



WELCOME KIT

for Registrants for VAT



Dear VAT registrant

You have just registered with the Federal Tax Authority (FTA) for Value Added Tax, which is a key step in achieving tax compliance. This step entails several tax obligations, which registrants must meet.

This welcome kit will guide you through the following steps after the registration procedure, including filing, amending details, deregistration, and accessing FTA services.

If a case entails tax consultancy services, you can always use a tax agent from the FTA's Tax Agents Register to help you comply with the tax procedures and regulations. Your commitment to the Tax system is part of the success of the tax system in the UAE and one of the pillars of the UAE's economy. The collected tax will provide top-quality services and ensure future generations' well-being.

FEDERAL TAX AUTHORITY



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CONTACT THE FEDERAL TAX AUTHORITY

eservices.tax.gov.ae



The Federal Tax Authority is proud to offer fully digitised services through its EmaraTax, including registration procedures, Tax Return submission, settlement of taxes payable, refund, reconsideration and clarification requests. These online procedures eliminate the need to file printed documents or visit the Authority at all stages of tax compliance.



www.tax.gov.ae

The FTA also publishes all relevant legislation, guides, infographics, and e-learning modules that Taxable Persons can use to learn about their tax obligations and how to meet them.



800 82923

If you have any enquiries where the answer is not readily available through other channels of communication with the FTA, please call the above number to speak with the Contact Centre team, which is prepared to answer all queries and provide you with any information you require.

Follow us on Instagram, Twitter, YouTube and LinkedIn to learn about FTA's events and latest news

@UAETAX



@UAETAX



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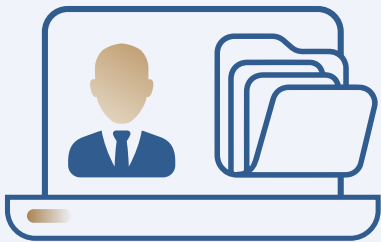
Federal Tax Authority





IF YOU NEED HELP?

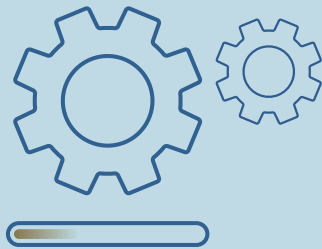
You can approach FTA's website to help you understand tax regulations and meet your obligations seamlessly with various advanced tools and features.



Hire Tax Agent

On the FTA website, you will find a list of Tax agents who are qualified and authorised to assist you with all your tax obligations.

Visit: FTA website under Tax Support/Registered Tax Agents (P.S. Before the service, a contract is signed stating all the terms and conditions).



Tax Accounting software Vendor List

This list provides information on FTA-approved Tax Accounting Software Vendors.



Tax Clarifications

FTA issues a Clarification which is an official, signed, and stamped document in response to a query by the applicant regarding the tax treatment of specific transactions.

SERVICE CARDS

The Federal Tax Authority offers comprehensive and easily accessible online services.





KEEP YOUR REGISTRATION DETAILS UP TO DATE

Registration details and VAT records provided to the FTA during your registration must be kept up to date. If any change occurs, update them within 20 business days to avoid potential penalties, this includes passport, EID, trade license, etc.

*If you meet the conditions of mandatory de-registration, you have to apply to the FTA to de-register as a taxable person



AMENDING VAT REGISTRATION



To amend registration details, use the “Edit” or “Amend” options on the EmaraTax Portal



VAT DE-REGISTRATION

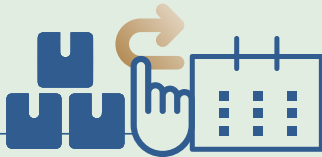
You may submit a de-registration application if the value of your taxable supplies in the previous 12 months was under the Mandatory Registration Threshold of AED375,000 (voluntary de-registration). The application must be submitted within 20 days of the occurrence of the following events:



You have no longer provided taxable supplies and do not intend to make any supplies in the following 12 months



Deregistration application should be made via the "Deregister" option on the EmaraTax Portal



The value of your taxable supplies or expenses over the past 12-month period is less than the Voluntary Registration Threshold (AED 187,500), and you do not expect to supply taxable supplies or incur taxable expenditure in excess of the Voluntary Registration Threshold in the next 30 days



Deregistration application cannot be completed unless all outstanding liabilities have been settled

Note: If you are registered with Planet for the Tourist Refund System, you are required to deregister from Planet first, in order to complete your deregistration of VAT with the FTA.



