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VAT Handbook

A Compilation of UAE VAT Legislation

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VAT Law

VAT Law

Federal Decree-Law No. (8) of 2017 on Value Added Tax ('Law')

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Federal Decree-Law No. (8) of 2017 on Value Added Tax

We, Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates,

Having reviewed the Constitution,

- Federal Law No. (1) of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Law No. (11) of 1981 on the Imposition of a Federal Customs Tax on Imports of Tobacco and its derivatives, and its amendments;
- Federal Law No. (26) of 1981 regarding the Commercial Maritime Law, and its amendments;
- Federal Law No. (5) of 1985 promulgating the Civil Transactions Law, and its amendments;
- Federal Law No. (3) of 1987 promulgating the Penal Law, and its amendments;
- Federal Law No. (10) of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions, and its amendments;
- Federal Law No. (11) of 1992 promulgating the Law on Civil Procedures, and its amendments;
- Federal Law No. (18) of 1993 promulgating the Commercial Transactions Law, and its amendments;
- Federal Law No. (8) of 2004 on Financial Free Zones;
- Federal Law No. (1) of 2006 on Electronic Commerce and Transactions;
- Federal Law No. (2) of 2008 in respect of The National Societies and Associations of Public Welfare;
- Federal Law No. (1) of 2011 on the State's Public Revenues;
- Federal Law No. (8) of 2011 on the Reorganisation of the State Audit Institution;
- Federal Decree-Law No. (8) of 2011 on the Rules of the Preparation of the General Budget and Final Accounts;
- Federal Law No. (4) of 2012 on the Regulation of Competition;
- Federal Law No. (12) of 2014 on the Organisation of the Auditing Profession;
- Federal Law No. (2) of 2015 on Commercial Companies;
- Federal Decree-Law No. (13) of 2016 on the Establishment of the Federal Tax Authority;
- Federal Law No. (7) of 2017 on Tax Procedures; and
- Pursuant to what was presented by the Minister of Finance and approved by the Cabinet,

Have issued the following Decree-Law:

Title One Definitions

Article (1) Definitions

In the application of the provisions of this Decree-Law, the following words and expressions shall have the meanings assigned against each, unless the context otherwise requires:

State	United Arab Emirates
Minister	Minister of Finance
Authority	Federal Tax Authority
Value Added Tax	A tax imposed on the import and supply of Goods and Services at each stage of production and distribution, including the Deemed Supply.
Tax	Value Added Tax (VAT).
GCC States	all countries that are full members of The Cooperation Council for the Arab States of the Gulf pursuant to its Charter.
Implementing States	The GCC States that are implementing a Tax law pursuant to an issued legislation.
Goods	Physical property that can be supplied including real estate, water, and all forms of energy as specified in the Executive Regulation of this Decree-Law.
Services	Anything that can be supplied other than Goods.
Import	The arrival of Goods from abroad into the State or receipt of Services from outside the State.
Concerned Goods	Goods that have been imported, and would not be exempt if supplied in the State.
Concerned Services	Services that have been imported, where the place of supply is in the State, and would not be exempt if supplied in the State.
Person	A natural or legal person.
Taxable Person	Any Person registered or obligated to register for Tax purposes under this Decree-Law.
Taxpayer	Any person obligated to pay Tax in the State under this Decree-Law, whether a Taxable Person or end consumer.
Tax Registration	A procedure according to which the Taxable Person or his Legal Representative registers for Tax purposes at the Authority.
Tax Registration Number (TRN)	A unique number issued by the Authority for each Person registered for Tax purposes.
Registrant	The Taxable Person who has been issued with a TRN.
Recipient of Goods	Person to whom Goods are supplied or imported.
Recipient of Services	Person to whom Services are supplied or imported.
Importer	With respect to importing Goods, it is the Person whose name is listed as the importer of the Goods on the date of Import for customs clearance purposes. With respect to Services, it is the Recipient of these Services.
Taxable Trader	A Taxable Person in the Implementing States, whose main activity is the distribution of water and all types of energy as specified in the Executive Regulation of this Decree-Law.

Tax Return	Information and data specified for Tax purposes and submitted by a Taxable Person in accordance with a form prepared by the Authority.
Consideration	All that is received or expected to be received for the supply of Goods or Services, whether in money or other acceptable forms of payment.
Business	Any activity conducted regularly, on an ongoing basis and independently by any Person, in any location, such as industrial, commercial, agricultural, professional, service or excavation activities or anything related to the use of tangible or intangible properties.
Exempt Supply	A supply of Goods or Services for Consideration while conducting Business in the State, where no Tax is due and no Input Tax may be recovered, except according to the provisions of this Decree- Law.
Taxable Supply	A supply of Goods or Services for a Consideration by a Person conducting Business in the State, and does not include Exempt Supply.
Deemed Supply	Anything considered as a supply and treated as a Taxable Supply according to the instances stipulated in this Decree-Law.
Input Tax	Tax paid by a Person or due from him when Goods or Services are supplied to him, or when conducting an Import.
Output Tax	Tax charged on a Taxable Supply and any supply considered as a Taxable Supply.
Recoverable Tax	Amounts that were paid and may be returned by the Authority to the Taxpayer pursuant to the provisions of this Decree-Law.
Due Tax	Tax that is calculated and charged pursuant to this Decree-Law.
Payable Tax	Tax that is due for payment to the Authority.
Tax Period	A specific period of time for which the Payable Tax shall be calculated and paid.
Tax Invoice	A written or electronic document in which the occurrence of a Taxable Supply is recorded with details pertaining to it.
Tax Credit Note	A written or electronic document in which the occurrence of any amendment to a Taxable Supply that reduces or cancels the same is recorded and the details pertaining to it.
Government Entities	Federal and local ministries, government departments, government agencies, authorities and public institutions in the State.
Charities	Societies and associations of public welfare not aiming to make a profit that are listed within a Cabinet Decision issued at the suggestion of the Minister.
Mandatory Registration Threshold	An amount specified in the Executive Regulation of this Decree-Law; if exceeded by the value of Taxable Supplies or is anticipated to be exceeded, the supplier shall apply for Tax Registration.
Voluntary Registration Threshold	An amount specified in the Executive Regulation of this Decree-Law; if exceeded by the value of Taxable Supplies or taxable expenses or is anticipated to be exceeded, the supplier may apply for Tax Registration.
Transport-related Services	Shipment, packaging and securing cargo, preparation of Customs documents, container management, loading, unloading, storing and moving of Goods, or any another closely related services or services that are necessary to conduct the transportation services.
Place of Establishment	The place where a Business is legally established in a country pursuant to the decision of its establishment, in which significant management decisions are taken or central management functions are conducted.

Fixed Establishment	Any fixed place of business, other than the Place of Establishment, in which the Person conducts his business regularly or permanently and where sufficient human and technology resources exist to enable the Person to supply or acquire Goods or Services, including the Person's branches.
Place of Residence	The place where a Person has a Place of Establishment or Fixed Establishment, in accordance with the provisions of this Decree-Law.
Non-Resident	Any person who does not own a Place of Establishment or Fixed Establishment in the State and usually does not reside in the State.
Related Parties	Two or more Persons who not separated on the economic, financial or regulatory level, where one can control the others either by Law, or through the acquisition of shares or voting rights.
Customs Legislation	Federal and local legislation that regulate customs in the State.
Designated Zone	Any area specified by a Cabinet Decision issued at the suggestion of the Minister, as a Designated Zone for the purpose of this Decree-Law.
Export	Goods departing the State or the provision of Services to a Person whose Place of Establishment or Fixed Establishment is outside the State.
Voucher	Any instrument that gives the right to receive Goods or Services against the value stated thereon or the right to receive a discount on the price of the Goods or Services. Vouchers do not include postage stamps issued by the Emirates Post Group.
Activities conducted with Sovereign Capacity	Activities conducted by Government Entities in their sole competent capacity, with or without Consideration.
Capital Assets	Business assets designated for long-term use.
Capital Assets Scheme	A scheme whereby the initially recovered Input Tax is adjusted based on the actual use during a specific period.
Administrative Penalties	Amounts imposed upon a Person by the Authority for breaching the provisions of this Decree-Law or Federal Law No. (7) of 2017 on Tax Procedures.
Administrative Penalties Assessment	A decision issued by the Authority concerning any Administrative Penalties due.
Excise Tax	A tax imposed on specific Goods.
Tax Group	Two or more Persons registered with the Authority for Tax purposes as a single taxable person in accordance with the provisions of this Decree-Law.

Title Two **Tax Scope and Rate**

Article (2)
Scope of Tax

Tax shall be imposed on:

1. Every Taxable Supply and Deemed Supply made by the Taxable Person.
2. Import of Concerned Goods except as specified in the Executive Regulation of this Decree-Law.

Article (11) - Law

Article (47) - ER

Article (3)
Tax Rate

Without prejudice to the provisions of Title Six of this Decree-Law, a standard rate of 5% shall be imposed on any supply or Import pursuant to Article (2) of this Decree-Law on the value of the supply or Import specified in the provisions of this Decree-Law.

Article (4)
Responsibility for Tax

The Tax imposed shall be the responsibility of the following:

1. A Taxable Person who makes any supply stipulated in Clause (1) of Article (2) of this Decree-Law.
2. The Importer of Concerned Goods.
3. The Registrant who acquires Goods as stated in Clause (3) of Article (48) of this Decree-Law.

Article (48) - Law

Title Three **Supply**

Chapter One

Supply of Goods and Services

Article (5)
Supply of Goods

The following shall be considered a supply of Goods:

1. Transfer of ownership of the Goods or the right to use them to another Person according to what is specified in the Executive Regulation of this Decree-Law.
2. Entry into a contract between two parties entailing the transfer of Goods at a later time, pursuant to the conditions specified in the Executive Regulation of this Decree-Law.

Article (2) - ER

Article (6)
Supply of Services

A supply of Services shall be every supply that is not considered a supply of Goods, including any provision of Services specified in the Executive Regulation of this Decree-Law.

Article (3) - ER

Article (7) Supply in Special Cases

As an exception to what is stated in Articles (5) and (6) of this Decree-Law, the following shall not be considered a supply:

1. The sale or issuance of any Voucher unless the received Consideration exceeds its advertised monetary value, as specified in the Executive Regulation of this Decree-Law. Article (28) - ER
2. The transfer of whole or an independent part of a Business from a Person to a Taxable Person for the purposes of continuing the Business that was transferred. Article (58) - ER

Article (8) Supply of more than one component

The Executive Regulation of this Decree-Law shall specify the conditions for treating a supply made of more than one component for one price, whether such components are Goods or Services or both. Article (4) - ER

Article (9) Supply via Agent

1. The Supply of Goods and Services through an agent acting in the name of and on behalf of a principal is considered to be a supply by the principal and for his benefit.
2. The Supply of Goods and Services through an agent acting in his name is considered to be a direct supply by the agent and for his benefit.

Article (10) Supply by Government Entities

1. A Government Entity is regarded as making a supply in the course of business in the following cases:
 - a. If its activities are conducted in a non-sovereign Capacity. Article (53) - ER
 - b. If its activities are in competition with the private sector. Article (16) - Law
2. A Cabinet Decision shall be issued at the suggestion of the Minister determining the Government Entities and their activities that are considered as conducted in a Sovereign Capacity and instances where its activities are considered not in competition with the private sector. Article (10) - ER

Chapter Two Deemed Supply

Article (11) The Cases of Deemed Supply

The following cases shall be considered as Deemed Supply:

1. A supply of Goods or Services, which constituted the whole assets of a Taxable Person or a part thereof, but are no longer considered to be as such, provided that the supply was made without Consideration. Article (26) - Law
2. The transfer by a Taxable Person of Goods that constituted a part of his business assets from the State to another Implementing State, or from the Taxable Person's business in an Implementing State to his Business in the State, except in the case where such transfer:
 - a. Is considered as temporary under the Customs Legislation. Article (37) - Law
 - b. Is made as part of another Taxable Supply of these Goods. Article (2) - LawArticle (5) - ER

3. A supply of Goods or Services for which Input Tax may be recovered but the Goods or Services were used, in part or whole, for purposes other than Business, and such supply shall be considered as deemed only to the extent of the use for non-business purposes.
4. Goods and Services that a Taxable Person owns at the date of Tax Deregistration.

Article (12)

Exceptions for Deemed Supply

A supply is not considered as deemed in the following cases:

1. If no Input Tax was recovered for the related Goods and Services.
2. If the supply is an Exempt Supply.
3. If the recovered Input Tax has been adjusted for the Goods and Services pursuant to the Capital Assets Scheme.
4. If the value of the supply of the Goods, for each Recipient of Goods within a 12-month period, does not exceed the amount specified in the Executive Regulation of this Decree-Law, and the Goods were supplied as samples or commercial gifts.
5. If the total Output Tax due for all the Deemed Supplies per Person for a 12-month period is less than the amount specified in the Executive Regulation of this Decree-Law.

Article (5) - ER

Title Four **Tax Registration and Deregistration**

Article (13)

Mandatory Tax Registration

1. Every Person, who has a Place of Residence in the State or an Implementing State and is not already registered for Tax, shall register in the following situations:
 - a. Where the total value of all supplies referred to in Article (19) exceeded the Mandatory Registration Threshold over the previous 12-month period.
 - b. Where it is anticipated that the total value of all supplies referred to in Article (19) will exceed the Mandatory Registration Threshold in the next thirty (30) days.
2. Every Person, who does not have a Place of Residence in the State or an Implementing State and is not already registered for Tax, shall register for Tax if he makes supplies of Goods or Services, and where no other Person is obligated to pay the Due Tax on these supplies in the State.
3. The Executive Regulation of this Decree-Law shall specify the time limits that a Person has to inform the Authority about his liability to register for Tax and the effective date of Tax Registration.

Article (19) -
Law

Article (7) - ER

Article (14)

Tax Group

1. Two or more persons conducting Businesses may apply for Tax Registration as a Tax Group if all of the following conditions are met:
 - a. Each shall have a Place of Establishment or Fixed Establishment in the State.
 - b. The relevant persons shall be Related Parties.
 - c. One or more persons conducting business in a partnership shall control the others.
2. The Executive Regulation of this Decree-Law will determine the instances where the Authority may reject the application to register a Tax Group.

Article (10)
- ER

3. Any Person conducting Business is not allowed to have more than one Tax Registration Number, unless otherwise prescribed in the Executive Regulation. Article (9) - ER
4. If Related Parties do not apply for Tax Registration as a Tax Group under Clause (1) of this Article, the Authority may assess their relation based on their economic, financial and regulatory practices in business and register them as a Tax Group if their relation was proved thereto according to the controls and Conditions specified by the Executive Regulation of this Decree-Law. Article (15) - ER
5. The Authority may deregister the Tax Group registration in accordance with this Article as per the conditions specified in the Executive Regulation of this Decree-Law. Article (11) - ER
6. The Authority may make changes to the Persons registered as a Tax Group by adding or removing Persons as requested by the Taxable Person or in accordance with the instances mentioned in the Executive Regulation.

Article (15) Registration Exceptions

1. The Authority may except a Taxable Person from mandatory Tax Registration upon his request if his supplies are only subject to the zero rate.
2. Anyone excepted from Tax Registration according to Clause (1) of this Article shall inform the Authority of any changes to his Business that would make him subject to Tax under this Decree-Law pursuant to the time limits and procedures determined in the Executive Regulation of this Decree-Law. Article (16) - ER
3. The Authority shall have the right to collect any Due Tax and Administrative Penalties for the period of exception where that Taxable Person was not entitled to the exception.

