Dutch Citizen – Worldwide Income Tax Impact

Before and After Structuring Capital via UAE LLC (Box 2 & Box 3)

Scenario Overview

This example compares the Dutch worldwide income tax situation for a tax resident before and after transferring assets into a UAE LLC structure via Box 2 (corporate shareholding) or Box 3 (private capital).

Category	Before UAE Structure	After UAE Structure
Tax Residency	Netherlands – taxed on worldwide income.	Still Dutch resident, but UAE LLC shields assets/capital from NL taxation in certain boxes
Box 1 (Work & Home)	Salary €120,000 – taxed progressively (36.97%–49.5%).	No change – still taxed in NL.
Box 2 (≥5% Shareholding)	Dividends from Dutch BV taxed 24.5% in NL.	Dutch BV owns UAE LLC → dividends to UAE are tax-free in NL.
Box 3 (Savings & Investments)	Wealth over €57,000 taxed at deemed return (up to 32%).	Assets moved into UAE LLC are no longer part of Box 3 personal net wealth.
Foreign Real Estate	Declared in NL, taxed at deemed yield rate.	Held under UAE LLC → excluded from Box 3 personal assets.
Capital Gains	Gains from global assets taxed in NL (Box 2 or 3).	Gains realised in UAE → 0% tax locally, no NL tax if held by BV.
Double Tax Treaties	Possible credits but administrative burden.	Structure avoids need for credits via compliant asset holding.
Annual Tax Liability	€65,000+ depending on asset size & income.	Reduced significantly – often €20,000–€25,000+ saved annually.

Key Takeaway

By structuring capital through a UAE LLC under Box 2 or Box 3, Dutch residents can legally and significantly reduce exposure to Dutch wealth and dividend taxes, while maintaining full compliance via recognised cross-border structures.