

Moving tax residence between Italy and the United Arab Emirates

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IN SHORT

A person moving to the UAE stops being Italian tax resident only if, for most of the year, they have no residence, domicile or physical presence in Italy and are not registered in the Italian population register, since registration creates a rebuttable presumption of residence (art. 2 TUIR, as amended by Legislative Decree 209/2023); because the UAE is on Italy's 4 May 1999 list, an Italian citizen who moves there must also prove that they are no longer resident. People moving to Italy from the UAE can consider the new-residents regime (art. 24-bis TUIR), now €300,000 a year.

Italian residence rules from 2024

From tax year 2024, art. 2 TUIR treats as resident anyone who, for most of the tax year (183 days, 184 in leap years), counting part-days:

- has their **residence** in Italy (habitual abode under the Civil Code);
- has their **domicile** in Italy, meaning the place where their personal and family relationships are mainly located;
- is **physically present** in Italy.

The tests are alternatives: one is enough. Registration in the Italian population register for most of the year creates a presumption of residence that can be rebutted. Part-days count

by law: Revenue Agency Circular 20/E of 4 November 2024 confirms that even part of a day spent in Italy counts as a day of presence.

AIRE: mandatory but not enough

An Italian citizen who moves abroad for more than twelve months must register with AIRE (the register of Italians resident abroad) through the consulate within 90 days of arrival. Since 2024 failure to report the move may lead to an administrative fine of €200 to €1,000 for each year the failure continues (art. 11 Law 1228/1954, as replaced by Law 213/2023), unless it constitutes a criminal offence; the actual amount should be checked case by case.

AIRE registration is a registry formality: on its own it does not end Italian tax residence if family, the habitual home or most days remain in Italy.

The presumption for moves to the UAE

The UAE is included in the Ministerial Decree of 4 May 1999. Under art. 2(2-bis) TUIR (from 1 January 2027 art. 2(3) of Legislative Decree 117/2026), which, pending a "white list" that has never been issued, in practice refers to the 1999 Decree list, an Italian citizen removed from the population register who emigrates to one of these States is deemed resident in Italy unless proven otherwise. The burden of proof shifts to the taxpayer, who must document an actual move: home, time spent, work or business, family and financial ties.

UAE tax residence

Under UAE rules (Cabinet Decision No. 85 of 2022) an individual is resident if their usual or primary place of residence and centre of personal and financial interests are in the UAE, or if present in the UAE for at least 183 days in a consecutive 12-month period, or at least 90 days if they hold a residence permit (or are a UAE or GCC national) and have a permanent place of residence or employment or business in the UAE. The Federal Tax Authority issues a Tax Residency Certificate for the current period or past periods (not future ones), once the requirements are met. The UAE does not tax individuals' employment income or

personal investment income; business activities carried on by individuals are subject to Corporate Tax above AED 1 million of annual turnover. Corporate Tax is 0% up to AED 375,000 and 9% above; from 2025 multinational groups with consolidated revenue of at least €750 million are subject to a 15% domestic minimum top-up tax.

The Italy–UAE tax treaty

The treaty signed in Abu Dhabi on 22 January 1995 (ratified by Law 309/1997, in force since 5 November 1997) also deals with dual residence. To rely on the treaty, a person must also be resident in the UAE under art. 4: in practice this requires a UAE Tax Residency Certificate issued for treaty purposes. Where dual residence exists, the following tests apply in sequence: permanent home, centre of vital interests, habitual abode, nationality, mutual agreement. Selected rules:

- **private pensions:** taxable only in the State of residence (art. 18); government pensions follow art. 19, with different rules;
- **dividends:** Italian tax capped at 5% (holding of at least 25%) or 15%;
- **interest:** taxable only in the State of residence of the beneficial owner;
- **royalties:** source-State withholding up to 10%;
- **real estate:** income and gains remain taxable where the property is located.

Companies: exit tax and residence

Moving a company's tax residence abroad triggers tax on unrealised gains on assets not left in an Italian permanent establishment (art. 166 TUIR; from 1 January 2027 art. 193 of Legislative Decree 117/2026, the new Consolidated Income Tax Act). Payment in five annual instalments is allowed only for moves to EU or EEA States with adequate exchange of information and recovery assistance; for the UAE the tax is due without instalments.

From 2024 a company is resident in Italy if, for most of the year, it has its registered office, its place of effective management (strategic decisions) or its day-to-day management in Italy (art. 73 TUIR). A UAE company actually run from Italy may therefore be treated as Italian resident. For UAE subsidiaries of Italian shareholders the CFC rules (art. 167 TUIR)

must also be checked. Paragraph 4-ter of art. 167, rewritten by Decree-Law 84/2025, allows the controlling shareholder to elect to pay an amount equal to 15% of the subsidiary's net accounting profit, in which case its effective taxation is deemed to be at least 15%; the procedure is set out in Revenue Agency measure no. 106520 of 31 March 2026.

From the UAE to Italy: new residents and inbound workers

Individuals moving to Italy after being non-resident for at least nine of the previous ten years can elect the substitute tax on foreign income under art. 24-bis TUIR. The 2026 Budget Law (Law 199/2025) raised it to **€300,000 a year** (€50,000 for each family member) for those moving from 1 January 2026; €200,000 (€25,000 per family member) still applies to moves from 11 August 2024 to 31 December 2025, and €100,000 to earlier moves. The regime lasts up to fifteen years and exempts from foreign-asset reporting (form RW), IVIE and IVAFE, and from inheritance and gift tax on foreign assets. From 1 January 2027 art. 24-bis becomes art. 246 of Legislative Decree 117/2026.

People returning to work in Italy can consider the inbound-worker regime (art. 5 Legislative Decree 209/2023): employment or self-employment income earned in Italy is taxable on 50% of its amount (40% with minor children), up to €600,000 a year, for those who were not resident in the previous 3 years (6 or 7 if returning to the same employer or group), are highly qualified and undertake to stay at least 4 years.

For people moving their residence to Italy from 2027, Decree-Law 38/2026 (converted by Law 88/2026) prohibits combining the new-residents regime with the inbound-worker regime. For moves between 2024 and 2026 the ban does not apply: those who meet the requirements of both can use them together.

Common pitfalls

- leaving spouse and children or the habitual home in Italy;
- exceeding 183 days in Italy, counting part-days;
- registering with AIRE late or not keeping evidence of life in the UAE;

- continuing to manage a UAE company from Italy;
- overlooking exit tax, CFC rules and reporting obligations on return.

Frequently asked questions

Is AIRE registration enough to stop paying tax in Italy?

No. AIRE is mandatory, but tax residence depends on residence, domicile and presence in Italy. For moves to the UAE the presumption in art. 2(2-bis) TUIR (from 1 January 2027 art. 2(3) of Legislative Decree 117/2026) must also be rebutted.

Is the UAE still on an Italian black list?

For individuals, yes: it is in the Ministerial Decree of 4 May 1999. It is not on the EU list of non-cooperative jurisdictions. The two lists serve different purposes.

Is my Italian pension taxed in Italy if I live in the UAE?

Private pensions are taxable only in the State of residence (art. 18 of the treaty). Government pensions fall under art. 19 and are generally taxed in Italy; the nature of the paying entity needs to be checked.

How much is the Italian flat tax for new residents in 2026?

€300,000 a year, plus €50,000 for each family member, for those moving their residence to Italy from 1 January 2026.

Does a company moving to the UAE pay Italian exit tax?

Yes, on unrealised gains on assets not attributed to an Italian permanent establishment, with no option to pay in instalments.

More answers on the topics of this guide are on the [FAQ](#).

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