Article (16) Tax Registration of Governmental Bodies

Government Entities which shall be determined in a Cabinet Decision issued under Clause (2) of Article (10) of this Decree-Law, shall apply for Tax Registration and may not be Deregistered unless by a Cabinet Decision at the suggestion of the Minister. Article (10) - Law

Article (17) Voluntary Registration

Any Person who is not obligated to apply for Tax Registration according to this Chapter may apply for Tax Registration in the following cases: Article (8) - ER

1. If he proves, at the end of any given month, that the total value of supplies referred to in Article (19) of this Decree-Law or the expenses which are subject to Tax and were incurred during the previous 12-month period, has exceeded the Voluntary Registration Threshold. Article (21) - Law
 2. At any time that he anticipates that the total value of supplies stipulated in Article (19) of this Decree-Law or the expenses which are subject to Tax that will be incurred, will exceed the Voluntary Registration Threshold during the coming 30-day period. Article (19) - Law
- Article (23) - Law

Article (18) Tax Registration for a Non-Resident

A Non-resident Person may not take the value of Goods and Services imported into the State to determine whether he is entitled to apply for Tax Registration if the calculation of Tax for such Goods or Services is the responsibility of the Importer pursuant to Clause (1) of Article (48) of this Decree-Law. Article (48) - Law

Article (19)

Calculating the Tax Registration Threshold

To determine whether a Person has exceeded the Mandatory Registration Threshold and the Voluntary Registration Threshold, the following shall be calculated:

1. The value of Taxable Goods and Services.
2. The value of Concerned Goods and Concerned Services received by the Person unless covered by Clause (1) of this Article.
3. The value of the whole or relevant part of Taxable Supplies that belong to said Person if he has, wholly or partly, acquired a Business from another Person who made the supplies.
4. The value of Taxable Supplies made by Related Parties pursuant to the cases stated in the Executive Regulation of this Decree-Law.

Article (20)

Capital Assets

The supply of Capital Assets belonging to the Person shall not be taken into account to determine whether a Person in Business exceeds the Mandatory Registration Threshold or Voluntary Registration Threshold.

Article (21)

Tax De-Registration Cases

A Registrant shall apply to the Authority for Tax Deregistration in any of the following cases:

1. If he stops making Taxable Supplies.
2. If the value of the Taxable Supplies made over a period of (12) consecutive months is less than the Voluntary Registration Threshold and said Registrant does not meet the condition stipulated in Clause (2) of Article (17) of this Decree-Law.

Article (22)

Application for Tax De-Registration

A Registrant may apply to the Authority for Tax Deregistration if the value of his Taxable Supplies during the past (12) months was less than the Mandatory Registration Threshold.

Article (23)

Voluntary Tax De-registration

A Registrant under Article (17) may not apply for Tax Deregistration within (12) months of the date of Tax Registration.

Article (24)

Procedures, Controls and Conditions of Tax Registration and De-registration

The Executive Regulation of this Decree-Law shall determine the procedures, controls and conditions for Tax Registration, Tax deregistration and rejection of applications for Tax Registration and Deregistration as stipulated in this Title.

Article (13) - Law

Article (14) - ER

Article (17) - Law

Article (9) - ER

Article (60) - Law

Title Twelve
Article (57) &
(58) - ER

Article (14) - ER

Article (15) - ER

Article (17) -
Law

Article (14) - ER

Article (15) - ER

Article (14) - ER

Article (15) - ER

Article (17) - Law

Article (14) - ER

Article (15) - ER

Title Three - ER

Title Five Rules Pertaining to Supplies

Chapter One

Date of Supply

Article (25)

Date of Supply

Tax shall be calculated on the date of supply of Goods or Services, which shall be the earliest of any of the following dates:

1. The date on which Goods were transferred, if such transfer was under the supervision of the supplier. Article (70) - ER
2. The date on which the Recipient of Goods took possession of the Goods, if the transfer was not supervised by the supplier. Article (67) - Law
3. Where goods are supplied with assembly and installation, the date on which the assembly or installation of the Goods was completed. Article (35) - Law
4. The date on which the Goods are Imported under the Customs Legislation. Article (19) - ER
5. The date on which the Recipient of Goods accepted the supply, or a date no later than (12) months after the date on which the Goods were transferred or placed under the Recipient of Goods disposal, if the supply was made on a returnable basis. Article (48) - Law
6. The date on which the provision of Services was completed.
7. The date of receipt of payment or the date on which the Tax Invoice was issued.

Article (26)

Date of Supply in Special Cases

1. The date of supply of Goods or Services for any contract that includes periodic payments or consecutive invoices shall be the earliest of any of the following dates, provided that it does not exceed one year from the date of the provision of such Goods and Services:
 - a. The date of issuance of any Tax Invoice. Article (19) - ER
 - b. The date payment is due as shown on the Tax Invoice. Article (70) - ER
 - c. The date of receipt of payment. Article (11) - Law
2. The date of supply, in cases where payment is made through vending machines, shall be the date on which funds are collected from the machine. Article (40) - Law
3. The date of Deemed Supply of Goods or Services shall be the date of their supply, disposal, change of usage or the date of Deregistration, as the case may be.
4. The date of a supply of a voucher shall be the date of issuance or supply thereafter.

Chapter Two

Place of Supply

Article (27)

Place of Supply of Goods

1. The place of supply of Goods shall be in the State if the supply was made in the State, and does not include Export from or Import into the State.
2. The place of supply of installed or assembled Goods if exported from or imported into the State shall be:
 - a. In the State if assembly or installation of the Goods was done in the State.
 - b. Outside the State if assembly or installation of the Goods was done outside the State.
3. The place of supply of Goods that includes Export or Import shall be as follows:
 - a. Inside the State in the following instances:
 - 1) If the supply includes exporting to a place outside the Implementing States.
 - 2) If the Recipient of Goods in an Implementing State is not registered for Tax in the state of destination, and the total exports from the same supplier to this state does not exceed the mandatory registration threshold for said state.
 - 3) The Recipient of Goods does not have a Tax Registration Number in the State, and the total exports from the same supplier in an Implementing State to the State exceeds the Mandatory Registration Threshold.
 - b. Outside the State in the following instances:
 - 1) The supply includes an Export to a customer registered for Tax purposes in one of the Implementing States.
 - 2) The Recipient of Goods is not registered for Tax in the Implementing State to which export is made, and the total exports from the same supplier to this Implementing State exceeds the mandatory registration threshold for said state.
 - 3) The Recipient of Goods does not have a Tax Registration Number and the Goods are Imported from a supplier registered for Tax in any of the Implementing States from which import is made, and the total imports from the same supplier to the State do not exceed the Mandatory Registration Threshold.
4. Goods shall not be treated as exported outside the State and then reimported if such Goods are supplied in the State and this supply required that the Goods exit and then re-enter the State according to the instances specified in the Executive Regulation of this Decree-Law.

Article (20) - ER

Article (61) - Law

Article (28)

Place of Supply of Water and Energy

1. The supply of water and all forms of energy specified in the Executive Regulation of this Decree-Law through a distribution system, shall be considered as done in the Place of Residence of the Taxable Trader in case the distribution was conducted by a Taxable Person having a Place of Residence in the State to a Taxable Trader having a Place of Residence in an Implementing State.
2. The supply of water and all forms of energy specified in the Executive Regulation of this Decree-Law through a distribution system, shall be considered to have occurred at the place of actual consumption, if distribution was conducted by a Taxable Person to a Non-Taxable Person.

Article (2) - ER

Article (29)
Place of Supply of Services

The place of supply of Services shall be the Place of Residence of the Supplier.

Article (30)
Place of Supply in Special Cases

As an exception to what is stipulated in Article (29) of this Decree-Law, the place of supply in special cases shall be as follows:

1. Where the Recipient of Services has a Place of Residence in another Implementing State and is registered for Tax therein, the place of supply shall be the Place of Residence of the Recipient of Services. Article (45) - ER
2. Where the Recipient of Services is in Business and has a Place of Residence in the State, and the Supplier does not have a Place of Residence in the State, the place of supply shall be in the State.
3. For the Supply of Services related to Goods, such as installation of Goods supplied by others, the place shall be where said Services were performed.
4. For the Supply of means of transport to a lessee who is not a Taxable Person in the State and does not have a TRN in an Implementing State, the place shall be where such means of transport were placed at the disposal of the lessee.
5. For the Supply of restaurant, hotel, and food and drink catering Services, the place shall be where such Services are actually performed. Article (21) - ER
6. For the Supply of any cultural, artistic, sporting, educational or any similar services, the place shall be where such Services were performed. Article (22) - ER
7. For the Supply of Services related to real estate as specified in the Executive Regulation of this Decree-Law, the place of supply shall be where the real estate is located.
8. For the Supply of transportation Services, the place of supply shall be where transportation starts. The Executive Regulation of this Decree-Law shall specify the place of supply for transportation Services if the trip includes more than one stop.

Article (31)
Place of Supply of Telecommunication and Electronic Services

1. For telecommunications and electronic Services specified in the Executive Regulation of the Decree-Law, the place of supply shall be:
 - a. In the State, to the extent of the use and enjoyment of the supply in the State.
 - b. Outside the State, to the extent of the use and enjoyment of the supply outside the State.
2. The actual use and enjoyment of all telecommunications and electronic Services shall be where these Services were used regardless of the place of contract or payment. Article (23) - ER

Chapter Three

Place of Residence

Article (32)

Place of Establishment

The Place of Residence of the supplier or Recipient of Services shall be as follows:

1. The state in which the Person's Place of Establishment is located or where he has a Fixed Establishment, provided that he does not have a Place of Establishment or owns a Fixed Establishment in any other state.
2. The state in which the Person's Place of Establishment is located or where he has a Fixed Establishment that is the most closely related to the supply if he has a Place of Establishment in more than one state or has Fixed Establishments in more than one state.
3. The state in which the usual Place of Residence of the Person is located if he does not have a Place of Establishment or a Fixed Establishment in any state.

Article (33)

The Agent

The Place of Residence of an agent shall be regarded as the Place of Residence of the principal in the following two cases:

1. If the agent regularly exercises the right of negotiation and enters into agreements in favor of the principal.
2. If the agent maintains a stock of Goods to fulfil supply agreements for the principal regularly.

Chapter Four

Value of Supply

Article (34)

Value of Supply

The value of supply of Goods or Services for Consideration shall be as follows:

1. If the entire Consideration is monetary, the value of the supply shall be the Consideration less the Tax.
2. If all or part of the Consideration is not monetary, the value of the supply is calculated as the overall monetary part plus the market value of the non-monetary part of the Consideration, and shall not include the Tax.
3. For Services received by the Taxable Person who is obligated to calculate the Tax in accordance with Clause (1) of Article (48) of this Decree-Law, the value of the supply shall be equal to the market value of the consideration without addition of the Tax on that supply.
4. If the Consideration is related to matters other than the supply of Goods or Services, the value of the supply shall be equal to the part of the Consideration that is related to such supply as stated in the Executive Regulation of this Decree-Law.

The Executive Regulation of this Decree-Law shall specify the rules to determine the market value.

Article (25) - ER

Article (48) -
Law

Article (26) - ER

Article (35) Value of Import

The Import value of Goods consists of:

1. The customs value pursuant to Customs Legislation, including the value of insurance, freight and any customs fees and Excise Tax paid on the Import of the Goods. Tax shall not be included in the Value of the Supply.
2. If it is not possible to determine the value pursuant to Clause (1) of this Article, the value shall be determined based on alternate valuation rules stated in the applicable Customs Legislation.

Article (25) -
Law

Article 48(1)
- Law

Article (36) Value of Supply for Related Parties

As an exception to Articles (34) and (35) of this Decree-Law, the value of the supply or Import of Goods or Services between Related Parties shall be considered equal to the market value if the following conditions are met:

1. The value of the supply is less than the market value.
2. If the supply is a Taxable Supply and the Recipient of Goods or Recipient of Services does not have the right to recover the full Tax that would have been charged to such supply as Input Tax.

Article (37) Value of Deemed Supply

As an exception to Articles (34) and (35) of this Decree-Law, the value of the supply in the case of a Deemed Supply when the Taxable Person purchases Goods or Services to make Taxable Supplies but does not use those Goods or Services for that purpose, will be equal to the total cost incurred by the Taxable Person to make this Deemed Supply of Goods or Services.

Article (11) - Law

Article (38) Tax-Inclusive Prices

For Taxable Supplies, the advertised price shall include the Tax. Instances where prices do not include the Tax shall be determined by the Executive Regulation of this Decree-Law.

Article (27) - ER

Article (76) - Law

Article (39) Value of Supply in case of Discount or Subsidies

When discounts are made before or after the Date of Supply or subsidies provided by the State to the supplier for that supply, the value of the supply shall be reduced in proportion to such discounts or subsidies.

Article (28) - ER

The Executive Regulation of this Decree-Law shall specify the conditions and restrictions for calculating the Tax when the discount is made.

Article (40) Value of Supply of Vouchers

The value of supply of a Voucher is the difference between the consideration received by the supplier of the Voucher and the advertised monetary value of the Voucher.

Article (28) - ER

Article (26) - Law

Article (41)
Value of Supply of Postage Stamps

The value of supply for postage stamps that allow the user to use postal services in the State shall be the amount shown on the stamp.

Article (42)
Temporary Transfer of Goods

If Goods are transferred temporarily from the domestic market into a Designated Zone or outside the State for completing the manufacturing or repair in order to re-import them into the State, the value of the supply when re-Imported shall be the value of the Services rendered.

Chapter Five

Profit Margin

Article (43)
Charging Tax based on Profit Margin

1. The Registrant may, in any Tax Period, calculate and charge Tax based on the profit margin earned on the Taxable Supplies as specified in the Executive Regulation of this Decree-Law and not based on the value of these supplies, and shall notify the Authority of the same.
2. The Executive Regulation of this Decree-Law shall specify the conditions to be met for the application of the provisions of this Article.

Article (29) - ER

Article (76) - Law

Title Six Zero Rates and Exemptions

Chapter One

Zero Rate

Article (44)
Supply and Import Taxable at Zero Rate

The supply and Import of Goods and Services specified in this Chapter made by a Taxable Person shall be a Taxable Supply subject to the zero rate.

Article (45)
Supply of Goods and Services that is Subject to Zero Rate

The Zero rate shall apply to the following Goods and Services:

1. A direct or indirect Export to outside the Implementing States as specified in the Executive Regulation of this Decree-Law.
2. International transport of passengers and Goods which starts or ends in the State or passes through its territory, including Transport-related Services.
3. Air passenger transport in the State if it is considered an "international carriage" pursuant to Article (1) of the Warsaw Convention for the Unification of Certain Rules Relating to International Carriage by Air 1929.
4. Supply of air, sea and land means of transport for the transportation of passengers and Goods as specified in the Executive Regulation of this Decree-Law.
5. Supply of Goods and Services related to the supply of the means of transport mentioned in Clause (4) of this Article and which are designed for the operation, repair, maintenance or conversion of these means of transport.
6. Supply of aircrafts or vessels designated for rescue and assistance by air or sea.