KEEP YOUR RECORDS

Tax records must be kept for at least five years, depending on the nature of your business, to avoid possible penalties.

Tax Registrants Must Keep the Following Records



Records of all supplies and imports of goods and services



All Tax Invoices, credit notes, and alternative documents received



All Tax Invoices, credit notes, and alternative documents issued



Records of goods and services that have been disposed of or used for non-business activities, including VAT amounts paid on such goods and services



Records of goods and services for which Input Tax was not deducted



Records of exported goods and services



Records of adjustments or corrections made to accounts or Tax Invoices

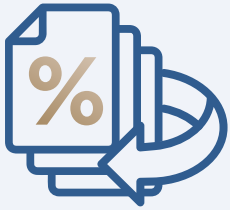


Inventory Records

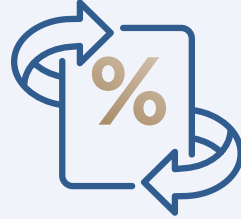


KEEP YOUR RECORDS

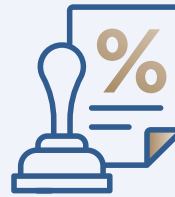
You must also keep VAT records or accounts that include any of the following.



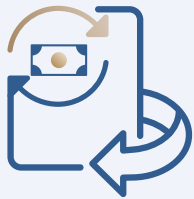
Payable output tax on taxable supplies



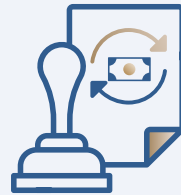
Payable output tax on taxable supplies, calculated using the Reverse Charge Mechanism



Payable output tax after making corrections or adjustments



Recoverable input tax on supplies or imports



Recoverable input tax after corrections or adjustments



IMPORTANT INFORMATION!

Correcting past errors

If you notice an error (e.g. an incorrect amount of input tax), you are obliged to make a correction within 20 working days of becoming aware of the error.

If it is more than 10K errors:



Suppose the error relates to a tax return or tax assessment, and the value of the error has resulted in an underpayment of VAT of AED 10,000 or less. In that case, you may correct the error in the Tax Return for the Tax Period in which you discovered the error

If it is less than 10K errors:



Suppose the value of the error has resulted in an underpayment of VAT of more than AED 10,000. In that case, you are required to make a Voluntary Disclosure to the FTA

*In cases where an error is made, and a Voluntary Disclosure is submitted, the FTA may apply certain penalties. According to Cabinet Decision no. 40 of 2017 and its amendments.



KEEP YOUR RECORDS

You must keep accounting records, commercial books and all documents related to your business activities. These documents and records include



Balance sheet, Statement of Profit or Loss,
and Other Comprehensive Income



Records of salaries
and wages



Records of
fixed assets



All relevant inventory records and records of
inventory checks (including quantities and values)
at the end of any Tax Period

You must keep the required records for a minimum of 5 years after the end of the tax period to which they relate. The FTA may require you to retain the records for a further period not exceeding 4 years in specific cases determined in the FTP Executive Regulations



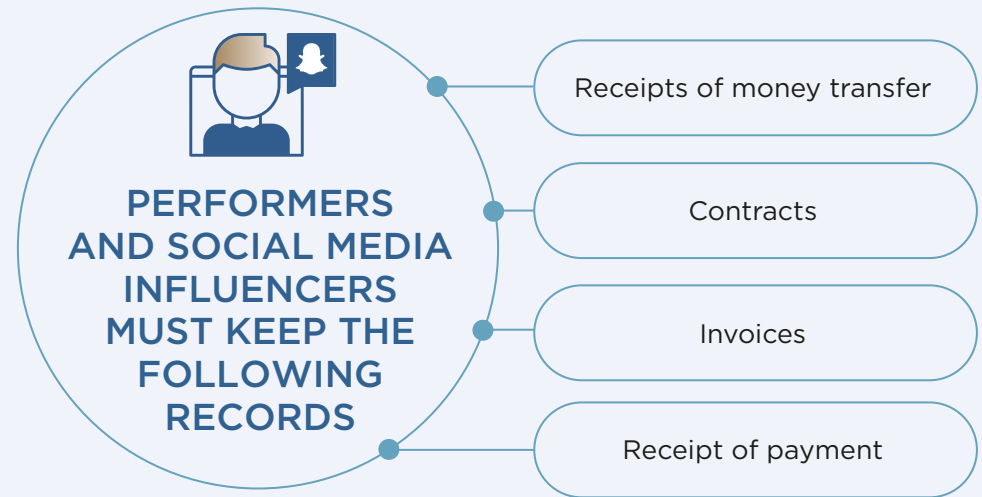
KEEP YOUR RECORDS



You must keep the required records for a minimum period of 15 years after the end of the tax period to which they relate



