

PGP Tax Consultancy Law Firm

2024

www.pgplaw.ae



- We provide services relating to **tax structuring in MENA countries, tax consulting and compliance, liaising with tax authorities**, as well as **ancillary services**.
- The team of PGP Tax Consultancy consists of the firm's **prominent tax experts**.
- **Our mission** is to become **a reliable partner** for our clients when they enter the Middle Eastern market, ensuring at the same time the professional quality and care that they expect from us.
- Our lawyers provide tax consulting and support by themselves, which allows us to **control the quality and speed of our services**. In ancillary services (such as the registration of a legal entity, corporate, employment and IP-related issues), we are cooperating with local law firms and **choose the best offer for our client**.
- Being a **Pepeliaev Group** family member we benefit from the strongest and reliable support of the **premier Russian law firm**.



THE MARKET OF THE MIDDLE EAST IS DEVELOPING AT GREAT PACE. LOW TAX RATES, THE POSSIBILITY TO SET UP A COMPANY IN FREE ECONOMIC ZONES AND A RAPIDLY GROWING ECONOMY MAKE THIS REGION ATTRACTIVE FOR BOTH RUSSIAN BUSINESS AND COMPANIES FROM MOST FORMER SOVIET COUNTRIES.



PG Tax consultancy – a member of International Fiscal Association (IFA).

PGP Tax Consultancy is the right choice.

1

Relationships built on trust. Efficient communication.

PGP Tax Consultancy has gained a sound understanding of clients' business operations, strategies and development models. This allows us to quickly devise solutions to the most complex issues clients face.

2

Team. Industry insights and best practice.

Our team at PGP Tax Consultancy is one of the strongest in the market, with highly experienced professionals in various industries.

3

Value for money. Realistic proposal.

We are always ready to propose fair fees for the high-quality work we offer. Depending on the volume of services, we are able to grant special reduced hourly rates and discounts.

4

Continuous client service improvement. Quality control.

Client satisfaction is the daily focus of all our lawyers. We will always be interested in clients' feedback and will transmit the results to the team working with clients to help ensure future improvements in our services.

5

Value-added services.

We monitor developments in legislation and law enforcement trends, keeping our clients informed about developments that will affect their business. We provide a range of added-value services, such as: tailor-made seminars and training sessions, alerts and information bulletins.



Tax structuring in the GCC states

- Selecting the best model for localizing business operations in the states of the Gulf (the GCC states).
- Tax structuring of activity through the UAE and other GCC states.
- Advising on tax issues encountered in applying the legislation on the customs union of the states of the Gulf.
- Advising on export and import operations in the GCC's territory.
- Advising on the application of the UAE-KSA and others double tax treaties.
- Tax advice on a permanent establishment and on tax residence in the GCC.
- Comparative analysis of tax advantages and disadvantages of locating a business in countries of the Gulf, including the free zones of these countries.



Tax support

- Ruling and Clarification requests. Support in obtaining a private clarification from the FTA.
- Support in tax procedures in the UAE.



Tax Compliance

- Checking compliance with economic substance requirements.
- Advising on compliance with Economic Substance in the UAE.
- Preparing ESR notifications and reports.



Tax consultancy in the UAE

- Preparing for the introduction of Corporate Tax in the UAE.
- Advising on VAT and Corporate Tax in the UAE.
- Applying national GAAR rules.
- Complying with the requirements of qualified members of free zones.
- Taxation in free zones and zones exempted from VAT (designated zones).
- Application of international treaties of the UAE with other countries.
- Specific aspects of the taxation of holding companies.
- Transfer pricing issues in the UAE.
- Tax due diligence.
- Tax registration for VAT and Corporate Tax in the UAE.
- Advising on and providing support for the compiling and filing of tax returns.
- Tax support in accounting. Tax advice on the accounting and taxation strategy. Support for tax-related provisions of the accounting policy.



Private Wealth Tax Services in UAE

- Taxation of individuals in the UAE.
- Obtaining a tax residency certificate.