Article (30) - ER

Article (31) - ER

Article (32) - ER

Article (33) - ER

Article (34) - ER

Article (35) - ER

Article (36) - ER

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|-----|--|---|
| 7. | Supply of Goods and Services related to the transfer of Goods or passengers aboard land, air or sea means of transport pursuant to Clauses (2) and (3) of this Article, designated for consumption on board; or anything consumed by any means of transport, any installations or addition thereto or any other use during transportation. | Article (37) - ER
Article (38) - ER
Article (39) - ER |
| 8. | The supply or Import of investment precious metals. The Executive Regulation of this Decree Law shall specify the precious metals and the standards based on which they are classified as being for investment purposes. | Article (40) - ER |
| 9. | The first supply of residential buildings within (3) years of its completion, either through sale or lease in whole or in part, according to the controls specified in the Executive Regulation of this Decree-Law. | Article (41) - ER |
| 10. | The first supply of buildings specifically designed to be used by Charities through sale or lease according to the controls specified in the Executive Regulation of this Decree-Law. | |
| 11. | The first supply of buildings converted from non-residential to residential through sale or lease according to the conditions specified in the Executive Regulation of this Decree-Law. | |
| 12. | The supply of crude oil and natural gas. | |
| 13. | The supply of educational services and related Goods and Services for nurseries, preschool, school education, and higher educational institutions owned or funded by Federal or local Government, as specified in the Executive Regulation of this Decree-Law. | |
| 14. | The supply of preventive and basic healthcare Services and related Goods and Services according to what is specified in the Executive Regulation of this Decree-Law. | |

Chapter Two

Exemptions

Article (46)

Supply Exempt from Tax

The following supplies shall be exempt from Tax:

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|----|--|--|
| 1. | Financial services that are specified in the Executive Regulation of this Decree-Law. | Article (42) - ER |
| 2. | Supply of residential buildings through sale or lease, other than that which is zero-rated according to Clauses (9) and (11) of Article (45) of this Decree-Law. | Article (43) - ER |
| 3. | Supply of bare land. | Article (37) - ER |
| 4. | Supply of local passenger transport. | Article (44) - ER
Article (45) - ER |

The Executive Regulation of this Decree-Law shall specify the conditions and controls for exempting the supplies mentioned in the preceding clauses of this Article.

Chapter Three

Single and Mixed Supplies

Article (47)

Supply of More Than One Component

The Executive Regulation of this Decree-Law will specify the controls to determine the tax treatment of any supply composed of more than one component for a single price, where each component is subject to a different tax treatment.

Article (4) - ER

Article (26) - ER

Article (46) - ER

Chapter Four

Specific Obligations to Account for Tax

Article (48)

Reverse Charge

1. If the Taxable Person Imports Concerned Goods or Concerned Services for the purposes of his Business, then he shall be treated as making a Taxable Supply to himself, and shall be responsible for all applicable Tax obligations and accounting for Due Tax in respect of these supplies.
2. As an exception to Clause (1) of this Article, in case the final destination of the Goods when entering the State is another Implementing State, the Taxable Person shall pay the Due Tax on Import of Concerned Goods pursuant to the mechanism specified by the Executive Regulation of this Decree-Law.
3. If a Registrant makes a Taxable Supply in the State to another Registrant of any crude or refined oil, unprocessed or processed natural gas, or any hydrocarbons, and the Recipient of these Goods intends to either resell the purchased Goods as crude or refined oil, unprocessed or processed natural gas, or any hydrocarbons, or use these Goods to produce or distribute any form of energy, the following rules shall apply:
 - a. The Registrant making the Supply shall not charge Tax on the value of the supply of the Goods referred to in this paragraph.
 - b. The Recipient of the Goods shall calculate the Tax on the value of the Goods supplied thereto and shall be responsible for all applicable Tax obligations and for calculating the Due Tax in respect of such supplies.
4. The provisions of Clause (3) of this Article shall not apply in any of the following situations:
 - a. Where, before the Date of Supply, the Recipient of Goods has not provided a written confirmation to the supplier that his acquisition of the Goods is for the purpose of resale.
 - b. Where, before the Date of Supply, the Recipient of Goods has not provided a written confirmation to the supplier that he is a Registrant and the supplier has not verified the Tax Registration of the Recipient of Goods by means approved by the Authority.
 - c. Where the Taxable Supply would be subject to Tax at the rate of 0% in accordance with Clause (1) of Article (45) of this Decree-Law.
 - d. Where the Taxable Supply includes a supply of Goods or Services other than the Goods referred to in Clause (3) of this Article.

Article (25) - Law

Article (35) - Law

Article (48) - ER

Article (4) - Law

Article (49) - ER

Article (18) - Law

Article (34) - Law

Article (54) - Law

Article (77) - Law

Article (78) - Law

5. Where a Recipient of Goods of any crude or refined oil, unprocessed or processed natural gas, or any hydrocarbons confirms in writing to the supplier that he is a Registrant for the purposes of applying Clause (3) of this Article, the following shall apply:
- a. The supplier shall not be liable for calculating the Tax in relation to the supply unless he was aware or supposed to be aware, that the Recipient was not a Registrant at the Date of Supply.
 - b. The Recipient shall be liable for the calculation of any Due Tax in respect of the supply.
6. If the supplier mentioned in paragraph (a) of Clause (5) of this Article is supposed to be aware that the Recipient of Goods was not registered at the Date of Supply, the supplier and the Recipient of Goods shall be jointly and severally liable for any Due Tax and relevant penalties in respect of the supply.
7. The Executive Regulation of this Decree-Law shall specify:
- a. Conditions and instances where the mechanism in Clause (1) of this Article applies.
 - b. Additional obligations related to record keeping for Tax calculated according to the mechanism in Clause (1) of this Article.

Article (27) - ER

Article (64) - ER

Article (67) - ER

Article (49)
Import of Concerned Goods

A person not registered for Tax shall pay Due Tax on Import of Concerned Goods from outside the Implementing States on the date of Import pursuant to the payment mechanism specified by the Executive Regulation of this Decree-Law.

Article (48) - ER

Article (50) - ER

Chapter Five

Designated Zones

Article (50)
Designated Zone

A "Designated Zone" that meets the conditions specified in the Executive Regulation of this Decree-Law shall be treated as being outside the State.

Article (51) - ER

Article (51)
Transfer of Goods in Designated Zones

1. Goods may be transferred from one Designated Zone to another Designated Zone without any Tax becoming due.
2. The Executive Regulation of this Decree-Law shall specify the procedures and conditions for the transfer of Goods from and to a Designated Zone as well as the method of keeping, storing and processing such Goods therein.

Article (51) - ER

Article (52)
Exceptions for Designated Zone

As an exception to Article (50) of this Decree-Law, the Executive Regulation of this Decree-Law shall specify the conditions under which the Business conducted within the Designated Zones will be regarded as being conducted in the State.

Article (51) - ER

Title Seven Calculation of Due Tax

Chapter One

Due Tax for a Tax Period

Article (53)

Calculation of Payable Tax

The Payable Tax for any Tax Period shall be calculated as being equal to the total Output Tax payable pursuant to this Decree-Law and which has been done in the Tax Period less the total Recoverable Tax by said Taxable Person over the same Tax Period.

Article (54)

Recoverable Input Tax

1. The Input Tax that is recoverable by a Taxable Person for any Tax Period is the total of Input Tax paid for Goods and Services which are used or intended to be used for making any of the following:
 - a. Taxable Supplies.
 - b. Supplies that are made outside the State which would have been Taxable Supplies had they been made in the State.
 - c. Supplies specified in the Executive Regulation of this Decree-Law that are made outside the State, which would have been treated as exempt had they been made inside the State.
2. Where Goods are imported by a Taxable Person through another Implementing State and the intended final destination of those Goods was the State at the time of Import, then the Taxable Person shall be entitled to treat the Tax paid in respect of Import of Goods into the Implementing State as Recoverable Tax subject to conditions specified the Executive Regulation of this Decree-Law.
3. Where Goods were acquired by a Taxable Person in another Implementing State and then moved into the State, the Taxable Person shall be entitled to treat the Tax paid in respect of the Goods in the Implementing State as Recoverable Tax subject to the conditions specified in the Executive Regulation of this Decree-Law.
4. A Taxable Person shall not be entitled to recover any Input Tax in respect of Tax paid in accordance with Clause (2) of Article (48) of this Decree-Law.
5. The Executive Regulation of this Decree-Law shall specify the instances where Input Tax is excepted from being recovered.

Article (52) - ER

Article (53) - ER

Article (48) - Law

Article (31) - ER

Article (55) - ER

Article (56) - ER

Article (55)

Recovery of Recoverable Input Tax in the Tax Period

1. Taking into consideration the provisions of Article (56) of this Decree-Law, the Recoverable Input Tax may be deducted through the Tax Return relating to the first Tax Period in which the following conditions have been satisfied:
 - a. The Taxable Person receives and keeps the Tax Invoice as per the provisions of this Decree-Law, provided that the Tax Invoice includes the details of the supply related to such Input Tax, or keeps any other document pursuant to Clause (3) of Article (65) of this Decree-Law in relation to the Supply or Import on which Input Tax was paid.
 - b. The Taxable Person pays the Consideration for the Supply or any part thereof, as specified in the Executive Regulation of this Decree-Law.
2. If the Taxable Person entitled to recover the Input Tax fails to do so during the Tax Period in which the conditions stated in Clause (1) of this Article have been satisfied, he may include the Recoverable Tax in the Tax Return for the subsequent Tax Period.

[Article \(50\) - ER](#)[Article \(54\) - ER](#)[Article \(65\) - Law](#)

Article (56)

Input Tax Paid before Tax Registration

1. A Registrant may recover Recoverable Tax incurred before Tax Registration on the Tax Return submitted for the first Tax Period following Tax Registration, which has been paid for any of the following:
 - a. Supply of Goods and Services made to him prior to the date of Tax Registration.
 - b. Import of Goods by him prior to the date of Tax Registration.

Provided that these Goods and Services were used to make supplies that give the right to Input Tax recovery upon Tax Registration.

2. As an exception to the provisions of Clause (1) of this Article, Input Tax may not be recovered in any of the following instances:
 - a. The receipt of Goods and Services for purposes other than making Taxable Supplies.
 - b. Input Tax related to the part of the Capital Assets that depreciated before the date of Tax Registration.
 - c. If the Services were received more than five years prior to the date of Tax Registration.
 - d. Where a Person has moved the Goods to another Implementing State prior to the Tax Registration in the State.

Article (57)

Recovery of Tax by Government Entities and Charities

A Cabinet Decision shall be issued at the suggestion of the Minister determining the Government Entities and Charities entitled to recover the full amount of Input Tax paid by them, except for:

1. Tax excluded from recovery as specified in the Executive Regulation of this Decree-Law.
2. Tax paid for Goods and Services used to perform exempt supplies.

[Article \(52\) - ER](#)[Article \(53\) - ER](#)[Article \(10\) - ER](#)

Chapter Two

Apportionment and Adjustment of Input Tax

Article (58)

Calculating the Input Tax that may be Recovered

The Executive Regulation of this Decree-Law shall specify the method in which the Input Tax that may be recovered is calculated, if Input Tax is paid for Goods or Services during a specific Tax Period to make supplies that allow recovery under Article (54) and others that do not allow recovery, or for activities conducted that are not in the course of doing the Business.

Title Eleven - ER

Article (58) - ER

Article (59)

Conditions and Mechanism of Input Tax Adjustment

The Executive Regulation of this Decree-Law shall specify the conditions and mechanism for adjusting Input Tax in the following cases:

1. If the Taxable Person attributes the Input Tax, either fully or partially, to make Taxable Supplies, but changed the use, or the intended use, of those Goods or Services prior to making the Taxable Supplies.
2. If the Taxable Person attributes the Input Tax, either fully or partially, to make Exempt Supplies, or for activities that do not fall within the conduct of Business, but changed the use or the intended use of the Goods or Services related to the Input Tax prior to making Exempt Supplies.

Article (55) & (56)
- ER

Chapter Three

Capital Assets Scheme

Article (60)

Capital Assets Scheme

1. If a Capital Asset is supplied or imported by a Taxable Person, the latter shall assess the period of use of such asset and make the necessary adjustments to the Input Tax paid pursuant to the Capital Assets Scheme.
2. A Taxable Person shall keep the records related to Capital Assets for at least ten years.
3. The Executive Regulation of this Decree-Law shall specify the following:
 - a. Capital Assets subject to the provisions of this Decree-Law and their estimated useful life.
 - b. The method of adjusting Capital Assets and the periods for which adjustments should be made.
 - c. Instances where the period for keeping records of Capital Asset records is extended.

Article (20) - Law

Title Twelve
Article (57) & (58)
- ER

Chapter Four

Adjustment of Tax after the Supply Date

Article (61)

Instances and Conditions for Output Tax Adjustments

1. A Registrant shall adjust Output Tax after the date of supply in any of the following instances:
 - a. If the supply was cancelled.
 - b. If the Tax treatment of the supply has changed due to a change in the nature of the supply.
 - c. If the previously agreed Consideration for the supply was altered for any reason.
 - d. If the Recipient of Goods or Recipient of Services returned them to the Registrant in full or in part and the Consideration was returned in full or in part.
 - e. If the Tax was charged in error.
2. Paragraph (e) of Clause (1) of this Article shall not apply where the place of supply was treated by the supplier at the Date of Supply as being subject to Clause (1) of Article (27), but, as a result of a movement of the Goods, it turned out that it should have been treated as a supply under paragraph (b)(1) of Clause (3) of the same.
3. In order to adjust the Output Tax any of the following conditions shall be met:
 - a. If the Output Tax amount charged on the supply stated in the Tax Invoice does not match the Tax that should actually be charged on the supply as a result of any of the events mentioned in Clause (1) of this Article.
 - b. If the Registrant submits a Tax Return for the Tax Period during which the supply occurred and an amount was incorrectly calculated as being the amount of Output Tax due for this supply as the result of any of the events mentioned in Clause (1) of this Article.

Article (70) - Law

Article (27) - Law

Article (62)

Mechanism for Output Tax Adjustment

The Output Tax shall be adjusted according to the following:

1. If the Output Tax due for the supply exceeds the Output Tax calculated by the Registrant, the Registrant shall issue a new Tax Invoice for the additional amount of Tax and calculate the additional Tax due for the Tax Period during which such an increase was identified.
2. If the Output Tax calculated by the Registrant exceeds the Output Tax which should have been charged on the supply, the Registrant shall issue a Tax Credit Note according to the provisions of this Decree-Law.

Article (70) - Law

Article (63)

Adjustment due to the Issuance of Tax Credit Notes

Without prejudice to Clause (2) of Article (62) of this Decree-Law, if the Registrant issues a Tax Credit Note to correct Output Tax charged to the Recipient of Goods or Recipient of Services, the Tax stated in the Tax Credit Note shall be considered as:

1. A reduction of the Output Tax for the Registrant of this Tax Credit Note.
2. A reduction of the Input Tax by the Recipient of Goods or Recipient of Services for the Tax Period during which the Tax Credit Note was received.