KEEP YOUR RECORDS



Please note these are non-exhaustive lists as additional records may be requested at the FTA's discretion



IMPORTANT INFORMATION

Request a refund



You may request a VAT refund at any point in time if the input VAT is greater than the output VAT after submitting a VAT return or if there is a credit due to other circumstances



Once you have submitted a VAT refund application to the FTA, the Authority will inform you of the approval or rejection within 20 working days. In certain cases, the FTA will inform you that it may take longer than usual to process your application for audit purposes



Please keep your bank details up to date for faster refund processing



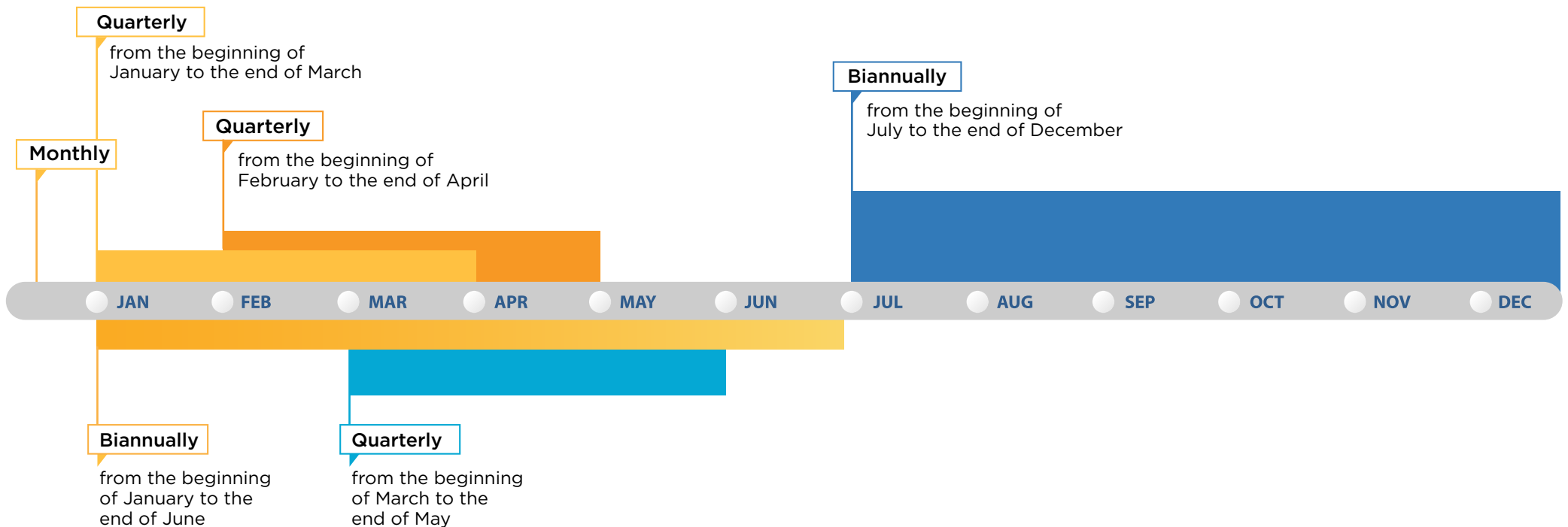
If no VAT Refund is requested, any credit balance will be carried forward to subsequent tax periods and can be offset against future payable tax or administrative penalties imposed



SUBMIT YOUR TAX RETURNS ON TIME

As a rule, the FTA provides three months as the standard tax period (quarterly). However, if necessary, it may set shorter or longer tax periods for registrants. You must file your tax return no later than the 28th day from the end of each tax period or the following working day if the relevant date falls on an official holiday or weekend. Otherwise, the FTA may apply specific penalties.

