**MLI Modifications: Kenya-United Arab Emirates**

*Editor’s Note: This summary is based on the MLI positions submitted to the Depositary upon the deposit of the ratification instruments by Kenya and United Arab Emirates, and does not constitute business, legal, tax, or other professional advice or services. It is intended only to provide a general guide*. *In applying the MLI provisions to this treaty, researchers should ensure they review other relevant MLI sources. Please see the Bloomberg Tax* [*MLI Watch*](https://www.bloomberglaw.com/product/tax/page/MLI_watch) *page for further research.*

**Date this Agreement is Modified by the MLI (Enters into Force):** May 1, 2025

**MLI instrument of ratification deposited (Kenya):** January 8, 2025

**MLI instrument of ratification deposited (United Arab Emirates):** May 29, 2019

**MLI effective date, withholding taxes (Kenya and United Arab Emirates):** January 1, 2026

**MLI effective date, all other taxes (Kenya and United Arab Emirates):**Taxable periods beginning on or after November 1, 2025.

**Covered Tax Agreements (MLI Article 2)**

*[Note: The OECD MLI Matching Database has indicated a possible mismatch which requires confirmation that both Jurisdictions have notified the same agreement (Kenya indicated a Date of Entry into Force of 22-02-2017 and United Arab Emirates indicated a Date of Entry into Force of 17-07-2012). Bloomberg Tax editors believe this is likely not to be a relevant difference, and not a mismatch in referring to the treaty. If there is a mismatch, the treaty is not a CTA.]*

**Purpose of a Covered Tax Agreement (MLI Article 6)**

*[Note: The OECD MLI Matching Database has indicated a possible notification mismatch which requires confirmation as to whether both jurisdictions have identified the same preamble language. The following discussion assumes there is no mismatch, i.e., that both jurisdictions have notified the same preamble language under MLI Art. 6(5). If there is a mismatch, the text of MLI Art. 6(1) is added to the existing preamble language.]*

According to MLI Art. 6(2), to meet the minimum standard, the text of MLI Art. 6(1), indicating the intent to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements, replaces the notified preamble language of this Agreement. The optional preamble language of MLI Art. 6(3) does not apply.

**Prevention of Treaty Abuse (MLI Article 7)**

According to MLI Art. 7(2), to meet the minimum standard, the Principal Purpose Test (PPT) provision of MLI Art. 7(1), that denies benefits that would otherwise be provided where the principal purpose or one of the principal purposes of any arrangement or transaction was to obtain those benefits, applies and supersedes the provisions of this Agreement to the extent of incompatibility (i.e., the PPT provision is added to this Agreement). The optional additional language of MLI Art. 7(4) does not apply. The Simplified Limitation on Benefits Provision (S-LOB) does not apply.

**Mutual Agreement Procedure (MLI Article 16)**

The first sentence of MLI Art. 16(1), providing that a person may present a case to the competent authority of either jurisdiction, does not apply as Kenya intends to meet the minimum standard through other measures.

The following provisions of this Agreement related to dispute resolution are modified to meet the minimum standard:

•  The second sentence of MLI Art. 16(1), providing that a case be presented within three years from the first notification of action, replaces the second sentence of Art. 26(1) of this Agreement.

•  The second sentence of MLI Art. 16(3), providing that the competent authorities may consult together for the elimination of double taxation in cases not provided for in this Agreement, is added to this Agreement.

The remaining provisions of this Agreement relating to dispute resolution are retained as they are considered consistent in content with the provisions of MLI Art. 16(2) and MLI Art. 16(3)(first sentence), and meet the minimum standard.

According to MLI Art. 35(4), the mutual agreement procedure provisions of MLI Art. 16 have effect for cases presented to the competent authority on or after May 1, 2025, except for cases that were not eligible to be presented as of that date, without regard to the taxable period to which the case relates.

**Corresponding Adjustments (MLI Article 17)**

According to MLI Art. 17(2), MLI Art. 17(1), providing that a Jurisdiction will make a corresponding adjustment where the other Jurisdiction makes an adjustment that reflects the arm's length profit, replaces Art. 10(2) of this Agreement.