Article (64)
Adjustment for Bad Debts

1. A Registrant supplier may reduce the Output Tax in a current Tax Period to adjust the Output Tax paid for any previous Tax Period if all of the following conditions are met:
 - a. Goods and Services have been supplied and the Due Tax has been charged and paid.
 - b. Consideration for the supply has been written off in full or part as a bad debt in the accounts of the supplier.
 - c. More than six (6) months has passed from the date of the supply.
 - d. The Registrant supplier has notified the Recipient of Goods and the Recipient of Services of the amount of Consideration for the supply that has been written off.
2. The Registrant Recipient of Goods or Recipient of Services shall reduce the Recoverable Input Tax for the current Tax Period related to a supply received during any previous Tax Period where the Consideration has not been paid and all of the following conditions are met:
 - a. The registered supplier reduced the Output Tax as stated in Clause (1) of this Article and the Recipient of Goods and the Recipient of Services has received a notification from the supplier of the Consideration being written off.
 - b. The Recipient of Goods and Recipient of Services received the Goods and Services and the relevant Input Tax was deducted.
 - c. The Consideration was not paid in full or in part for the supply for over (6) six months.
3. The reduction stated in Clause (1) and (2) shall be equal to the Tax related to the Consideration which has been written off according to paragraph (b) of Clause (1) of this Article.

Chapter Five
Tax Invoices

Article (65)
Conditions and Requirements for Issuing Tax Invoices

1. A Registrant making a Taxable Supply shall issue an original Tax Invoice and deliver it to the Recipient of Goods or Recipient of Services.
2. A Registrant making a Deemed Supply shall issue an original Tax Invoice and deliver it to a Recipient of Goods or Recipient of Services if available or keep it in his records if there is no Recipient of Goods or Recipient of Services.
3. The Executive Regulation of this Decree-Law shall specify the following:
 - a. Data to be included in the Tax Invoice.
 - b. The conditions and procedures required to issue an electronic Tax Invoice.
 - c. Instances where the Registrant is not required to issue and deliver a Tax Invoice to the Recipient of Goods or the Recipient of Services.
 - d. Instances where other documents may be issued in place of the Tax Invoice as well as the conditions thereof and the data to be included therein.
 - e. Instances where another Person may issue a Tax Invoice on behalf of the registered supplier.
4. Any Person who receives an amount as Tax pursuant to any document issued by him shall pay this amount to the Authority even if it is not due.

Article (59) - ER

Article (55) - Law

Article (66)

Document of Supplies to an Implementing States

Without prejudice to Article (65) of this Decree-Law, each Registrant who supplies Goods or Services considered as supplied in any of the Implementing States, shall provide the Recipient of Goods and Recipient of Services with a document that includes all the information that must be included in the Tax Invoice and any other information as specified in the Executive Regulation of this Decree-Law, provided that this document is not labelled "Tax Invoice" and does not include any Tax charged.

Article (59) - ER

Article (67)

Date of Issuance of Tax Invoice

The Registrant shall issue a Tax Invoice within 14 days as of the date of supply as stated in Article (25) of this Decree-Law.

Article (25) - Law
Article (59) - ER

Article (68)

Rounding on Tax Invoices

For the purpose of stating the Tax due on a Tax Invoice, the Executive Regulation of this Decree-Law shall specify the method of calculation and stating the total amount to be paid if the Tax is less than one fils of a UAE Dirham.

Article (59) - ER
Article (61) - ER

Article (69)

Currency Used on Tax Invoices

If the supply is in a currency other than the UAE Dirham, then for the purposes of the Tax Invoice, the amount stated in the Tax Invoice shall be converted into the UAE Dirham according to the exchange rate approved by the Central Bank at the date of supply.

Article (59) - ER

Chapter Six

Tax Credit Notes

Article (70)

Conditions and Requirements for Issuing Tax Credit Note

1. The Registrant shall issue an original Tax Credit Note when a reduction of Output Tax occurs in relation to any supply made by him according to Clause (2) of Article (62) of this Decree-Law and deliver the same to the Recipient of Goods or Recipient of Services.
2. When making a Deemed Supply, the Registrant shall issue an original Tax Credit Note when a reduction occurs to the Output Tax in relation to such supply according to Article (61) of this Decree-Law and shall keep the same in his records.
3. The Executive Regulation of this Decree-Law shall specify the following:
 - a. Basic data that should be included in the Tax Credit Note in instances where the Taxable Person is required to issue this Note.
 - b. The conditions and procedures required for the issuance of an electronic Tax Credit Note.
 - c. Instances where the Registrant is not required to issue and deliver a Tax Credit Note to the Recipient of Goods or the Recipient of Services.
 - d. Instances where other documents may be issued in place of the Tax Credit Note as well as conditions for the issuance of such document and the data to be included therein.
 - e. Instances where another Person may issue a Tax Credit Note on behalf of the registered supplier.

Article (62) - Law

Article (61) - Law

Article (60) - ER

Title Eight

Tax Period, Tax Returns, Payment and Reclaiming of Tax

Chapter One

Tax Period

Article (71)

Duration of Tax Period

The Executive Regulation of this Decree-Law shall specify the Tax Period for which the Taxable Person shall calculate and pay Tax as well as the exceptional circumstances in which the Authority may amend the Tax Period.

Article (62) - ER

Chapter Two

Tax Returns and Tax Payment

Article (72)

Submission of Tax Returns

1. The Taxable Person shall submit the Tax Return to the Authority at the end of each Tax Period within the time limits and according to the procedures specified in the Executive Regulation of this Decree-Law declaring all supplies made and received during that Tax Period.
2. A Cabinet Decision shall be issued upon the recommendation of the Minister, determining the Government Entities that may submit simplified Tax Returns to the Authority.

Article (64) - ER

Article (71) - ER

Article (73)

Payment of Tax

The Executive Regulation of this Decree-Law shall specify the time limits and procedures for payment of Tax stated as payable in the Tax Return according to the provisions of this Decree-Law.

Article (64) - ER

Chapter Three

Carrying forward the Excess of Recoverable Tax and Tax Recovery

Article (74)

Excess Recoverable Tax

1. With the exception of what will be stipulated in the Executive Regulation of this Decree-Law, the Taxable Person shall carry forward any excess Recoverable Tax to the subsequent Tax Periods and offset such excess against Payable Tax or any Administrative Penalties imposed under this Decree-Law or Federal Law No. (7) of 2017 on Tax Procedures in subsequent Tax Periods until such excess is fully utilised, in the following cases:
 - a. If the Taxable Person's Recoverable Input Tax set forth in this Decree-Law exceeds the Output Tax payable for the same Tax Period.
 - b. If the Tax paid to the Authority by the Taxable Person exceeds the Payable Tax according to the provisions of this Decree-Law, other than in the instance mentioned in paragraph (a) of Clause (1) of this Article.
2. If there remains any excess for any Tax Period after being carried forward for a period of time, the Taxable Person may apply to the Authority to reclaim the remaining excess. The Executive Regulation of this Decree-Law shall specify the time limits, procedures and mechanisms of returning any remaining excess to the Taxable Person.

Article (65) - ER

Chapter Four

Other Provisions on Recovery of Tax

Article (75)

Tax Recovery in Special Cases

The Authority may according to the conditions, restrictions and procedures specified in the Executive Regulation of this Decree-Law, return Tax paid for any supply received by or Import carried out by any of the following:

1. A citizen of the State in respect of the Goods and Services related to the construction of a new residence that is not part of the Person's Business.
2. A Non-Resident, who is not a Resident of an Implementing State and conducts a Business and is not a Taxable Person.
3. A Non-Resident, for Goods supplied to him in the State and that will be exported.
4. Foreign governments, international organisations, diplomatic bodies and missions according to treaties that the State is a party to.
5. Any Persons or classes listed in a Cabinet Decision issued at the suggestion of the Minister.

[Title Sixteen - ER](#)

Title Nine Violations and Penalties

Article (76)

Administrative Penalties Assessment

Without prejudice to the provisions of Federal Law No. (7) of 2017 on Tax Procedures, the Authority shall issue an Administrative Penalty Assessment to the Person and notify the Person of the same within five (5) business days as of the date of issuance in any of the following cases:

1. Failure by the Taxable Person to display prices inclusive of Tax according to Article (38) of this Decree-Law.
2. Failure by the Taxable Person to notify the Authority of applying Tax based on the margin according to Article (43) of this Decree-Law.
3. Failure to comply with the conditions and procedures related to keeping the Goods in a Designated Zone or moving them to another Designated Zone.
4. Failure by the Taxable Person to issue the Tax invoice or an alternative document when making any Supply.
5. Failure by the Taxable Person to issue a Tax Credit Note or an alternative document.
6. Failure by the Taxable Person to comply with the conditions and procedures regarding the issuance of electronic Tax Invoices and electronic Tax Credit Notes.

[Article \(38\) - Law](#)

[Article \(43\) - Law](#)

Article (77)

Tax Evasion

If it is proven that a Person who is not a Registrant acquires Goods referred to in Clause (3) of Article 48 of this Decree-Law, claiming that he is a Registrant, he shall be considered as having committed Tax Evasion and shall be subject to the penalties provided for in Federal Law No. (7) of 2017 on Tax Procedures.

[Article \(48\) - Law](#)

Title Ten General Provisions

Article (78) Record-keeping

1. Without prejudice to the provisions related to record-keeping stated in any other law, the Taxable Person shall keep the following records:
 - a. Records of all supplies and Imports of Goods and Services.
 - b. All Tax Invoices and alternative documents related to receiving Goods or Services.
 - c. All Tax Credit Notes and alternative documents received.
 - d. All Tax Invoices and alternative documents issued.
 - e. All Tax Credit Notes and alternative documents issued.
 - f. Records of Goods and Services that have been disposed of or used for matters not related to Business, showing Taxes paid for the same.
 - g. Records of Goods and Services purchased and for which the Input Tax was not deducted.
 - h. Records of exported Goods and Services.
 - i. Records of adjustments or corrections made to accounts or Tax Invoices.
 - j. Records of any Taxable Supplies made or received in accordance with Clause (3) of Article 48 of this Decree-Law, including any declarations provided or received in respect of those Taxable Supplies.
 - k. A Tax Record that includes the following information:
 - 1) Due Tax on Taxable Supplies.
 - 2) Due Tax on Taxable Supplies pursuant to the mechanism in Clause (1) of Article (48) of this Decree-Law.
 - 3) Due Tax after the error correction or adjustment.
 - 4) Recoverable Tax for supplies or Imports.
 - 5) Recoverable Tax after the error correction or adjustment.
2. The Executive Regulation of this Decree-Law shall specify the following:
 - a. Time limits, restrictions and conditions for keeping the records listed in Clause (1) of this Article.
 - b. Restrictions and procedures regarding the maintenance of the confidentiality of the records that may be accessed by the Authority in the case of Government Entities mentioned under Clause (2) of Article (72) of this Decree-Law.

Article (48) - Law

Article (71) - ER

Article (72) - ER

Articles (79) Stating the Tax Registration Number

The Taxable Person or any other Person authorised in writing by him shall state the Tax Registration Number on each Tax Return, notification, Tax Invoice, Tax Credit Note, and any other document related to Tax or correspondence as required under this Decree-Law or said Federal Law No. (7) of 2017 on Tax Procedures.

Title Eleven Closing Provisions

Article (80) Transitional Rules

1. If the supplier receives Consideration or part thereof or issues an invoice for Goods or Services before the Decree-Law comes into effect, the date of supply shall be the same as the effective date of the Decree-Law in the following instances if they occur after the effective date of the Decree-Law:
 - a. Transfer of Goods under the supervision of the supplier.
 - b. Placing the Goods at the recipient's disposal.
 - c. The completion of assembly or installation of the Goods.
 - d. The issuance of the customs declaration.
 - e. The acceptance by the Recipient of Goods of the supply.
2. If a contract has been concluded prior to the enforcement of this Decree-Law, regarding a supply to be wholly or partly made after the effective date of this Decree-Law, but such contract does not contain clauses related to Tax on the supply, it shall be treated as per the following:
 - a. The Consideration shall be considered inclusive of Tax if chargeable according to this Decree-Law.
 - b. Tax shall be calculated on the supply regardless of whether it has been taken into account when determining the Consideration for the supply.
3. The Executive Regulation of this Decree-Law shall set forth special provisions related to the implementation of this Decree-Law where a contract has been concluded before the effective date of the Decree-Law but the supply under the contract is wholly or partly made after the effective date of this Decree-Law.

Article (19) - ER

Article (70) - ER

Article (81) Revenue Sharing

Tax revenues and Administrative Penalties set forth in the provisions of this Decree-Law shall be subject to sharing between the Federal Government and the Emirates Governments based on the provisions of Federal Decree-Law No. (13) of 2016 On the Establishment of the Federal Tax Authority.

Article (82) Executive Regulation

The Cabinet shall issue the Executive Regulation of this Decree-Law at the suggestion of the Minister.

Article (83)

In case of absence of a special provision in this Decree-Law, the provisions of Federal Law No. (7) of 2017 on Tax Procedures shall be applied.

Article (84) Cancellation of Conflicting Provisions

Any text or provisions contrary to or inconsistent with the provisions of this Decree-Law shall be abrogated.

Article (85)

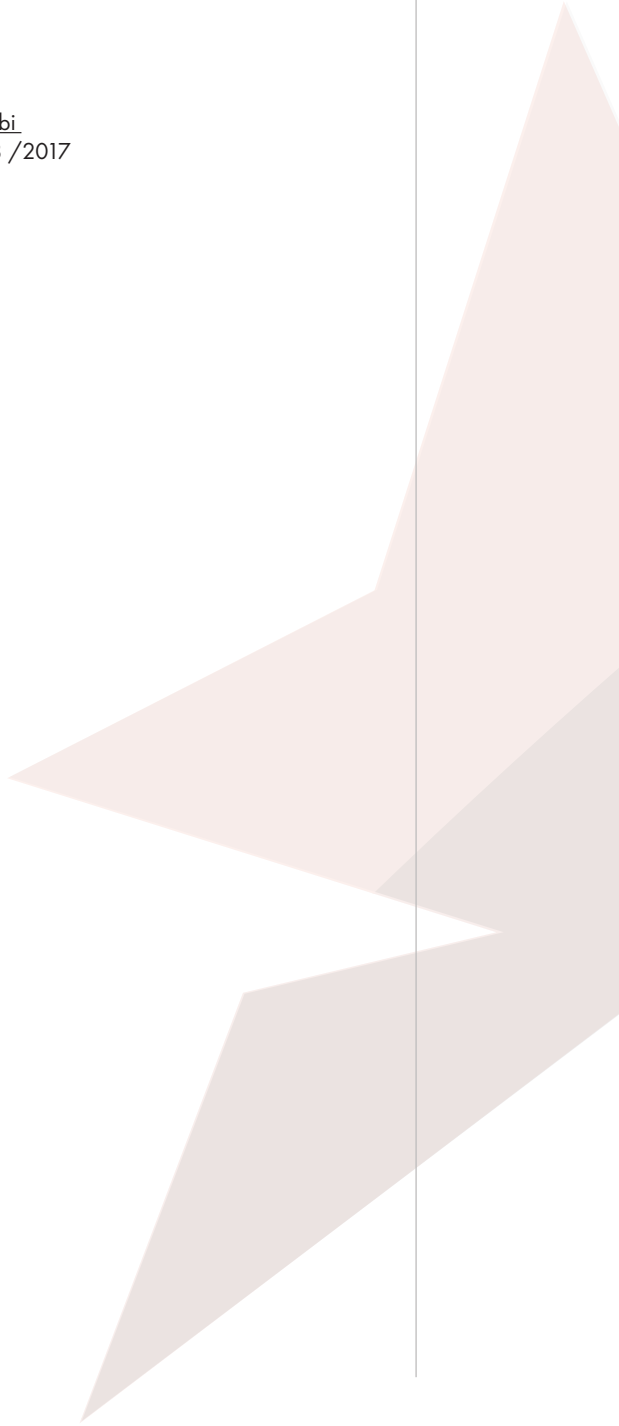
Effective Date of this Decree-Law and its Application

This Decree-Law shall be published in the Official Gazette and shall come into effect as of January 1, 2018.

