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UAE vs Cyprus: company formation compared

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In short: The United Arab Emirates: mainland LLC or free zone company, corporate tax 0% / 9%, registration days to a few weeks. Cyprus: private company limited by shares, corporate tax 15%, registration usually one to two weeks. The United Arab Emirates and Cyprus have a double tax treaty. Figures as of November 2026.

This page compares the standard private company in the United Arab Emirates and Cyprus. Each figure links to the official source; the full rules, step-by-step registration and FAQs are in the Company formation in the United Arab Emirates and Company formation in Cyprus guides.

Side by side

	United Arab Emirates	Cyprus
Common form	Mainland LLC or free zone company	Private company limited by shares (Ltd)
Registry	Emirate economic department, or the free zone authority [1]	Registrar of Companies [3]
Minimum capital	Usually none, varies by authority	No statutory minimum
Directors	1 manager or director	1 director and a company secretary
Local director	Not required for most activities	Not required by law; management in Cyprus for tax residency
Corporate tax	0% up to AED 375,000; 9% above [2]	15% (since 1 January 2026) [4]
VAT / sales tax	5%	19%
Typical timeline	Days to a few weeks	Usually one to two weeks
Tax treaties	about 110 treaties [5]	67 treaties [6]
Currency	UAE dirham (AED)	Euro (EUR)

Tax treaty between the United Arab Emirates and Cyprus

A double tax treaty caps the withholding tax one country may charge on payments to a company resident in the other. Where two rates are shown (for example 5/15), the lower rate applies only if conditions are met, usually a minimum shareholding.

Payment	Dividends	Interest	Royalties
From United Arab Emirates to Cyprus [5]	0%	0%	0%
From Cyprus to United Arab Emirates [6]	0%	0%	0%

The United Arab Emirates withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Cyprus. Cyprus withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Arab Emirates.

Treaty benefits require proof of tax residence and are subject to anti-abuse rules. See corporate tax residence and permanent establishment.

Frequently asked questions

Is there a double tax treaty between the United Arab Emirates and Cyprus?

Yes. The United Arab Emirates withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in Cyprus. Cyprus withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Arab Emirates. Rates from PwC Worldwide Tax Summaries (reviewed 9 September 2026 and 4 August 2026).

What is the corporate tax rate in the United Arab Emirates and Cyprus?

The United Arab Emirates: 0% up to AED 375,000; 9% above. Cyprus: 15% (since 1 January 2026). The effective burden also depends on reliefs, the type of income and when profit is distributed.

How long does it take to register a company in the United Arab Emirates compared with Cyprus?

The United Arab Emirates: days to a few weeks. Cyprus: usually one to two weeks. Opening a bank account and tax registrations often take longer than registration itself.

What is the minimum share capital in the United Arab Emirates and Cyprus?

The United Arab Emirates: usually none, varies by authority. Cyprus: no statutory minimum.

Do I need a local director in the United Arab Emirates or Cyprus?

The United Arab Emirates: not required for most activities. Cyprus: not required by law; management in Cyprus for tax residency.

See also

- Company formation in the United Arab Emirates
- Company formation in Cyprus
- Cyprus vs Estonia: company formation compared
- UAE vs Singapore: company formation compared
- Cyprus vs Ireland: company formation compared
- UAE vs UK: company formation compared
- UAE vs Georgia: company formation compared
- Comparison of all 222 countries

References

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2. Official Tax authority of the United Arab Emirates . United Arab Emirates. Accessed November 2026.
3. Official Registrar of Companies . Cyprus. Accessed November 2026.
4. Official Tax authority of Cyprus . Cyprus. Accessed November 2026.
5. United Arab Emirates: Corporate – Withholding taxes (reviewed 9 September 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
6. Cyprus: Corporate – Withholding taxes (reviewed 4 August 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.

General information, not legal or tax advice. Figures as of November 2026; confirm with the official registry, the

tax authority or a qualified adviser before filing.

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