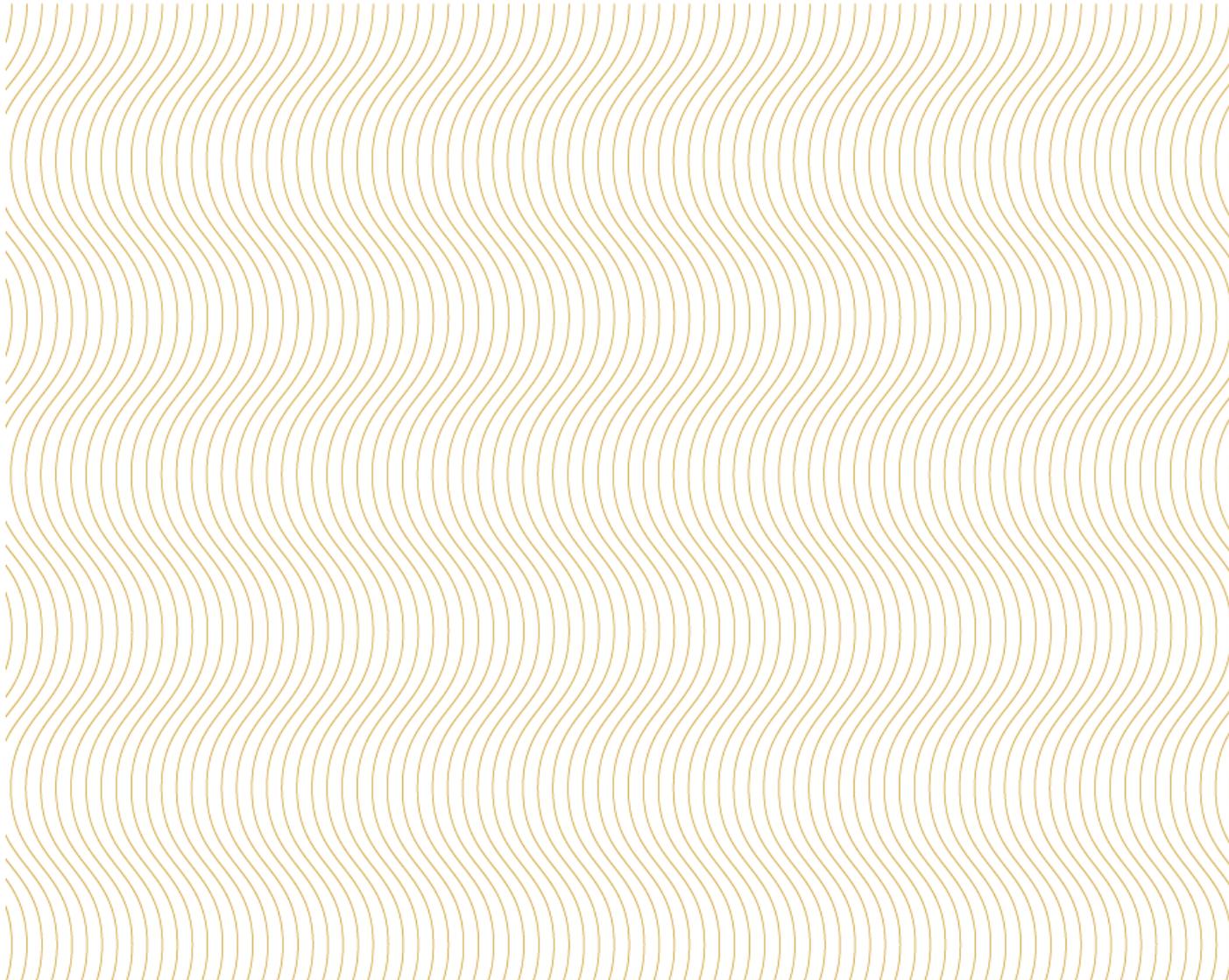


Permanent Establishment
Guidance Notes



ABU DHABI GLOBAL MARKET
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Permanent Establishment Guidance Note

Please note that this brief document is a non-binding and interpretive guidance. This guide seeks to answer expected questions and provides information. The guide is not drafted with unusual or complex transactions in mind. Specialist professional advice may be needed in those circumstances.

Features/Characteristics that will be considered:

1. Permanent establishment is the place from which a legal entity performing substantive activities and functions that would require some degree of physical presence, some type of fixed place of business at its disposal. Carrying on economic intermittent or incidental activities will not be considered to be a location at the disposal of the enterprise. The location must be used on a regular and continuous basis for carrying on business activities for an enterprise.
2. The extent of the presence of an enterprise at a location and the activities that it performs there may be determining factors in identifying a presence of permanent establishment.
3. Permanent establishment may exist if an enterprise performs business activities on a continuous and regular basis during an extended period of time at the same location. Such location can be considered as the location that has characteristics of a permanent establishment.
4. Where the enterprise's presence at a location is so intermittent or incidental that the location cannot be considered a place of business of the enterprise then the concept of permanent establishment can be difficult to assert.
5. Permanent establishment can exist if the place of business has a certain degree of permanency.

Examples:

1. If a service provider is operating on premises of his/her client for the convenience of his/her client, then this factor would lead against determining that a permanent establishment exists.
2. Also, if a service provider visits regularly his/her client's office to take instructions and meet with the client, in this case, the client's premises are not at the disposal of the enterprise for which the service provider is working and therefore cannot constitute a place of business through which the business of the service provider is carried on.