Khalifa bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi

On: 1 /12/1438 H. Corresponding to: 23/ 8 /2017



VAT Executive Regulations

VAT Executive Regulations

The Executive Regulation of the Federal Decree-Law No. 8 of 2017 on Value Added Tax Cabinet Decision No. 52 of 2017 – Issued 26 November 2017, Cabinet Decision No. 46 of 2020 – Issued 4 June 2020 ('ER')

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The Executive Regulation of the Federal Decree-Law No. 8 of 2017 on Value Added Tax
Cabinet Decision No. 52 of 2017 – Issued 26 November 2017
Cabinet Decision No. 46 of 2020 – Issued 4 June 2020

The Cabinet has decided:

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority,
- Federal Law No. 7 of 2017 on Tax Procedures,
- Federal Decree-Law No. 8 of 2017 on Value Added Tax, and
- Pursuant to the presentation of the Minister of Finance,

Title One
Definitions

Article (1)

In the application of the provisions of this Decision, the following words and expressions shall have the meanings assigned against each, unless the context requires otherwise:

State	United Arab Emirates
Minister	Minister of Finance.
Authority	Federal Tax Authority.
Value Added Tax	A tax imposed on the import and supply of Goods and Services at each stage of production and distribution, including the Deemed Supply.
Tax	Value Added Tax (VAT).
GCC States	All countries that are full members of The Cooperation Council for the Arab States of the Gulf pursuant to its Charter.
Implementing States	GCC States that are implementing a Tax law pursuant to an issued legislation.
Goods	Physical property that can be supplied including but not limited to real estate, water, and all forms of energy as specified in this Decision.
Services	Anything that can be supplied other than Goods.
Standard rate	The Tax rate specified in Article (3) of the Decree-Law.
Import	The arrival of Goods from abroad into the State or receiving Services from outside the State.
Concerned Goods	Goods that have been imported, and would not be exempt if supplied in the State.
Concerned Services	Services that have been imported where the place of supply is in the State, and would not be exempt if supplied in the State.
Person	Natural or legal person.
Taxable Person	Any Person registered or obligated to register for Tax purposes under the Decree-Law.
Taxpayer	Any person obligated to pay Tax in the State under the Decree-Law, whether a Taxable Person or end consumer.

Legal Representative	The manager of a company or a guardian or custodian of a minor or incapacitated person, or any other Person appointed legally to represent another Person.
Tax Registration	A procedure according to which the Taxable Person or his Legal Representative registers for Tax purposes at the Authority.
Tax Registration Number (TRN)	A unique number issued by the Authority for each Person registered for Tax purposes.
Registrant	The Taxable Person issued with a TRN.
Recipient of Goods	Person to whom Goods are supplied or imported.
Recipient of Services	Person to whom Services are supplied or imported.
Tax Return	Information and data specified for Tax purposes and submitted by a Taxable Person in accordance with a form prepared by the Authority.
Consideration	All that is received or expected to be received for the supply of Goods or Services, whether in money or other acceptable forms of payment.
Business	Any activity conducted regularly, on an ongoing basis and independently by any Person, in any location, such as industrial, commercial, agricultural, professional, service or excavation activities or anything related to the use of tangible or intangible property.
Exempt Supply	A supply of Goods or Services for Consideration while conducting Business in the State, where no Tax is due and no Input Tax may be recovered except according to the provisions of the Decree-Law.
Taxable Supply	A supply of Goods or Services for a Consideration by a Person conducting Business in the State, and does not include Exempt Supplies.
Deemed Supply	Anything considered a supply and treated as a Taxable Supply according to the instances stated in the Decree-Law.
Input Tax	Tax paid by a Person or due from him when Goods or Services are supplied to him, or when conducting an Import.
Output Tax	Tax charged on a Taxable Supply and any supply considered to be a Taxable Supply.
Recoverable Tax	Amounts that were paid and can be repaid by the Authority to the Taxpayer pursuant to the provisions of the Decree-Law.
Due Tax	Tax that is calculated and charged pursuant to the Decree-Law.
Payable Tax	Tax that is due for payment to the Authority.
Tax Period	The specified timeframe, for which Payable Tax shall be calculated and paid.
Tax Invoice	A written or electronic document in which the occurrence of a Taxable Supply is recorded with details pertaining to it.
Tax Credit Note	A written or electronic document in which the occurrence of any amendment to a Taxable Supply that reduces or cancels it is recorded and the details pertaining to it.
Government Entities	Federal and local ministries, government departments, government agencies, authorities and public institutions in the State.
Charities	Societies and associations of public welfare not aiming to make a profit that are listed within a decision issued by the Cabinet upon the recommendation of the Minister.

Mandatory Registration Threshold	An amount specified in this Decision that if exceeded by the value of Taxable Supplies or is anticipated to be exceeded, the supplier must apply for Tax Registration.
Voluntary Registration Threshold	An amount specified in this Decision that if exceeded by the value of Taxable Supplies or taxable expenses or is anticipated to be exceeded, the supplier may apply for Tax Registration.
Transport-related Services	Shipment, packaging and securing cargo, preparation of Customs documents, container management, loading, unloading, storing and moving of Goods, or any another closely related services or services that are necessary to conduct the transportation services.
Place of Establishment	The place where a Business is legally established in a country pursuant to its decision of establishment, in which significant management decisions are taken or central management functions are conducted.
Fixed Establishment	Any fixed place of business, other than the Place of Establishment, in which the Person conducts his business regularly or permanently and where sufficient human and technology resources exist to enable the Person to supply or acquire Goods or Services, including the Person's branches.
Place of Residence	The place where a Person has a Place of Establishment or Fixed Establishment, in accordance with the provisions of the Decree-Law.
Non-Resident	Any person who does not own a Place of Establishment or Fixed Establishment in the State and usually does not reside in the State.
Related Parties	Two or more Persons who are not separated in economic, financial or regulatory aspects, where one can control the others either by Law, or through the acquisition of shares or voting rights.
Designated Zone	Any area specified by a decision of the Cabinet upon the recommendation of the Minister, as a Designated Zone for the purpose of the Decree-Law.
Export	Goods departing the State or the provision of Services to a Person whose Place of Establishment or Fixed Establishment is outside the State, including Direct and Indirect Export.
Direct Export	An Export of Goods to a destination outside of the Implementing States, where the supplier is responsible for arranging transport or appointing an agent to do so on his behalf.
Indirect Export	An Export of Goods to a destination outside of the Implementing States, where the overseas customer is responsible for arranging the collection of the Goods from the supplier in the State and who exports the Goods himself, or has appointed an agent to do so on his behalf.
Overseas Customer	A Recipient of Goods who does not have a Place of Establishment or Fixed Establishment in the State, does not reside in the State, and does not have a Tax Registration Number.
Voucher	Any instrument that gives the right to receive Goods or Services against the value stated thereon or the right to receive a discount on the price of the Goods or Services. Vouchers do not include postage stamps issued by the Emirates Post Group.
Capital Assets	Business assets designated for long-term use.
Capital Assets Scheme	A scheme by which initially recovered Input Tax is adjusted based on actual use during a specified time.
Administrative Penalties	Amounts charged to a Person by the Authority for a breach of the provisions of the Decree-Law and the Federal Law No. 7 of 2017 on Tax Procedures.
Tax Group	Two or more Persons registered with the Authority for Tax purposes as a single Taxable Person in accordance with the provisions of the Decree-Law.

Notification	Notification to the concerned Person or his Tax Agent or Legal Representative of decisions issued by the Authority through the means stated in the Federal Law No. 7 of 2017 on the Tax Procedures.
Tax Evasion	The use of illegal means by a Person resulting in lowering the amount of Due Tax, non-payment of the Due Tax or a refund of Tax that he does not have the right to have refunded under the Decree-Law.
Decree-Law	Federal Decree Law no. 8 of 2017 on Value Added Tax.

Title Two Supply

Article (2) Supply of Goods

1. A transfer of ownership of Goods or of the right to use them from one Person to another Person shall include for instance the following:
 - a. A transfer of ownership of Goods under a written or verbal agreement for any sale;
 - b. A transfer of ownership for a Consideration in a compulsory manner pursuant to the applicable legislations.
2. For the purposes of Clause 1 of this Article, a transfer of the right to use any assets shall not be treated as a supply of Goods unless the other Person is able to dispose of them as owner.
3. Entry into a contract between two parties causing the transfer of Goods at a later time shall be considered a supply of Goods where the agreement mentions a transfer or intention to transfer the ownership of Goods or a future transfer of ownership of Goods.
4. The following shall be considered a supply of Goods:
 - a. A supply of water.
 - b. A supply of real estate including sale and tenancy contracts.
 - c. A supply of all forms of energy, which includes electricity and gas, including biogas, coal gas, liquefied petroleum gas, natural gas, oil gas, producer gas, refinery gas, reformed natural gas, and tempered liquefied petroleum gas, and any mixture of gases, whether used for lighting, or heating, or cooling, or air conditioning or any other purpose.

Article (5) - Law

Article (28) - Law

Article (3) Supply of Services

The supply of anything other than the supply of Goods shall be regarded as a supply of Services including any of the following:

1. The granting, assignment, cessation, or surrender of a right.
2. The making available of a facility or advantage.
3. Not to participate in any activity, or not to allow its occurrence, or agree to perform any activity.
4. The transfer of an indivisible share in a good.
5. The transfer or licensing of intangible rights, for example rights of authors, inventors, artists, and rights in trademarks, and rights which the legislation of the State deems to be within such category.

Article (6) - Law

Article (4)

Supply of More Than One Component

1. Where a Person made a supply consisting of more than one component for one price, the Person shall determine whether the supply constitutes a single composite supply or multiple supplies.
2. The phrase "single composite supply" means a supply of Goods or Services, where there is more than one component to the supply, and taking into account the contract and the wider circumstance of the supply.
3. A single composite supply shall exist in the following cases:
 - a. Where there is supply of all of the following:
 - 1) A principal component.
 - 2) A component or components which either are necessary or essential to the making of the supply, including incidental elements which normally accompany the supply but are not a significant part of it; or do not constitute an aim in itself, but are instead a means of better enjoying the principal supply.
 - b. Where there is a supply which has two or more elements so closely linked as to form a single supply which it would be impossible or unnatural to split.
4. A single composite supply may exist under Clause 2 of this Article if all of the following conditions are met:
 - a. The price of the different components of the supply is not separately identified or charged by the supplier.
 - b. All components of the supply are supplied by a single supplier;
5. Where a Taxable Person supplies more than one component for one price and the supply is not a single composite supply, then the supply of the components shall be treated as multiple supplies.

[Article \(8\) - Law](#)[Article \(47\) - Law](#)[Article \(46\) - ER](#)[Article \(22\) - ER](#)

Article (5)

Exceptions related to Deemed Supply

1. The supply shall not be regarded as a Deemed Supply in any of the following instances:
 - a. Where the Input Tax on the relevant Goods or Services is not recovered.
 - b. Where the supply is exempted.
 - c. Where the refunded Input Tax on Goods and Services is amended according to the Capital Assets Scheme.
 - d. Where the value of the supply of Goods for each recipient, within a 12-month period, does not exceed AED 500, and the supply made is to be used as samples or commercial gifts.
 - e. Where the total of Output Tax payable on all Deemed Supplies for each Person for a 12-month period is less than AED 2,000.
2. For the purposes of Paragraphs (d) and (e) of Clause 1 of this Article, the 12-month period is a period preceding the end of the month in which the Person makes a supply referred to in either of those Clauses.

[Article \(11\) - Law](#)[Article \(12\) - Law](#)

Title Three Registration

Article (6)

Application for Registration

For the purposes of mandatory or voluntary registration, the application for Tax Registration must contain such information as required by the Authority, and be submitted through the means specified by the Authority.

Article (24) - Law

Article (7)

Mandatory Registration

1. The Mandatory Registration Threshold shall be AED 375,000 (three hundred and seventy-five thousand dirhams).
2. The Person required to register for Tax pursuant to the provisions of the Decree-Law must file a Tax Registration application with the Authority within 30 days of being required to register.
3. Where a Person does not file his Tax Registration application despite being required to, the Authority shall register that Person with effect from the date on which the Person first became liable to be registered for Tax and impose the necessary penalties in accordance with the Federal Law No. 7 of 2017 on Tax Procedures.
4. Where supplies made by a Person exceed, in accordance with the Decree-Law, the Mandatory Registration Threshold during the previous 12-months period, the Authority shall register the Person with effect from the first day of the month following the month in which the Person is required to register, whether or not he applies for Tax registration, or from such earlier date as agreed between the Authority and the Person.
5. Where a Person expects that his supplies, in accordance with the Decree-Law, will exceed the Mandatory Registration Threshold during the next 30 days, the Authority shall register him with effect from the date on which there are reasonable grounds for believing the Person will be required to register as specified in that Clause, whether or not he so notifies them of the liability to register for Tax, or from such earlier date as agreed between the Authority and the Person.
6. Where a Person is not a resident of the State and is required to register in accordance with the provisions of the Decree-Law, the Authority shall register him with effect from the date on which he started making supplies in the State, whether or not he so notifies them of the liability to register for Tax, or from such earlier date as agreed between the Authority and the Person.
7. A Taxable Person who has been late in registering for Tax according to the provisions of this Article is liable to account for and pay to the Authority the Due Tax on all Taxable Supplies and Imports made by him before registering.

Article (13) - Law

Article (8)

Voluntary Registration

1. The Voluntary Registration Threshold shall be AED 187,500 (one hundred and eighty-seven thousand five hundred dirhams).
2. Where a Person applied to register voluntarily in accordance with the provisions of the Decree-Law, the Authority shall register a Person with effect from the first day of the month following the month in which the application is made, or from such earlier date as may be requested by the Person and agreed by the Authority.

Article (17) - Law

3. Where a Person applied to register voluntarily due to his expectation that his supplies under the provisions of the Decree-Law will exceed the Voluntary Registration Threshold during the next 30 days, he should be able to provide evidence of an intention to make Taxable Supplies or incur expenses which are subject to Tax in excess of the Voluntary Registration Threshold.
4. The Authority shall determine the evidence it may deem necessary to demonstrate eligibility for voluntary Tax Registration.
5. For the purpose of voluntary registration, the phrase "Taxable Expenses" means expenses which are subject to the standard rate and which are incurred in the State by a Person who has a Place of Residence in the State.
6. A Person may not register voluntarily unless he satisfies the Authority that he is carrying on a Business in the State.

