

# UAE Advance Pricing Agreement (APA)

March 2026





## Certainty in Transfer Pricing. Confidence in Corporate Tax compliance.

Introduced under the UAE Corporate Tax (CT) regime, the APA framework allows businesses to agree transfer pricing (TP) outcomes in advance with the Federal Tax Authority (FTA), providing multiyear certainty and reducing future tax risk.

### Why does an APA matter?

An APA is a formal agreement between a taxpayer and the FTA that establishes the arm's length pricing methodology for specified related-party transactions over a defined period. Once agreed, the conclusion of APA is not challenged provided all the assumptions are met.

The aim of introducing the APA regime is to provide upfront certainty on arm's length pricing, reduce transfer pricing risk, and minimise disputes. While traditional TP documentation is defensive, the APA programme comes in as a preventive mechanism.



### Key benefits

- Multiyear pricing certainty (5–3 future tax periods).
- Establishes agreed TP methodology, comparables, pricing parameters and critical assumptions.
- Reduced risk of TP audits, adjustments and double taxation.
- Predictable CT outcomes.
- Stronger TP governance aligned with OECD standards.

# Core features of the UAE APA framework

## 1 Type of APAs

- ◆ Unilateral APA: Agreement between the FTA and the taxpayer, binding only in the UAE.
- ◆ Bilateral and multilateral APA: Agreements with one or more foreign tax authorities via tax treaties.

## 2 Programme rollout

- ◆ Domestic unilateral APAs available from December 2025.
- ◆ Cross border unilateral APAs expected in 2026.
- ◆ Bilateral and multilateral APAs to follow.

## 3 Eligibility and scope

- ◆ Domestic and cross-border related-party transactions.
- ◆ Indicative materiality threshold: AED 100 million per tax period.
- ◆ Transactions under TP safe harbours (e.g. low-value services) excluded.

## 4 Coverage and duration

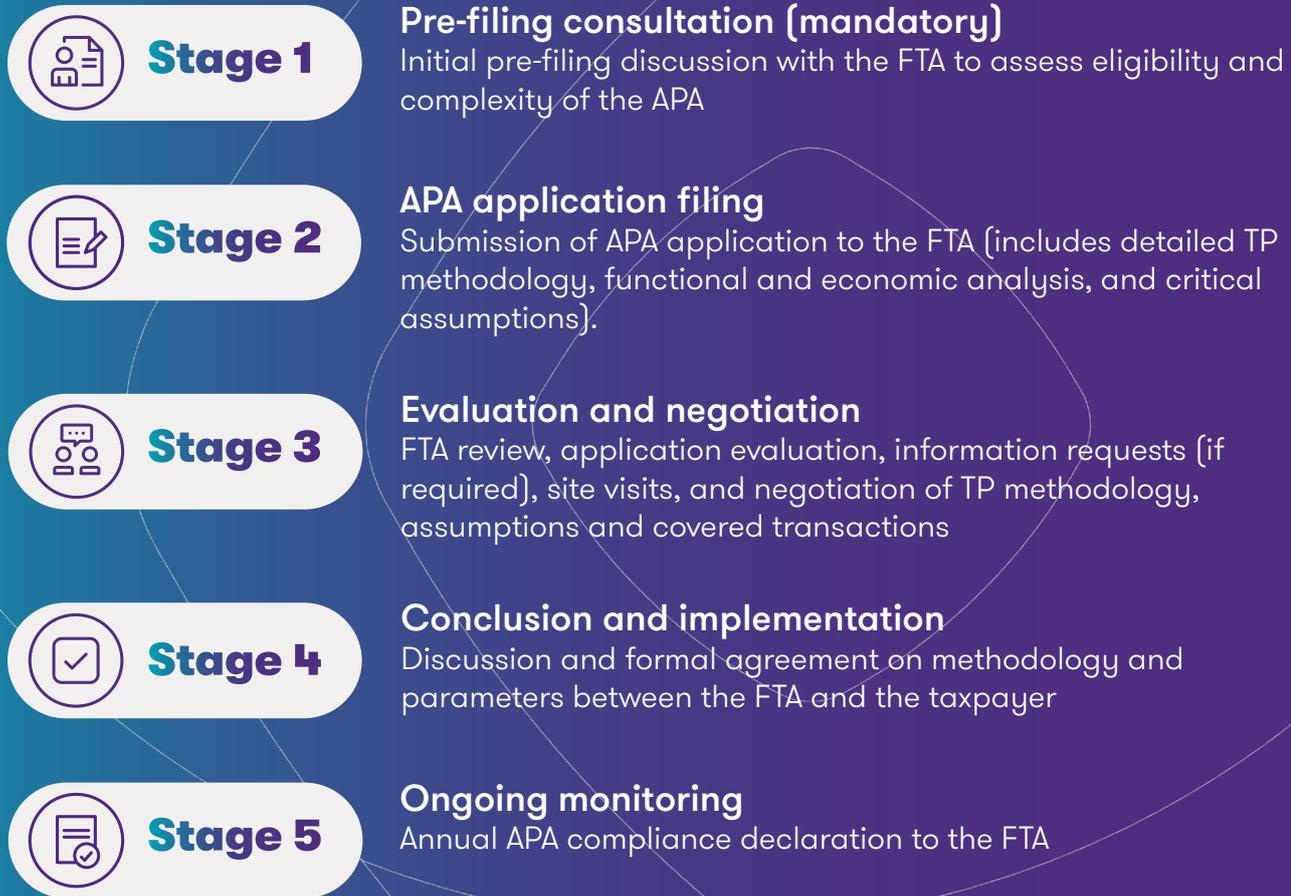
- ◆ APA must cover a minimum of 3 and maximum of 5 future tax periods.
- ◆ Prospective application only (no rollback for prior years).

## 5 Fees and administrative framework

- ◆ Non-refundable fee of AED 30,000 for new applications.
- ◆ AED 15,000 for APA renewals or amendments.

# The UAE APA process

A clearly defined, non-arbitrary engagement with the FTA.



## APA cases at glance (global statistics 2024)



Source: [2024 Advance Pricing Arrangement Statistics | OECD](#)

## How Grant Thornton UAE can help

APA is a strategic opportunity to gain certainty, reduce risk and enhance tax governance.

Whether you're exploring the APA route for the first time or preparing to initiate discussions with the FTA, we meet you where you are—our team offers end-to-end support, starting with a feasibility assessment to help you evaluate whether an APA is right for your business.

### Our services include:

- APA suitability and feasibility assessment
- Identification and scoping of covered transactions
- Functional and economic analysis
- Transfer pricing methodology and benchmarking
- Strategic recommendation (unilateral vs bilateral vs multilateral)
- APA readiness roadmap and pre-filing support

## Why Grant Thornton UAE?

- Deep UAE regulatory insight into FTA expectations and APA practice
- Global APA experience through the Grant Thornton global network
- Independent benchmarking capability across multiple databases.
- Hands on, UAE-based delivery team working alongside your finance and tax teams
- Cross functional approach spanning tax, finance, legal and operations

## Contact our APA experts



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