Examples of Tax periods (“Staggers”)





SUBMIT YOUR TAX RETURNS ON TIME

Tax returns must, in any case, be submitted within the deadlines set by the FTA, even if no taxes are due for that period. In the event that the return is not submitted on time, late filing penalties are automatically levied. Tax returns must be submitted through the FTA's online portal and must include the following information at the minimum.



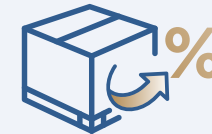
Name, address, and TRN
(auto populated on the system)



Tax Period to which the
Tax Return relates



Date of submission



Value of Taxable Supplies
made in the Tax Period and
the Output Tax charged



Value of Taxable Supplies
subject to the zero rate
made in the Tax Period



Value of Exempt Supplies
made in the Tax Period



Value of any supplies
subject to the Reverse
Charge Mechanism



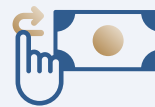
Value of expenses incurred
in respect of you would
like to recover input tax



Input Tax and the amount
of Recoverable Tax



Total value of Due Tax
and Recoverable Tax for
the Tax Period

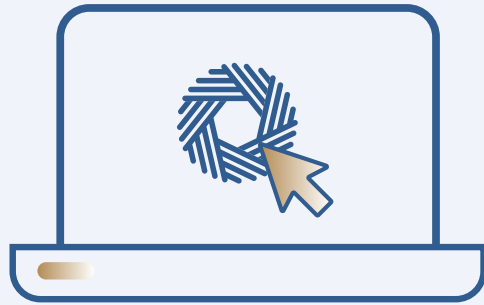


Payable Tax for the
Tax Period ²⁰



HOW TO SUBMIT YOUR TAX RETURN

1



Access the EmaraTax portal on the FTA website eservices.tax.gov.ae and go to the 'VAT' tab to access your Tax Returns. Go to the 'VAT201 Tax Returns' tab and click on the 'VAT201 New VAT Return' tab

2

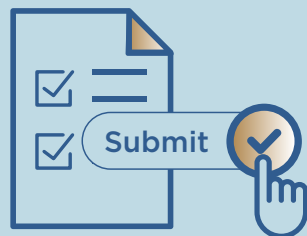


Complete the form Fill in the sales and other outputs, as well as expenses and other inputs, such as

- Values without the VAT
- VAT rate value

The system will calculate the payable or recoverable tax for the specified Tax Period based on entered date

3



Submit the Tax Return Carefully check all information filled in the form and make sure you fill all fields and recheck the declaration. After reviewing all information, press '**Submit**'

4

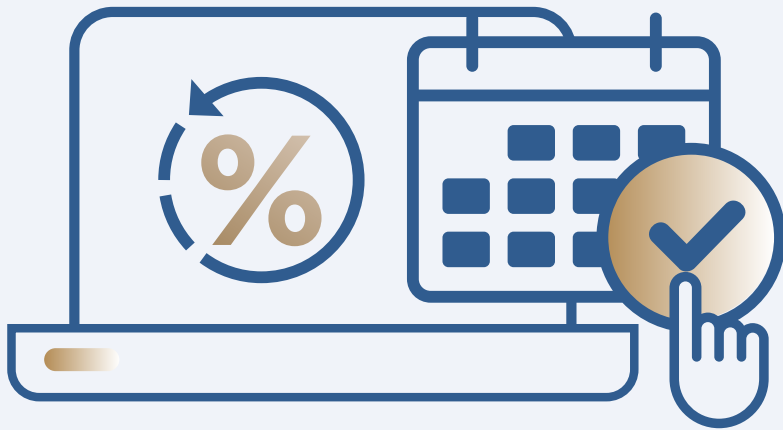


Settle the payable VAT through the '**My Payments**' tab and make sure they are paid within the specified deadlines²¹



SETTLE YOUR PAYABLE TAX ON TIME

You will be required to settle any payable taxes on the Tax Return submission date, i.e. no later than the 28th day from the end of each Tax Period (or the following working day if the relevant date falls on an official holiday or weekend). It is important that you pay your taxes before the due date and avoids delaying it until the last day to stay ahead of any circumstances that may delay the receipt of the payment by the FTA (e.g. the bank may require 2 or 3 working days to complete the transfer).