Article (9)
Related Parties

1. For the purposes of Tax Group provisions, the definition of Related Parties shall relate to any two legal persons in instances such as:
 - a. One Person or more acting in a partnership and having any of the following:
 - 1) Voting interests in each of those legal Persons of 50% or more;
 - 2) Market value interest in each of those legal Persons of 50% or more;
 - 3) Control of each of those legal Persons by any other means.
 - b. Each of Persons is a Related Party with a third Person.
2. Two or more Persons shall be considered Related Parties if they are associated in economic, financial and regulatory aspects, taking into account the following:
 - a. Economic practices, which shall include at least one of the following:
 - 1) Achieving a common commercial objective;
 - 2) One Person's Business benefiting another Person's Business;
 - 3) Supplying of Goods or Services by different Businesses to the same customers.
 - b. Financial practices, which shall include at least one of the following:
 - 1) Financial support given by one Person's Business to another Person's Business.
 - 2) One Person's Business not being financially viable without another Person's Business.
 - 3) Common financial interest in the proceeds.
 - c. Regulatory practices, which shall include any of the following:
 - 1) Common management.
 - 2) Common employees whether or not jointly employed.
 - 3) Common shareholders or economic ownership.
3. For the purposes of this Article:
 - a. "Market value interest" in a legal Person shall be calculated as the percentage of the market value of shares and options a Person owns over total market value of all shares in the legal Person.
 - b. Any shareholding will be disregarded if there exists another agreement, which contradicts it. In that case, the shareholding will be treated as the adjusted value under that other agreement.

Article (19) - Law

Article (14) - Law

Article (10)
Registration as a Tax Group

1. A Tax Group shall select one of its registered members to act as the representative member of this Tax Group.
2. A request to register a Tax Group shall be made by the representative member of that Tax Group.
3. The Authority should make a decision regarding any application submitted for registration of two or more Persons as a Tax Group within the period of 20 business days starting with the day on which it was received by the Authority.
4. Where a request to form a new Tax Group is approved, the Tax Group registration shall be in effect according to the following:
 - a. From the first day of the Tax Period following the Tax Period in which the application is received;
 - b. From any date as determined by the Authority.
5. The Authority may refuse the application for registration as a Tax Group, in any of the following cases:
 - a. The Persons do not meet the requirements for Tax Group registration in accordance with the provisions of the Decree-Law and Article 9 of this Decision.
 - b. Where there are serious grounds for believing that if the registration as a Tax Group is permitted, it would enable Tax Evasion or significantly decrease Tax revenues of the Authority or increase the administrative burden on the Authority significantly;
 - c. Where any of the Persons included in the application is not a legal Person.
 - d. Where one of the Persons is a Government Entity specified under Article 10 and 57 of the Decree- Law and the other is not.
 - e. Where one of the Person is a Charity under Article 57 of the Decree-Law and the other is not.
6. The Authority may reject adding a Person to a Tax Group where that Person does not meet the requirements for Tax Group registration in accordance with the provisions of the Decree-Law or for the reasons mentioned under Clause 5 of this Article.
7. Where the Authority establishes that two or more Persons are in association as a result of their economic, financial and regulatory practices in Business, the Authority may register them as a Tax Group after considering the individual circumstance of each case, including the presence of the factors mentioned in Clause 2 of Article 9 of this Decision.
8. The Authority may only register a Person as part of a Tax Group under Clause 7 of this Article if the two following conditions are met:
 - a. The Person's Business includes making Taxable Supplies or importing Concerned Goods or Concerned Services.
 - b. If all the Taxable Supplies or imports of Concerned Goods or Concerned Services of the Business by Persons carrying on the Business would have exceeded the Mandatory Registration Threshold.
9. The Authority may reject the application of registration as a Tax Group if there are serious grounds for believing that registering the Related Parties would significantly decrease Tax revenue.

Article (14) - Law

Article (15) - ER

Article (10) - Law

Article (57) - Law

Article (11)
Amendments to a Tax Group

1. The representative member appointed under Article 10 of this Decision may apply to the Authority to do any of the following:
 - a. Add another Person to become a member of the Tax Group.
 - b. Remove one of the members of that Tax Group.
 - c. Nominate another member of the Tax Group to be the representative member with the consent of the other member.
 - d. Deregister that Tax Group.
2. For the purposes of Clause 1 of this Article, the Authority may accept the request mentioned in the application from either:
 - a. The first day of the Tax Period following the Tax Period in which the application is received;
 - b. Any date as determined by the Authority.
3. Any Notification by the Authority, which is addressed to the representative member of any Tax Group shall be deemed to be served on the representative member and all other members of that Tax Group.

Article (14) - Law

Article (12)
Effect of registration as a Tax Group

1. Registration of Persons as a Tax Group shall result in the following:
 - a. Any Business carried on by a member of the Tax Group shall be deemed to be carried on by the representative member and not by any other member of the Tax Group.
 - b. Any supply made by a member of the Tax Group to another member of the same Tax Group may be disregarded.
 - c. Any supply, taxable or otherwise, by a member of the Tax Group shall be deemed to be made by the representative member.
 - d. Any Import of Concerned Goods or Concerned Services by a member of the Tax Group shall be deemed to be an import by the representative member.
 - e. Any supply of Goods or Services to a member of the Tax Group from a Person who is not a member of the Tax Group is a supply to the representative member.
 - f. Any Output Tax charged by a member of the Tax Group shall be deemed to be charged by the representative member.
 - g. Any Input Tax incurred by a member of the Tax Group shall be deemed to be incurred by the representative member.
2. For the purposes of Clause 1 of this Article, all members of the Tax Group shall remain personally and jointly liable for any Payable Tax of the representative member.

Article (13)
Aggregation of Related Parties

1. Where two or more Persons are in association as a result of their economic, financial and regulatory practices in Business in accordance with Clause 2 of Article 9 of this Decision, and these Persons are not registered as a Tax Group and have artificially segregated their business, then the Taxable Supplies of each of the Persons shall be treated as aggregated for determining whether they both have exceeded the Mandatory Registration Threshold and Voluntary Registration Threshold.

2. Where the Business was not segregated artificially but the Authority considers that there is a Tax revenue loss due to segregation, the Authority may treat Taxable Supplies of each of the Persons as aggregated to determine whether the total of their taxable supplies exceeded the Mandatory Registration Threshold and Voluntary Registration Threshold.
3. Where any of the cases mentioned in Clause 1 and 2 of this Article applies, each of the Persons shall be treated as making Taxable Supplies made by the other Person and shall apply for Tax Registration if the Mandatory Registration Threshold has been exceeded pursuant to the provisions of the Decree-Law.

Article (14) Tax Deregistration

1. The Registrant must apply to the Authority for de-registration in accordance with the cases mentioned in the Decree-Law, within 20 business days of the occurrence of any of them.
2. The Authority shall accept a Registrant's application for deregistration where the two following conditions are met:
 - a. The Registrant stops making supplies referred to in Article 19 of the Decree-Law and does not expect to make any such supplies over the next 12-month period;
 - b. The value of supplies referred to in Article 19 of the Decree-Law made, or taxable expenses incurred, by the Registrant over the previous 12-months is less than the Voluntary Registration Threshold and the Authority is satisfied that his supplies, according to the provisions of the Decree-Law, or taxable expenses, expected over the next 30 days, are not expected to exceed the Voluntary Registration Threshold.
3. If the deregistration application is approved, the Authority shall cancel the Tax Registration of the Registrant with effect from the last day of the Tax Period during which the Registrant has met the conditions for deregistration or from such other date as may be determined by the Authority.
4. Where the Authority is satisfied that the conditions in Clause 2 above are met, and the Registrant has not applied for deregistration, the Authority shall deregister the Registrant with effect from the last day of the Tax Period in which the Authority became satisfied that the conditions have been met or from any other date determined by the Authority.
5. A Registrant shall not be deregistered unless he has paid all Tax and Administrative Penalties due and filed all Tax Returns as due under the Decree-Law and the Federal Law No. 7 of 2017 on Tax Procedures.
6. For the purposes of Clause 5 of this Article, any Goods and Services forming part of the assets of Business carried on by a Registrant shall be deemed to be supplied by him at a time immediately before ceasing to be a Registrant and any tax payable shall be included in the final tax return, unless the Business is carried on by an appointed trustee in bankruptcy pursuant to the Federal Law No 7 of 2017 on Tax Procedures.
7. Where a Registrant requests to be deregistered from Tax due to the reduction of his Taxable Supplies to less than the Mandatory Registration Threshold, the Authority will, if in agreement with the Registrant, cancel the Tax Registration with effect from:
 - a. The date requested by the Registrant in the application; or
 - b. The date on which the request is made if the Registrant did not indicate the preferred deregistration date.
8. Where the Authority has deregistered a Registrant from Tax, it shall notify that Registrant of the date on which deregistration takes effect within 10 business days of making the decision.

Article (19) - Law

Article (21) - Law

Article (22) - Law

Article (23) - Law

Article (24) - Law

Article (15)

Deregistration of a Tax Group Registration or Amendment Thereof

1. The Authority must deregister a Tax Group if the following conditions are met:
 - a. If the Persons who are registered as a Tax Group no longer meet the requirements for registration as a Tax Group in accordance with the Decree-Law. Article (21) - Law
 - b. If there is no longer an association based on economic, financial and regulatory practices. Article (22) - Law
 - c. If there are serious grounds for believing that if the registration as a Tax Group is permitted to continue, it would enable Tax Evasion or would significantly decrease Tax paid to the Authority.
2. The Authority shall amend the composition of a Tax Group in any of the following circumstances:
 - a. A Person shall be removed from a Tax Group where the conditions in Clause 1 are met for that Person. Article (23) - Law
 - b. A Person shall be added to a Tax Group where the Authority establishes that a Person's activities should be regarded as part of the Business carried out by a Tax Group in accordance with Clause 7 of Article 10 of this Decision. Article (24) - Law
3. The representative member of a Tax Group shall notify the Authority if any member of the Tax Group is no longer eligible to be part of the Tax Group, within 20 business days of the ceasing to be eligible. Article (14) - Law
4. Where the Authority decided to either deregister a Tax Group or amend a Tax Group registration, it shall give Notification of that decision and its effective date to the representative member within 10 business days of making such decision. Article (10) - ER
5. Where a Taxable Person is no longer a member of a Tax Group, the Authority shall issue it with a new individual Tax Registration Number or re-activate a Tax Registration Number that was assigned to it prior to joining a Tax Group, and it shall be treated as a Registrant immediately following the time when it left the Tax Group.

Article (16)

Exception from registration

1. A Taxable Person that wants to apply for an exception from Tax Registration on the basis that all of his supplies are zero rated, shall apply to the Authority in a manner and by means specified by the Authority. Article (15) - Law
2. The Authority shall review the exception from registration application and either accept the exception from Tax Registration or notify the Taxable Person that his application is rejected.
3. A Person excepted from Tax Registration must notify the Authority if he makes any supplies or Imports of Goods or Services that are subject to Tax at the standard rate.
4. A Person shall give the notice referred to in Clause 3 of this Article within not more than 10 business days of making the supply or import which is taxable at the standard rate.
5. Where the Person ceases to satisfy the requirement of being excepted from Tax Registration, he shall be required to register for Tax.

Article (17)

Registration when the Decree-Law Comes into Force

1. A Person who will be a Taxable Person on the date the Decree-Law comes into force, must apply for Tax Registration prior to the Decree-Law coming into effect as per the timelines as announced by the Authority.
2. The effective date of registration of the Taxable Person is 1 January 2018, if he so notifies them of the liability to Tax Registration under Clause 1 of this Article.
3. Where a Person has registered for Tax prior to the Decree-Law coming into effect, the Person shall be subject to the same rights and obligations as if the Tax Registration was processed after the Decree-Law has come into effect.

Article (18)

Liabilities due before Deregistration

Deregistration does not exempt the Person from his obligations and liabilities that were applicable under the Decree-Law while he was still a Registrant.

Title Four **Rules Relating to Supplies**

Article (19)

Due Tax at Date of Supply

For the purposes of Articles 25, 26 and 80 of the Decree-Law, where Tax is due because a payment is made or a Tax Invoice is issued in respect of a supply of Goods or Services, the Tax shall be due to the extent of the payment made or stated in the Tax Invoice, and the remainder of Due Tax on that supply shall be payable according to the provisions of the Decree-Law.

[Article \(25\) - Law](#)

[Article \(26\) - Law](#)

[Article \(80\) - Law](#)

Article (20)

Place of Supply of Goods Delivered within the State

Where as part of a supply of Goods, those Goods are required to exit and re-enter the State in the course of being delivered from one location in the State to another location in the State, the Goods shall not be treated as exported or imported where all of the following conditions are met:

1. Where the exit from and re-entry into the State takes place in the course of a journey between two points in the State.
2. Where there is no significant break in transportation whilst outside of the State, and any break is limited to what is reasonably expected in the course of physically transporting Goods.
3. Where the Goods are not unloaded from the relevant means of transport whilst outside the State.
4. Where the Goods are not consumed, supplied, or subjected to any process whilst outside of the State;
5. Where the nature, quantity or quality of the Goods does not change as a result of exiting and re-entering the State.

[Article \(27\) - Law](#)

Article (21)

Place of Supply of Services Related to Real Estate

1. For the purposes of the Decree-Law and this Decision, "real estate" includes as an example:
 - a. Any area of land over which rights or interests or services can be created.
 - b. Any building, structure or engineering work permanently attached to the land.
 - c. Any fixture or equipment which makes up a permanent part of the land or is permanently attached to the building, structure or engineering work.
2. A supply of Services is deemed to relate to a real estate where the supply of Services is directly connected with the real estate, or where it is the grant of a right to use the real estate.
3. A supply of Services directly connected with real estate includes:
 - a. The grant, assignment or surrender of any interest in or right over real estate.
 - b. The grant, assignment or surrender of a personal right to be granted any interest in or right over real estate.
 - c. The grant, assignment or surrender of a licence to occupy land or any other contractual right exercisable over or in relation to real estate, including the provision, lease and rental of sleeping accommodation in a hotel or similar establishment.
 - d. A supply of Services by real estate experts or estate agents.
 - e. A supply of Services involving the preparation, coordination and performance of construction, destruction, maintenance, conversion and similar work.

Article (30) - Law

Article (22)

Place of Supply of Certain Transport Services

1. The place of the supply of each transportation service is the place where the supply of that transportation service commences, where a trip includes more than one stop and consists of multiple supplies in accordance with Clause 5 of Article 4 of this Decision.
2. The place of supply of Transport-Related Services shall be the same as the place of supply of the transportation service to which they relate.

Article (4) - ER

Article (30) - Law

Article (23)

Telecommunication and electronic services

1. "Telecommunication services" means delivering, broadcasting, converting or receiving any of the services specified below by using any communications equipment or devices that transmit, broadcast, convert, or receive such service by electrical, magnetic, electromagnetic, electrochemical or electromechanical means or other means of communication, including:
 - a. Wired and wireless communications.
 - b. Voice, music and other audio material.
 - c. Viewable images.
 - d. Signals used for transmission with the exception of public broadcasts.
 - e. Signals used to operate and control any machinery or equipment;
 - f. Services of an equivalent type which have a similar purpose and function.

