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UAE vs UK: 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. The United Kingdom: private company limited by shares, corporate tax 19–25%, registration often within 24 hours online. The United Arab Emirates and the United Kingdom have a double tax treaty. Figures as of November 2026.

This page compares the standard private company in the United Arab Emirates and the United Kingdom. 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 the United Kingdom guides.

Side by side

	United Arab Emirates	United Kingdom
Common form	Mainland LLC or free zone company	Private company limited by shares (Ltd)
Registry	Emirate economic department, or the free zone authority [1]	Companies House [3]
Minimum capital	Usually none, varies by authority	None (one share is enough, often £1)
Directors	1 manager or director	1 (a natural person aged 16 or over)
Local director	Not required for most activities	Not required
Corporate tax	0% up to AED 375,000; 9% above [2]	19% (profits up to £50,000) to 25% (over £250,000) [4]
VAT / sales tax	5%	20%
Typical timeline	Days to a few weeks	Often within 24 hours online

	United Arab Emirates	United Kingdom
Tax treaties	about 110 treaties [5]	about 130 treaties [6]
Currency	UAE dirham (AED)	Pound sterling (GBP)

Tax treaty between the United Arab Emirates and the United Kingdom

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 United Kingdom [5]	0%	0%	0%
From United Kingdom to United Arab Emirates [6]	0%	0/20%	0%

The United Arab Emirates withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Kingdom. The United Kingdom withholds at most 0% on dividends, 0% or 20% (depending on conditions) 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 the United Kingdom?

Yes. The United Arab Emirates withholds at most 0% on dividends, 0% on interest and 0% on royalties paid to a company resident in the United Kingdom. The United Kingdom withholds at most 0% on dividends, 0% or 20% (depending on conditions) 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 23 July 2026).

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

The United Arab Emirates: 0% up to AED 375,000; 9% above. The United Kingdom: 19% (profits up to £50,000) to 25% (over £250,000). 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 the United Kingdom?

The United Arab Emirates: days to a few weeks. The United Kingdom: often within 24 hours online. 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 the United Kingdom?

The United Arab Emirates: usually none, varies by authority. The United Kingdom: none (one share is enough, often £1).

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

The United Arab Emirates: not required for most activities. The United Kingdom: not required.

See also

- Company formation in the United Arab Emirates
- Company formation in the United Kingdom
- UK vs Ireland: company formation compared
- UAE vs Singapore: company formation compared
- UK vs US: company formation compared
- UK vs Netherlands: company formation compared
- UAE vs Cyprus: 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 Companies House . United Kingdom. Accessed November 2026.
4. Official Tax authority of the United Kingdom . United Kingdom. Accessed November 2026.
5. United Arab Emirates: Corporate – Withholding taxes (reviewed 9 September 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
6. United Kingdom: Corporate – Withholding taxes (reviewed 23 July 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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