

New Protocol to the Tax Treaty between UAE and Austria

#InternationalTaxNews

When?



01
01 July 2021 - Signing of a new Protocol (the “Protocol”) amending the Tax Treaty between UAE and Austria (the “DTA”);

02
Ratification date – not yet announced;

03
Entry into Force - first day of the third month after the exchange of the ratification instruments;

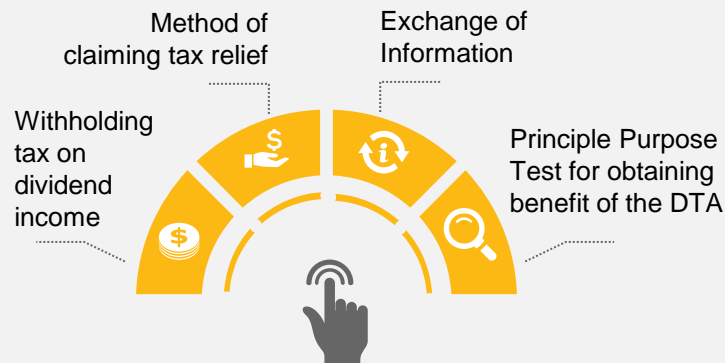
04
Implementation Date - after 31 December of the calendar year in which the Protocol is ratified by both parties.

Who will be impacted:



- Individuals who are Tax Residents of Austria or UAE as per the DTA (Physical presence of the individual is not the only determining factor).
- Legal persons who have their corporate seat in the UAE and earn certain income in Austria or vice-versa.
- Any other legal or natural persons that are part of a tax structuring scheme which principal objective is to obtain tax relief as per the DTA.

Main changes:



Key Takeaways:



Impact assessment on the payable tax by the corporate & natural person, taking the actual tax residency as a consideration



Principle Purpose Analysis of the existing tax structuring scheme



If the ratification of the Protocol happens before the end of 2021, the Protocol will be in force by 01 March 2022 and shall have effect as of 01 January 2022.

For further queries, please contact:



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