Article (31) - Law

2. "Electronic services" means Services which are automatically delivered over the internet, or an electronic network, or an electronic marketplace, including:
 - a. Supply of domain names, web-hosting and remote maintenance of programs and equipment;
 - b. The supply and updating of software;
 - c. The supply of images, text, and information provided electronically such as photos, screensavers, electronic books and other digitized documents and files;
 - d. The supply of music, films and games on demand;
 - e. The supply of online magazines;
 - f. The supply of advertising space on a website and any rights associated with such advertising;
 - g. The supply of political, cultural, artistic, sporting, scientific, educational or entertainment broadcasts, including broadcasts of events;
 - h. Live streaming via the internet;
 - i. The supply of distance learning;
 - j. Services of an equivalent type which have a similar purpose and function.
3. "Electronic marketplace" means a distribution service which is operated by electronic means, including by a website, internet portal, gateway, store, or distribution platform, and meets the following conditions:
 - a. Which allows suppliers to make supplies of electronic services to customers.
 - b. The supplies made by the marketplace must be made by electronic means.

Article (24)

Evidence for Certain Supplies Between the Implementing States

1. Where a Taxable Person makes a supply of Goods from the State to a Person who has a Place of Residence in another Implementing State, and the supply requires the Goods to be physically moved to that other Implementing State, the Taxable Person shall retain official and commercial evidence of Export of those Goods to that other Implementing State.
2. The Authority may require a Taxable Person who make supplies of Goods or Services to another Implementing State to collect, retain and provide any evidential information other than required under Clause 1 of this Article, by the means determined by the Authority.
3. The Customs Departments shall confirm the type and quantity of the exported goods with its exported documents.

Article (25)

Market Value

1. The phrase "similar supply", in relation to a supply of Goods or Services, means any other supply of Goods or Services that, in respect of the characteristics, quality, quantity, functional components, materials, and reputation, is the same as, or closely or substantially resembles, that supply of Goods or Services.
2. The market value of a supply of Goods or Services at a given date is the Consideration in money which the supply would generally achieve if supplied in similar circumstances at that date in the State, being a supply freely offered and made between Persons who are not connected in any manner.

Article (34) - Law

3. Where the market value of a supply of Goods or Services at a given date cannot be determined as mentioned under Clause 2 of this Article, the market value is the Consideration in money which a similar supply would achieve if supplied in similar circumstances at that date in the State, being a supply freely offered and made between Persons who are not connected in any manner.
4. Where the market value of any supply of Goods or Services cannot be determined as mentioned under Clauses 2 and 3 of this Article, the market value shall be determined by reference to the replacement cost of identical Goods or Services, with such supply being offered by a supplier who is not connected to the Recipient of Goods or Recipient of Services in any manner.

Article (26)

Apportionment of Single Consideration

For the purposes of Clause 4 of Article 34 and Article 47 of the Decree-Law, where the Consideration payable to the Taxable Person relates to both a supply of Goods or Services and matters other than the supply of Goods or Services, or to two different supplies of Goods or Services, then the Taxable Person must identify the portion of the Consideration that is the market value of each part according to the provisions of Article 25 of this Decision.

[Article \(34\) - Law](#)

[Article \(46\) - ER](#)

[Article \(47\) - Law](#)

Article (27)

Price Excluding Tax

1. In the case of a Taxable Supply, the published prices shall be inclusive of Tax.
2. As an exception to Clause 1 above, the Taxable Person may declare prices as being exclusive of Tax in the following cases:
 - a. The supply of Goods or Services for Export.
 - b. Where the customer is a Registrant.
3. Where the declaration of prices as being exclusive of Tax applies according to Clause 2 of this Article, the price should be clearly identified as being exclusive of Tax.
4. As an exception of Clause 1 above, the Taxable Person shall declare the price as being exclusive of Tax in the following cases:
 - a. The supply of Concerned Goods or Concerned Services, which is subject to Clause 1 of Article 48 of the Decree-Law.
 - b. The supply of Goods subject to Tax in accordance with Clause 3 of Article 48 of the Decree-Law.

[Article \(38\) - Law](#)

[Article \(48\) - Law](#)

Article (28)

Discounts, Subsidies and Vouchers

1. The State shall not be treated as providing a subsidy to the supplier if the subsidy or part of it is a Consideration for a supply of Goods or Services to the State.
2. The value of supply may be reduced in the case of a discount if the following conditions are met:
 - a. The customer has benefited from the reduction in price.
 - b. The supplier funded the discount.
3. The value of a discount shall be the amount by which the Consideration is reduced.
4. The value of a discount shall not include the value of any Voucher used, and any such reduction will be ignored unless that Voucher was provided for no Consideration.

[Article \(39\) - Law](#)

[Article \(40\) - Law](#)

[Article \(7\) - Law](#)

5. Where the Voucher was issued and sold by the Supplier for Consideration that is less than the value stated on the Voucher, the value of a discount shall be the difference between the value of the Voucher and the Consideration paid for that Voucher.
6. "Voucher" shall not include an instrument that gives the right to receive Goods or Services or the right to receive a discount on the price of the Goods or Services unless the monetary value for which the Voucher may be redeemed is identifiable at the time the Voucher is issued.

Title Five **Profit Margin Scheme**

Article (29)

Accounting for Tax on the Margin

1. The Taxable Person may calculate Tax on any supply of Goods by reference to the profit margin in the following situations:
 - a. Where he made a supply of Goods mentioned in Clause 2 of this Article which were purchased from either:
 - 1) A Person who is not a Registrant.
 - 2) A Taxable Person who calculated the Tax on the supply by reference to the profit margin.
 - b. Where he made a supply of Goods for which Input Tax was not recovered in accordance with Article 53 of this Decision.
2. The Goods to which Clause 1 of this Article refers are Goods which have been subject to Tax before the supply which shall be subject to the profit margin scheme and those Goods are:
 - a. Second-hand Goods, meaning tangible moveable property that is suitable for further use as it is or after repair.
 - b. Antiques, meaning goods that are over 50 years old.
 - c. Collectors' items, meaning stamps, coins and currency and other pieces of scientific, historical or archaeological interest.
3. A Taxable Person may not elect to calculate Tax by reference to the profit margin in respect of Goods referred to in paragraph (a) of Clause 1 of this Article if a Tax Invoice or other document is issued for that supply mentioning an amount of Tax chargeable on the supply.
4. The profit margin is the difference between the purchase price of the Goods and the selling price of the Goods, and the profit margin shall be deemed to be inclusive of Tax.

Article (43) - Law

Article (53) - ER

5. The Taxable Person must keep the following records in respect of supplies made in accordance with this Article:
 - a. A stock book or a similar record showing details of each Good purchased and sold under the profit margin scheme.
 - b. Purchase invoices showing details of the Goods purchased under the profit margin scheme. Where the Goods are purchased from Persons who are not Registrants, the Taxable Person must issue an invoice showing details of the Goods himself, including at least the following information:
 - 1) The name, address and Tax Registration Number of the Taxable Person.
 - 2) The name and address of the Person selling the Good.
 - 3) The date of the purchase.
 - 4) Details of the Goods purchased.
 - 5) The Consideration payable in respect of the Goods.
 - 6) Signature of the Person selling the Good or authorized signatory.
6. Where a Taxable Person has charged Tax in respect of a supply with reference to the profit margin, the Taxable Person shall issue a Tax Invoice that clearly states that the Tax was charged with reference to the profit margin, in addition to all other information required to be stated in a Tax Invoice except the amount of Tax.

Title Six **Supplies Subject to the Zero Rate**

Article (30)

Zero-rating the export of goods

1. The Direct Export shall be subject to the zero rate if the following conditions are met:
 - a. The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with GCC Common Customs Law within 90 days of the date of the supply.
 - b. Official and commercial evidence of Export or customs suspension is retained by the exporter.
2. An Indirect Export shall be subject to the zero rate if the following conditions are met:
 - a. The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with GCC Common Customs Law, within 90 days of the date of the supply under an arrangement agreed by the supplier and the Overseas Customer at or before the date of supply
 - b. The Overseas Customer obtains official and commercial evidence of Export or customs suspension in accordance with GCC Common Customs Law, and provides the supplier with a copy of this.
 - c. The Goods are not used or altered in the time between supply and Export or customs suspension, except to the extent necessary to prepare the Goods for Export or customs suspension.
 - d. The Goods do not leave the State in the possession of a passenger or crew member of an aircraft or ship.
3. For the purposes of this Article, a movement of Goods into a Designated Zone from a place in the State or a supply of Goods to a Designated Zone shall not be considered an Export of those Goods.

Article (45) - Law

4. For the purposes of Clauses 1 and 2 of this Article:
 - a. "Official evidence" means Export documents issued by the local Emirate Customs Department in respect of Goods leaving the State.
 - b. "Commercial evidence" shall include any the following:
 - 1) Airway bill.
 - 2) Bill of lading.
 - 3) Consignment note.
 - 4) Certificate of shipment.
5. The evidence obtained as proof of Export, whether official or commercial, must identify the following:
 - a. The supplier.
 - b. The consignor.
 - c. The Goods.
 - d. The value.
 - e. The Export destination.
 - f. The mode of transport and route of the export movement.
6. The Authority may specify alternative forms of evidence according to the nature of the Export or the nature of the Goods being exported.
7. The Authority may extend the 90-day period mentioned in Clauses 1 and 2 of this Article, if the Authority has determined, after the supplier has applied in writing, that either of the following apply:
 - a. Circumstances beyond the control of the Supplier and the Recipient of Goods have prevented, or will prevent, the Export of the Goods within 90 days of the date of supply.
 - b. Due to the nature of the supply, it is not practicable for the supplier to Export the Goods, or a class of the Goods, within 90 days of the date of supply.
8. An Indirect Export would include a supply of Goods in a departure area of an airport or port to a passenger of an aircraft or a vessel if:
 - a. The Goods are intended to leave the State in the possession of the passenger.
 - b. The supplier has obtained and retained evidence, such as the details of the boarding pass of the passenger, that the passenger intends to leave for a destination outside the Implementing States.
9. If the Person required to Export the Goods in accordance with this Article does not do so within the period of 90 days or a longer period that the Authority has allowed under Clause 7 of this Article, Tax shall be charged on the supply at the rate that would have been due on the supply if it was made in the State.
10. For the purposes of this Article a supply of Goods shall be subject to the zero rate if Goods that would otherwise have been exported are destroyed or cease to exist in circumstances beyond the control of both the supplier and the Recipient of the Goods.
11. Customs Departments shall check to confirm the type and quantity of the exported goods with its export documents.

Article (31) Zero-rating the Export of Services

1. The Export of Services shall be zero-rated in the following cases.
 - a. If the following conditions are met:
 - 1) The Services are supplied to a Recipient of Services who does not have a Place of Residence in an Implementing State and who is outside the State at the time the Services are performed;
 - 2) The Services are not supplied directly in connection with real estate situated in the State or any improvement to the real estate or directly in connection with moveable personal assets situated in the State at the time the Services are performed;
 - b. If the services are actually performed outside the Implementing States or are the arranging of services that are actually performed outside the Implementing States.
 - c. If the supply consists of the facilitation of outbound tour packages, for that part of the service.
2. For the purpose of paragraph (a) of Clause 1 of this Article, a Person shall be considered as being "outside the State" if they only have a short-term presence in the State of less than a month and the presence is not effectively connected with the supply.¹
3. As an exception to paragraph (a) of Clause 1 of this Article, a supply of Services shall not be zero-rated, if the supply is made under an agreement that is entered into, whether directly or indirectly, with a Recipient of Services who is a Non-Resident, if all of the following conditions are met:
 - a. The performance of the Services is, or it is reasonably foreseeable that the performance of the Services will be, received in the State by another Person, including but not limited to, an employee or a director of the Non-Resident Recipient of Services.
 - b. It is reasonably foreseeable, at the time the agreement is entered into, that that other Person in the State will receive the Services in the course of making supplies for which Input Tax is not recoverable in full under Article 54 of the Decree-Law.
4. For the purposes of paragraph (c) of Clause 1 of this Article, services that consist of the "facilitation of outbound tour packages" means the services that a Taxable Person provides in packaging one or more tourism products and also services outside the Implementing States, including but not limited to such goods and services as accommodation, meals, transport, and other activities.

Article (45) - Law

Article (42) - ER

Article (54) - Law

Article (32) Zero-Rating Exported Telecommunications Services

1. The export of telecommunications services shall be subject to the zero rate in the following situations:
 - a. A supply of telecommunications services by a telecommunications supplier who has a Place of Residence in the State to a telecommunications supplier who has Place of Residence outside the Implementing States.
 - b. A supply of telecommunications services by a telecommunications supplier who has a Place of Residence in the State to a Person who is not a telecommunications supplier and who has Place of Residence outside the State for a telecommunications service that is initiated outside the Implementing States.

Article (45) - Law

¹Amended as per Cabinet Decision No 46 of 2020

2. For the purposes of paragraph (b) of Clause 1 of this Article, the place where a supply is initiated shall be identified according to the following:
 - a. The place of the Person who commences the supply.
 - b. If paragraph (a) of this Clause does not apply, the Person who pays in return for the services.
 - c. If paragraphs (a) and (b) of this Clause do not apply, the Person who contracts for the purposes of the supply.
3. For the purposes of this Article, a “telecommunications supplier” means a Person whose main activity is the supply of telecommunications services.

Article (33)

Zero-rating international transportation services for Passengers and Goods

1. The supply of international transportation Services for Passengers and Goods and Transport-related Services shall be subject to the zero rate in the following cases:
 - a. Transporting passengers or Goods from a place in the State to a place outside the State.
 - b. Transporting passengers or Goods from a place outside the State to a place in the State.
 - c. Transporting passengers from a place in the State to another place in the State by sea or air or land as part of a supply of an international transport of those passengers if either or both the first place of departure, or the final place of destination, is outside the State.
 - d. Transporting Goods from a place in the State to another place in the State if the Services are supplied as part, or for the purpose, of the supply of Services of transporting Goods either from a place in the State to a place outside the State or from a place outside the State to a place in the State.
2. The following Goods and Services shall be zero-rated if they are supplied in respect of the transportation services of passengers or Goods to which either Clause 1 of this Article applies or which are treated as taking place outside the State:
 - a. The Goods which are supplied for use or consumption or sale by or on an aircraft or a ship.
 - b. The Services supplied during the supply of transportation services.
 - c. The Service of insuring, or the arranging of the insurance, or the arranging of the transport of passengers or Goods.
3. A supply of a postage stamp issued by Emirates Post Group shall be zero-rated where the postage stamp may only be redeemed for transportation of Goods to a place outside the State.

Article (34)

Zero-rating certain means of transport

The supply of the means of transport shall be subject to the zero rate in the following cases:

1. A supply of an aircraft that is designed or adapted to be used for commercial transportation of passengers or Goods and which is not designed or adapted for recreation, pleasure or sports.
2. A supply of a ship, boat or floating structure that is designed or adapted for use for commercial purposes and which is not designed or adapted for recreation, pleasure or sports.
3. A supply of bus or train that is designed or adapted to be used for public transportation of 10 or more passengers.

Article (45) - Law

Article (45) - Law

Article (35) - ER

Article (35)

Zero-rating Goods and Services Supplied in Connection with Means of Transport

1. The Goods and Services related to the supply of the means of transport mentioned in Article 34 of this Decision shall be subject to the zero rate if they are any of the following:
 - a. Goods, except fuel or other oil or gas products, that are supplied in the course of operating, repairing, maintaining or converting means of transport in any of the following cases:
 - 1) The Goods shall be incorporated into, affixed to, attached to or form part of those means of transport.
 - 2) The Goods are consumable Goods that become unusable or worthless as a direct result of being used in the operation, repair, maintenance, or conversion process.
 - b. Services which are supplied directly in connection with means of transport referred to in Article 34 of this Decision for the purposes of operating, repairing, maintaining or converting those means of transport.
 - c. Services which are supplied directly in connection with parts and equipment of a means of transport referred to in Article 34 of this Decision for the purpose of repairing and maintaining those parts and equipment, provided that any of the following applies:
 - 1) The services are carried out on board of the means of transport.
 - 2) The part or equipment is removed for repair or maintenance, and is subsequently replaced in the same means of transport.
 - 3) The part or equipment is removed for repair or maintenance, and is subsequently held in stock for the future use as spares in the same means of transport or another means of transport.
 - 4) The part or equipment cannot be repaired and is exchanged for an identical part or equipment.