Legal project management

- Registering and providing legal support to onshore companies and companies in the free zones of the UAE.
- Licensing.
- Assessing and mitigating regulatory risks.
- Advising on issues regarding the localization of manufacturing in the UAE, onshore, in free zones and in 'super' free zones (designated zones).
- Providing support for trade operations.

A Belarus private chain of food stores

The shareholders are planning to transfer the holding company, the headquarters and the treasury from Cyprus to the ADGM Free Zone in the UAE.

Holding companies must comply with economic substance requirements (ESR) in the UAE. The shareholders faced the question of how to interpret the economic substance requirements as well as how the ESR relate to corporate tax being imposed.

A real estate management company

The shareholder is a UAE resident. We advised on the sale of a membership interest and the tax aspects of such sale in the UAE, Cyprus, the UK and Russia. Obtained a UAE tax residency certificate.

A French industrial conglomerate

Advised on the tax implications of transactions completed by a Russian company with its headquarters in the UAE.

Legal support to companies when they relocate IP business to the UAE

We have prepared more than 10 legal opinions on issues arising in connection with the use in the UAE of IP items created abroad when business is conducted in the UAE. Searched for solutions that allow the requirements for economic substance to be complied with and opportunities to apply the zero rate of corporate tax.

Checked the opening balance sheet for corporate tax purposes and provided recommendations with regard to an accounting policy

Drafted more than five legal opinions on issues related to preparing the consolidated balance sheet for corporate tax purposes, as well as with regard to applying the accounting policy after the first corporate tax period.

An IT company

The company is registered in the free zone and is planning to pursue new activities aimed at managing the client's investments.

Drafted an opinion regarding how to optimise tax structuring. We also analysed the possibility of pursuing activities under the current licence, and provided recommendations as to choosing the free zone for such activities as well as agreeing it with the regulators.

An international manufacturer of cosmetics

Advised on how to establish a company in the UAE and transfer brands from the previous owners to a newly set up company in the UAE. The advisors found a solution that allowed not only the trademarks to be transferred to the UAE without any fines being imposed under ESR but also made it possible to tax the income with corporate tax at a zero rate.

A global leader in manufacturing ready-made breakfasts

The company distributes its products in the UAE as well as to GCC countries, coordinates and caters for the marketing, staff management, finances, and taxation of the group in GCC countries. The advisor provided support to the business in the UAE, including in drafting an opinion on the restructuring of the business in the UAE and GCC countries, to be able to apply the zero corporate tax rate and to comply with the economic substance requirements and other legislative requirements.

A global brand of affordable smartphones, mobile phones and tablets

At the request of the Company, we assessed whether it was necessary to submit an economic substance notification in relation to the group of companies.

The notification was submitted with respect to one company. With respect to another company, we provided recommendations of how to amend the agreement which reflected the actual relationship between the parties. As a result, there was no need to submit a notification.

A professional insurance and reinsurance broker and advisor in the Middle East

The company turned to us for an opinion concerning whether its activities (insurance and reinsurance services) qualified for the zero corporate tax rate to be applied. Also, in the opinion we provided recommendations as to how to meet the requirements placed on free zone residents.

In addition to assessing whether it was possible to apply the zero rate, our advisors assessed the corporate tax to be possibly charged should the company shift to the general taxation regime.

Family office in the UAE

Planned the structure of holding and venture businesses in the UAE regarding active business pursued outside the Emirates.

A platform for cult restaurant brands in countries of the Middle East and North Africa

Identified the risks where the zero corporate tax rate for holding activities was to be applied, and advised on how to mitigate such risks.

Analysed the risks of UAE tax residency arising with the subsidiaries based on the criteria of the place of effective management and control. Mitigated the risks.

Advised on how to apply the zero corporate tax rate when placing monetary funds on deposit accounts with independent banks.

A company specialising in investing in ready-made warehouse complexes as well as in their construction

Advised on issues connected with the use of the zero tax rate, ESR, compliance with licensing requirements in the ADGM free zone when loans are granted by an SPV and the holding company.

An international fast-food chain

The group of companies engaged us as an advisor to provide consulting services relating to compliance with economic substance regulation in the UAE.