*Late payment penalties will automatically be levied if payment is not made on time



SETTLE PAYABLE TAXES THROUGH OUR APPROVED CHANNELS

The FTA provides various payment channels that meet the needs of all registered segments to settle their payable taxes. These channels include:

magnati

“Magnati”, a payment solution from First Abu Dhabi Bank (FAB) offering a payment option for prepaid, debit and credit cards issued by Visa and Mastercard.



Each registrant will receive a Generated International Bank Transfer Number (GIBAN) that will allow them to pay their taxes through various flexible means. This system does not involve any financial obligation. You must generate a unique payment reference number.



A Bank Guarantee - Concerning an appeal against the TDRC's decision on administrative penalties before the court, up to 50% of the penalty amount may be settled by submitting a bank guarantee to the FTA



ISSUE VALID TAX INVOICES FOR ALL TAXABLE GOODS & SERVICES PROVIDED OR SOLD

As a taxable person, you are required to issue valid tax invoices for each taxable supply or goods or services. Please make sure the tax invoices you issue meet the following criteria.

Full Tax Invoice

1 TAX INVOICE

2 ABC LLC
Street, Emirate, UAE
TRN 100123456780003

5 Date of invoice: 02/01/2022

4 Invoice: 001

3 Buyer: XYZ LLC
Street, Emirate, UAE
TRN 100876543210003

6	8	Item	Description	Unit Price AED	Discount	VAT Rate	Taxable value AED	VAT Amount AED	Gross Amount AED
01/01/2022	10	Block	Building Block	5,000	0%	5%	50,000	2,500	52,500
02/01/2022	2	Wood	Building Wood	2,000	0%	5%	4,000	200	4,200

10 Total excluding VAT : 54,000
Total VAT : 2,700
Total including VAT : 56,700

11 Rate of Exchange: 1.000000

- 1** The words 'Tax Invoice' is clearly displayed on the invoice
- 2** The supplier's name, address and the Tax Registration Number (TRN)
- 3** The receiver's name, address, and TRN (if registered)
- 4** The serial or relevant Tax Identification Number (TIN) that helps identify the Tax Invoice and its number in any number of invoices
- 5** Issuance date
- 6** Supply date, if it is different from the issuance date
- 7** Details of the supplied goods or services
- 8** The unit price, quantity or size of supplies, payable VAT rate and payable amount (in AED) for each good or service
- 9** Any offered discount rates
- 10** Total payable sum in AED
- 11** Payable tax in AED with the applicable exchange rate
 - If the recipient demands the tax calculation, the invoice must contain said details, as per Article 48 of the Law
 - Ensure that the prices of goods and services advertised to consumers include VAT, whether in food menus, catalogues, or price tags



ISSUE VALID TAX INVOICES FOR ALL TAXABLE GOODS & SERVICES PROVIDED OR SOLD

Simplified Tax Invoice

The FTA allows you to issue a simplified tax invoice as opposed to a full tax invoice in certain situations.

1 TAX INVOICE	
2 ABC LLC Street, Emirate, UAE TRN 100123456780003	3 Date of Invoice: 02/01/2022
Description	Gross Amount AED
4 Building Block	525
Building Wood	420
5 Total Excluding VAT (AED) : 5,400 Total VAT (AED) : 270 Total including VAT (AED) : 5,670	

A SIMPLIFIED TAX INVOICE MUST INCLUDE

- 1 The words 'Tax Invoice' in clear writing
- 2 The supplier's name, address, and TRN
- 3 Tax Invoice issuance date
- 4 Details of the supplied goods or services
- 5 The total consideration and tax charged

