



Katherine Estabrook <kestabrook@wearemarketing.com>

---

## HTML Proof - Discover the implications of citizenship-based vs residency-based taxation

1 message

---

Europe Emirates Group <info@uae-eu.com>  
To: kestabrook@wearemarketing.com

Tue, Aug 18, 2020 at 1:31 PM



EUROPE EMIRATES GROUP  
DUBAI

---

### What are the differences between citizenship-based and residency-based taxation?



**Citizenship-based taxation is a system that imposes taxes on all citizens and residents of a country, regardless of where you are living. There is only one country that follows a strict citizenship-based taxation regime, even though there are two countries that impose citizenship-based taxation: the United States and Eritrea.**

**Eritrea's citizenship-based diaspora tax only gets levied on those Eritreans living abroad, making the United States the only country in the world following a strict citizenship-based taxation regime. That means if you are a citizen or permanent resident of the United States (also known as a green card-holder), you must declare and pay taxes.**

**In contrast, residency-based taxation, or territorial taxation, is the system that every country except the United States follows. The idea is that a state only levies taxes on the income earned in the country, so if you are not living in your country of citizenship, they can only charge you tax on your income incurred back home.**

**How does this distinction impact your tax burden?**

DISCOVER THE ANSWER

---

## The Latest News from Europe Emirates Group



**Discover the Dubai Tech Hub at the DMCC**

**Did you hear that the DMCC isn't just for commodities? Learn more about this tech hub in the heart of one of Dubai's most storied, premier Free Zones.**

FIND OUT MORE

**Why You Should Not Go Directly to a UAE Free Trade Zone**

**If you pursue a business venture inside a UAE Free Trade Zone, you may wonder if you should open it directly with them. Why shouldn't you?**

READ ON



**It's never been more cost-effective to form a company in a Free Zone in the UAE!**

**MORE INFORMATION**

**Full-Service UAE Free Zone Company Licence Package Promotion**

FOLLOW US



Questions? Contact us today at +971 4 311 6547

Click [here](#) to unsubscribe