The advisor drafted an opinion which included:

1. an assessment of whether the current business model complied with ERS in the UAE; and
2. an action plan to mitigate risks connected with the ESR in the UAE not being complied with.

A major steel producer

Advised on the possibility of applying 0% corporate tax to profit from trading operations and other activities of the company, including issuing guarantees to secure obligations of other companies, issuing interest-bearing loans to the group companies and attracting financing from independent banks.

A company offering mobile solutions for business

The company contacted us asking whether it was necessary to submit an ES notification in connection with obtaining income generated further to software being used in the UAE and how to structure interaction within the group of companies as well as with clients in order to comply with ES requirements.

It is a challenging task for the client to pass the ESR test since this means using a software product developed abroad and not in the UAE.

An advertising agency in the Middle East

Prepared tax advice regarding the Advertising Agency's eligibility to receive a VAT refund in the UAE which was charged by the contracting party. Within the scope of the advice, we assessed whether VAT had been lawfully charged to the Agency, specified the risks of having VAT refunded which was charged incorrectly and provided our recommendations on how such risks could be mitigated.



Andrey Nikonov

Senior Partner

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Andrey provides legal support in taxation projects that involve tax advice, support in tax disputes and in all surrounding issues that may affect the implementation of tax advice. This includes economic substance, corporate and civil issues pertinent to tax, mergers and acquisitions of companies with multinational corporations being involved, and in major investment projects.

The application and interpretation of MLI and OECD rules have been the subject matter in a considerable number of his consulting projects and dispute resolution cases.

Andrey's expertise in local tax legislation and the interpretation of local tax regulation have been a notable feature of his support for clients that have expanded their business to such markets as India, China, Mexico, Venezuela, Argentina, Brazil, Paraguay, Peru, Italy, Hungary, Kazakhstan, Belarus, Armenia, Ukraine, Vietnam, Sri Lanka, Laos, and Türkiye.

Transfer pricing regulation and BEPS reports from the OECD have been applied in a number of the tax disputes and advisory projects where international intra-group payments were involved.

Andrey has 35 years of experience in tax consulting and tax dispute resolutions, while for more than 20 years he has managed a group consisting of more than 10+ tax lawyers.

Andrey also covers personal health care pro bono practice. This part of his professional activity consists of advising patients on medical law, assisting patients in obtaining medicines and medical devices, and providing legal support to patients in disputes with health authorities regarding the provision of expensive medicines.

Andrey has been ranked in Chambers Europe 2020 and Chambers Global 2015, while he was marked out by the Pravo-300 2022 directory in band 1 in tax advice and tax litigation. He was recognized by Best Lawyers 2021 and 2022.



Maria Nikonova

Head of PGP Tax Consultancy in the UAE,
PhD in Law

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Maria has been working for Russian law firm Pepeliaev Group for more than 20 years. Having started her employment in 2002 as a junior lawyer, she achieved 7 years of stellar career growth to propel her to the position of a Partner in the firm, heading up a Tax Practice Group. Throughout this time, Maria has been advising clients on issues of taxation, tax planning and the assessment of tax risks.

She has a strong track record of providing legal support to large international companies entering the Russian market in structuring their operations and relations with their worldwide offices with a view to minimizing their exposure to tax risks. Maria also has an extensive experience of providing support to large Russian businesses when they enter international markets, including devising a tax-efficient structure and offering tax advice regarding foreign jurisdictions.

In 2022, Maria became head of PGP Tax Consultancy in the UAE with a view to helping clients entering the Middle East market. She assists with business relocation to the UAE, advising on tax structuring and tax compliance in the UAE and the Gulf; has successfully accomplished a great many projects.

Maria was singled out by the Pravo-300 2022 directory in band 1 in tax advice and was acclaimed by Best Lawyers 2021 and 2022. Over the past two years she has made more than 50 presentations at conferences and webinars, several times receiving the Best Speaker award.

Maria has authored and co-authored multiple published materials on tax law. She is the author of the monograph "The operation of tax law in time" and the course book "Taxation specifics in sales of consumer goods". She also co-authored the course book "Fundamental legal principles of indirect taxation".

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