistration will not be granted unless all Top-up Tax and penalties have been settled in full and all Top-up Tax Returns and Pillar Two Information Returns have been filed.
- **Effective date:** once approved, registration remains valid until the earliest of the date of cessation, the end of the fiscal year in which the entity leaves the MNE Group, or another date determined by the FTA.
- **FTA initiative:** where the conditions are met and no application has been made, the FTA may deregister the entity at its own discretion based on the information available to it.

In-scope and out-of-scope notifications (Article 4)

The FTA Decision also introduces a notification cycle for groups that move in and out of the EUR 750 million revenue threshold:

- An entity whose MNE Group ceases to be in scope for a tested fiscal year must submit an out-of-scope notification within 6 months from the end of that fiscal year.
- The out-of-scope notification remains valid for the tested fiscal year and the following 4 consecutive fiscal years.
- If the entity comes back into scope during that period, an in-scope notification is due within 7 months from the end of the tested fiscal year.
- If the out-of-scope notification remains valid for 5 consecutive fiscal years, a deregistration application must be filed within 6 months from the end of the fifth year, unless an in-scope notification is due instead.

Who files — the DDFE (Article 5)

Where a Domestic Designated Filing Entity ("DDFE") has been appointed under Article 2.2 of the Annexure to Cabinet Decision No. 142 of 2024, the DDFE submits the registration and deregistration applications and the in-scope and out-of-scope notifications on behalf of all members of the Domestic Main Group, Domestic Minority-owned Subgroup or Reverse Hybrid Entity, or of the Domestic JV Group. The registration route selected on EmaraTax, covered in our June alert, therefore determines who carries these filing obligations for the whole UAE group.

Penalties:

Administrative penalties under the UAE Corporate Tax regime apply to DMTT compliance failures.

- **Late registration:** AED 10,000 for failure to submit the registration application within the time limit.
- **Late filing:** AED 500 for each month, or part month, for the first twelve months, and AED 1,000 for each month, or part month, from the thirteenth month, where a declaration required to be submitted to the FTA is not filed.
- **Late deregistration:** AED 1,000 for each month, or part month, up to a maximum of AED 10,000, for failure to submit the deregistration application within the time limit.

The transitional penalty relief available for fiscal years beginning on or before 31 December 2026 is directed at the filing of the Top-up Tax Return and the Pillar Two Information Return, and does not seem to extend to registration, deregistration or notification filing obligations.

Action points

- Confirm the first fiscal year in which each UAE entity is in scope, and fix the resulting registration deadline.
- For 31 December 2025 and 31 March 2026 year ends, treat 30 November 2026 as the hard date.
- Settle the registration route (DDFE or individual entity) and obtain the DDFE and Designated Local Entity authorisations.
- Assemble the supporting documents identified in our June alert: Ultimate Parent Entity and filing entity identification, and an overview of the full corporate structure.
- Diarise deregistration triggers for entities being liquidated, sold or otherwise leaving the group, and check whether the 31 December 2026 transitional date applies.
- For groups near the EUR 750 million threshold, map the out-of-scope notification cycle and the five-year deregistration trigger.

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