

Bridging Borders: Meghdad Tabrizian on Tax Optimization Strategies for UK-UAE Entrepreneurs

In today's globalized business environment, entrepreneurs increasingly find themselves operating across multiple jurisdictions. Among the most active corridors is the UK-UAE axis – a path that connects one of Europe's most established financial centres with the Middle East's dynamic, tax-efficient gateway. Yet, navigating tax systems in both countries can be daunting without expert guidance. [Meghdad Tabrizian](#), founder of Tabrizian Tax Advisory, offers insights drawn from over a decade of experience in UK and UAE taxation.

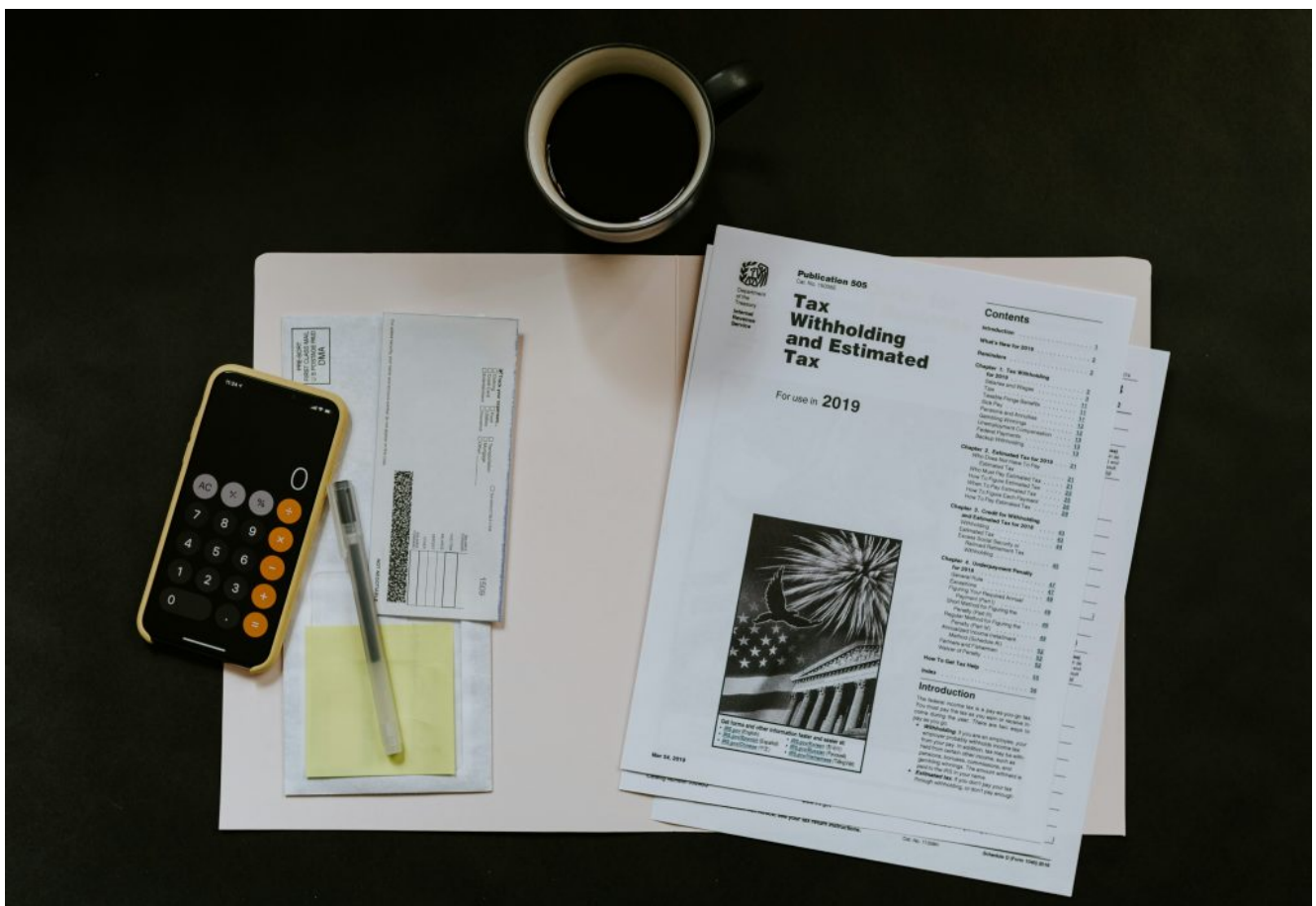


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Understanding the Landscape: Two Systems, One Strategy

“The UK and UAE couldn’t be more different when it comes to tax,” says Meghdad. “But therein lies the opportunity.”

The UK operates a mature, complex tax system with corporation tax, capital gains, income tax, and national insurance obligations. The UAE, on the other hand, has historically attracted businesses with its low-tax regime – zero income tax and, until recently, no corporate tax.

However, changes are on the horizon. With the UAE’s recent introduction of a federal corporate tax regime (9% for profits exceeding AED 375,000 as of June 2023), the game is evolving. “Cross-border entrepreneurs must now plan proactively to stay compliant while optimizing tax outcomes,” he explains.

1. Double Taxation Treaties: Use Them or Lose Out

One of the cornerstones of tax efficiency between the UK and UAE is the **Double Taxation Agreement (DTA)** signed between the two nations. Meghdad’s Oxford thesis focused on this very subject.

“This treaty ensures that income isn’t taxed twice – once in the UK and again in the UAE,” he says. “But the devil is in the details. Entrepreneurs must structure earnings and payments in a way that qualifies for relief under the treaty.”

For example, dividends received by a UK resident from a UAE company can often be exempt from UK tax, depending on how they’re classified and reported.

2. Entity Structuring: The Right Base, The Right Time

Many UK entrepreneurs are drawn to the UAE’s free zones, which offer 100% foreign ownership and zero personal income tax. But Meghdad warns that simply opening a company in Dubai isn’t enough.

“Where you incorporate, and how you show management and control, will affect your tax residency status,” he explains.

“HMRC could still view your UAE company as UK-tax-resident if key decisions are made from London.”

To mitigate this, entrepreneurs must consider:

- Board composition
- Location of strategic meetings
- Banking and operational infrastructure in the UAE

3. VAT Compliance and Reclaim Opportunities

If you’re selling digital services or goods between the UK and UAE, VAT compliance becomes critical. While the UK has had VAT for decades, the UAE introduced its system in 2018. Meghdad, who holds an Advanced Diploma in UAE VAT Compliance, frequently sees businesses lose money simply by failing to reclaim input VAT or misunderstanding registration thresholds.

“Many startups unknowingly pass the AED 375,000 threshold before registering. That’s a red flag,” he notes. “You also have scenarios where you can reclaim UAE VAT if the goods/services are exported – but you need proper documentation.”

4. Exit Planning: Tax-Efficient Divestment

For founders thinking long term, the way you structure your business today affects your tax exposure tomorrow.

“If you’re planning to sell or bring in investors, think about exit tax consequences now,” advises Meghdad. “A UK entrepreneur exiting a UAE company might face capital gains tax back home unless structured wisely.”

He recommends exploring holding company structures – potentially in tax-neutral jurisdictions – as part of a broader estate and succession planning strategy.

Final Word from Meghdad

“Numbers tell the story of your business,” says [Meghdad](#). “But taxes tell the story of how well you planned.”

His firm, Tabrizian Tax Advisory, now serves a portfolio of tech startups, real estate developers, and family offices navigating the UK-UAE tax corridor. Through bespoke consultations, Meghdad helps businesses stay compliant, minimize exposure, and grow with confidence.