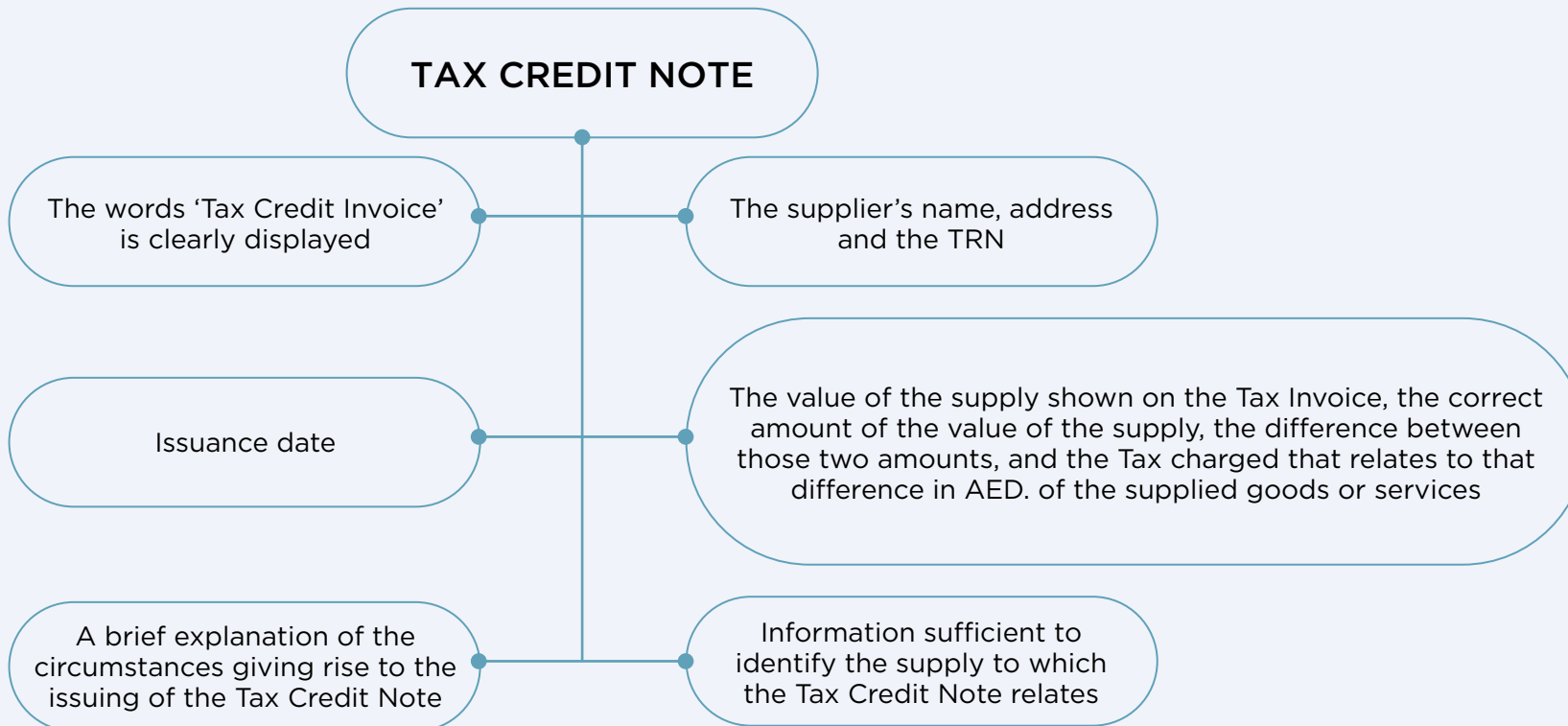
YOU MAY ISSUE SIMPLIFIED TAX INVOICES IN ANY OF THE FOLLOWING CASES

- If the recipient is not registered for VAT
- If the recipient is registered for VAT and the supply does not exceed AED10,000



ISSUE VALID TAX CREDIT NOTES TO CORRECT OUTPUT TAX ERRONEOUSLY CHARGED

As a taxable person, you are required to issue valid tax credit notes for each correction of output tax. Please make sure the tax credit notes you issue meet the following criteria.



SIMILAR TO TAX INVOICES, THE FTA HAS THE AUTHORITY TO DETERMINE SITUATIONS WHEN TAX CREDIT NOTES ARE UNNECESSARY OR CAN CONTAIN DIFFERENT PARTICULARS



Vision

A pioneering, world-class tax authority that supports sustainable financial diversification.



Mission

Collect and administer federal taxes, in addition to implementing tax regulations in accordance with high standards and international best practices, striving for innovation and efficiency, and focusing on stakeholders needs and customer expectations.

Core Values



Integrity

Provide our tasks and services with clarity, consistency and transparency in accordance with tax laws and procedures.



Leadership and Excellence

Apply the best tax standards and practices and work on sustainable development and improvement.



Innovation

Continuously innovate in our policies, procedures and services to make a quantum leap.



Professionalism

Provide our services professionally in accordance with policies, laws and tax procedures.



Team spirit

Work as a team to provide the best services and accomplish tasks and business.