Article (45) - Law

Article (34) - ER

Article (36)

Zero-rating of precious metals

1. The supply or import of investment precious metals shall be zero-rated.
2. The phrase "investment precious metals" means gold, silver and platinum that meet the following standards:
 - a. The metal is of a purity of 99 percent or more.
 - b. The metal is in a form tradeable in global bullion markets.

Article (45) - Law

Article (37)

Residential buildings

1. The phrase "residential building" means a building intended and designed for human occupation, including:
 - a. Any building or part of a building that the person occupies, or that it can be foreseen that a person will occupy, as their principal place of residence.
 - b. Residential accommodation for students or school pupils.
 - c. Residential accommodation for armed forces and police.
 - d. Orphanages, nursing homes, and rest homes.

Article (45) - Law

Article (46) - Law

2. A "Residential building" does not include any of the following:
 - a. Any place that is not a building fixed to the ground and can be moved without being damaged.
 - b. Any building that is used as a hotel, motel, bed and breakfast establishment, or hospital or the like.
 - c. A serviced apartment for which services in addition to the supply of accommodation are provided.
 - d. Any building constructed or converted without lawful authority.
3. A building shall be considered as a residential building if a small proportion of it is used as an office or workspace by the occupants, if it includes garages and gardens used in conjunction with it, or it includes any other features that may be said to comprise part of the residential building.

Article (38)

Zero-rating of Buildings Specifically Designed to be Used by Charities

1. The first sale or a lease of a building, or any part of a building, shall be zero-rated if the building was specifically designed to be used by a Charity and solely for a relevant charitable activity.
2. In Clause 1 of this Article, "relevant charitable activity" means an activity for the purpose other than for the purpose of profit or benefit to any proprietor, member, or shareholder of the Charity, and one which is undertaken by the Charity in the course or furtherance of its charitable purpose or objectives to carry out a charitable activity in the State as approved by the Ministry of Community Development, or under the conditions of its establishment as a charity under Federal or Emirate Decree, or as otherwise licensed to operate as a Charity by an agency of the Federal or Emirate Governments authorised to grant such licences. Such charitable purposes and objectives include, for instance, advancing health, education, public welfare, religion, culture, science and similar activities.

Article (39)

Zero-rating Converted Residential Building

1. The first supply of a building, or any part of a building, which is converted to a residential building shall be subject to the zero rate provided that the supply takes place within 3 years of the completion of the conversion and the original building, or any part of it, was not used as a residential building and did not comprise part of a residential building within 5 five years prior to the conversion work commencing.
2. The presence of shared or common facilities, or dividing walls or similar features in a residential building should not cause the residential building to be considered or any part thereon as part of a pre-existing residential building.

Article (43) - ER

Article (45) - Law

Article (45) - Law

Article (40)
Zero-rating Education Services

1. The supply of educational services shall be subject to the zero rate if the following conditions are met:
 - a. The supply of educational services is provided in accordance with the curriculum recognised by the federal or local competent government entity regulating the education sector where the course is delivered.
 - b. The supplier of the educational services is an educational institution which is recognised by the federal or local competent government entity regulating the education sector where the course is delivered.
 - c. Where the Supplier of educational services is a higher education institution, the institution is either owned by the federal or local government or receives more than 50% of its annual funding directly from the federal or local government.
2. A supply of Goods or Services made by educational institutions identified in Clause 1 of this Article shall be zero-rated where the supply is directly related to the provision of a zero-rated educational service.
3. Printed and digital reading material provided by educational institutions identified in Clause 1 of this Article and which are related to the curriculum of an education shall be zero-rated.
4. As an exception to Clause 2 of this Article, the following supplies shall not be zero-rated:
 - a. Goods and Services supplied by the educational institution referred to in Clause 1 that are made available to Persons who are not enrolled in the educational institution.
 - b. Any Goods other than educational materials provided by the educational institution referred to in Clause 1 that are consumed or transformed by the students undertaking the educational service for the purposes of education.
 - c. Uniforms or any other clothing which are required to be worn by the educational institution referred to in Clause 1, irrespective of whether or not supplied by the educational institutions as part of the supply of educational services.
 - d. Electronic devices in relation to educational services, irrespective of whether or not supplied by the educational institution referred to in Clause 1 as part of the supply of educational services.
 - e. Food and beverages supplied at the educational institution referred to in Clause 1, including supplies from vending machines or vouchers in respect of food and beverages.
 - f. Field trips, unless these are directly related to the curriculum of an education service and are not predominantly recreational.
 - g. Extracurricular activities provided by or through the educational institution referred to in Clause 1 for a fee additional to the fee for the education service.
 - h. A supply of membership in a student organisation.

Article (45) - Law

Article (41)
Zero-rating Healthcare Services

1. The phrase "healthcare services" means any Service supplied that is generally accepted in the medical profession as being necessary for the treatment of the Recipient of the supply including preventive treatment.
2. A supply of healthcare services shall be zero rated on the condition that the supply shall:
 - a. Be made by a healthcare body or institution, doctor, nurse, technician, dentist, or pharmacy, licensed by the Ministry of Health or by any other competent authority.
 - b. Relate to the wellbeing of a human being.

Article (45) - Law

3. "Healthcare services" do not include any of the following:
 - a. Any part of a supply that relates to staying in or attending an establishment the principal purpose of which is to provide holiday accommodation or entertainment such that any healthcare service is incidental to the provision of the accommodation or entertainment.
 - b. Elective treatment for cosmetic reasons other than prescribed by a doctor or medical professional for treating or prevention of a medical condition.
4. A supply of Goods is zero-rated if it is a supply of:
 - a. Any pharmaceutical products identified in a decision issued by the Cabinet.
 - b. Any medical equipment identified in a decision issued by the Cabinet.
 - c. Any other Goods not covered by paragraphs (a) and (b) of this Clause which are supplied in the course of supplying a Person with zero-rated healthcare services that are necessary for the supply of such healthcare services.

Title Seven Exempt Supplies

Article (42)

Tax Treatment of Financial Services

1. For the purposes of this Article:
 - a. The phrase "debt security" means any interest in or right to be paid money that is, or is to be, owing by any Person, or any option to acquire any such interest or right;
 - b. The phrase "equity security" means any interest in or right to a share in the capital of a legal person, or any option to acquire any such interest or right;
 - c. The phrase "life insurance contract" means a contract lawfully entered into to the extent that it places a sum or sums at risk upon the contingency of the termination or continuance of human life, marriage, similar relationships permitted under applicable law, or the birth of a child.
 - d. The phrase "Islamic financial arrangement" means a written contract which relates to a supply of financing in accordance with the principles of Shariah.
2. Financial services are services connected to dealings in money (or its equivalent) and the provision of credit and include for instance the following:
 - a. The exchange of currency, whether effected by the exchange of bank notes or coin, by crediting or debiting accounts, or otherwise.
 - b. The issue, payment, collection, or transfer of ownership of a cheque or letter of credit.
 - c. The issue, allotment, drawing, acceptance, endorsement, or transfer of ownership of a debt security.
 - d. The provision of any loan, advance or credit.
 - e. The renewal or variation of a debt security, equity security, or credit contract.
 - f. The provision, taking, variation, or release of a guarantee, indemnity, security, or bond in respect of the performance of obligations under a cheque, credit, equity security, debt security, or in respect of the activities specified in paragraphs (b) to (e) of this Article.
 - g. The operation of any current, deposit or savings account.
 - h. The provision or transfer of ownership of financial instruments such as derivatives, options, swaps, credit default swaps, and futures.
 - i. The payment or collection of any amount of interest, principal, dividend, or other amount whatever in respect of any debt security, equity security, credit, and contract of life insurance.
 - j. Agreeing to do, or arranging, any of the activities specified in paragraphs (a) to (i) of this Clause, other than advising thereon.

Article (46)(1)
- Law

3. The following financial services shall be exempted:
 - a. Activities under Clause 2 of this Article where they are not conducted in return for an explicit fee, discount, commission, and rebate or similar.
 - b. The issue, allotment, or transfer of ownership of an equity security or a debt security;
 - c. The provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract.
4. Activities under Clause 2 of this Article shall be subject to tax where the consideration payable in respect of a supply of Services is an explicit fee, commission, discount, and rebate or similar.
5. Islamic finance products, being financial products under contract which are certified as Islamic Shariah compliant, which simulate the intention and achieve effectively the same result as a non-Shariah compliant financial product, will be treated in a similar manner as the equivalent non-Shariah financial product for the purpose of applying exemption from Tax.
6. Any supply made under an Islamic financial arrangement shall be treated in such a way as to give an outcome for the purposes of the Decree-Law and the decisions issued by the Authority, comparable to that which would be the case for their non-Islamic counterparts.
7. Where Article 31 of this Decision applies in respect of a supply of financial services, this supply should be treated as zero-rated.

[Article \(31\) - ER](#)

Article (43) Exemption of Residential Buildings

1. The supply of residential buildings is exempt, unless it is zero-rated, where the lease is more than 6 months or the tenant of the property is a holder of an ID card issued by Federal Authority for Identity and Citizenship.
2. The period of tenancy referred to in Clause 1 of this Article shall be identified with reference to the contractual period of tenancy and shall not take into account any period arising from a right or option to extend the period of tenancy or renew the tenancy.
3. For the purposes of Clause 1 of this Article, a right of any party to terminate the lease early shall be ignored.

[Article \(46\)\(2\) - Law](#)

[Article \(37\) - ER](#)

Article (44) Exemption of Bare Land

The phrase "bare land" means land that is not covered by completed, partially completed buildings or civil engineering works.

[Article \(46\)\(3\) - Law](#)

Article (45) Exemption of Local Passenger Transport Services

1. The supply of local passenger transport Services in a qualifying means of transport by land, water or air from a place in the State to another place in the State shall be exempt.

[Article \(46\)\(4\) - Law](#)

2. The phrase “qualifying means of transport” means:
 - a. A motor vehicle, including a taxi, bus, railway train, tram, mono-rail or similar means of transport, designed or adapted for transport of passengers.
 - b. A ferry boat, abra or other similar vessel designed or adapted for transport of passengers.
 - c. A helicopter or airplane designed or adapted for transport of passengers and approved for transport of passengers in accordance with Federal Law No. 20 of 1991 on Civil Aviation.
3. As an exception to Clause 1 of this Article, the Service of transporting of passengers from a place in the State to another place in the State shall not be considered a local passenger transport Service where the transport is by aircraft and constitutes “international carriage” as defined in the Warsaw International Convention for the Unification of Certain Rules Relating to International Carriage by Air 1929.
4. As an exception to Clause 1 of this Article, the transport of passengers shall not constitute a supply of local passenger transport Services where it is undertaken in the context of a pleasure trip where the manner in which the trip is held out indicates that its principal objective may reasonably be said to be sightseeing, or the enjoyment of catering services, or other forms of pleasure or entertainment.

Article (30) - Law

Title Eight **Accounting for Tax on Certain Supplies**

Article (46)

Tax on Supplies of More Than One Component

For the purposes of the supply consisting of more than one component :

1. Where a supply is a single composite supply as provided in Article 4 of this Decision, the Tax treatment of the supply shall follow the Tax treatment of the principal component of the supply.
2. Where a supply consisting of multiple components is not a single composite supply, the supply of each component is to be treated as a separate supply.

Article (47) - Law

Article (4) - ER

Article (26) - ER

Article (47)

General rules regarding Import of Goods

1. Without prejudice to the provisions of the Decree-Law and this Decision, Goods shall not be treated as imported into the State according to the following:
 - a. Where they are under customs duty suspension arrangements in accordance with the GCC Common Customs Law, and subject to providing a financial guarantee or a cash deposit equal to the value of the Due Tax if and when requested by the Authority, in the following cases:
 - 1) Temporary admission
 - 2) Goods placed in a customs warehouse.
 - 3) Goods in transit.
 - 4) imported Goods intended to be re-exported by the same Person.
 - b. Imported into a Designated Zone from a place outside the State.

Article (2) - Law

2. Tax shall not be due on any Import of Goods where they are under an exemption from Customs duty under the following categories in accordance with the GCC Common Customs Law:
 - a. Goods imported by the military forces, and internal security forces.
 - b. Personal effects and gifts accompanied by travellers.
 - c. Used personal effect and household items transported by UAE nationals living abroad on return or expats moving to live in the UAE for first time.
 - d. Returned Goods.
3. Where a Person imported Goods to the State through another Implementing State the Tax will not be due on that Import, if the Authority establishes that Tax is due on the supply or transfer of Goods in that other Implementing State.
4. The Authority may specify procedures to be followed by Importers and Customs Departments in respect of the Import of Goods.

Article (48)

Calculation of Tax under the Reverse Charge Mechanism on import of Concerned Goods or Concerned Services

1. For the purposes of import of Concerned Goods, Clause 1 of Article 48 of the Decree-Law shall apply if the following conditions are met:
 - a. At the time of Import, the Taxable Person can demonstrate that they are registered for Tax.
 - b. The Taxable Person has sufficient details for the Authority to verify the Import and the Tax which shall be due on the Import and is able to provide these as required.
 - c. The Taxable Person has provided the Authority with its own Customs registration number issued by the competent Customs Department for that Import, such Customs Departments to verify the Import subject to the rules set by the Authority.
 - d. The Taxable Person has cooperated with, and complied with any rules imposed by, the Authority in respect of the Import.
2. Where the conditions mentioned in Clause 1 of this Article are not met, the Taxable Person shall account for Tax in respect of the Import in accordance with Clause 1 of Article 50 of this Decision.
3. Where a Taxable Person who has a Place of Residence in the State receives a supply of Goods or Services with a Place of Supply in the State, from a supplier who does not have a Place of Residence in the State and does not charge Tax on that supply, the supply shall be treated as being of Concerned Goods or Concerned Services subject to Clause 1 of Article 48 of the Decree-Law.
4. Where Clause 1 of Article 48 of the Decree-Law applies, the Taxable Person must:
 - a. Account for Tax on the value of the Concerned Goods or Concerned Services at the rate which would be applicable if the supply of the Concerned Goods or Concerned Services was made by a Taxable Person within the State.
 - b. Declare and pay the Due Tax in the Tax Return which relates to the Tax Period in which the Date of Supply for the Concerned Goods or Concerned Services took place.
5. Where a Taxable Person accounts for Due Tax in accordance Clause 1 of Article 48 of the Decree-Law, the Taxable Person shall keep the following documents relating to the supply:
 - a. The supplier's invoice showing details and the Consideration paid for the Concerned Goods or Concerned Services.
 - b. In the case of Concerned Goods, a statement from the relevant Customs Department showing details and the value of the Concerned Goods.

Article (48) - Law

Article (49) - Law

Article (50) - ER

Article (49)

Payments for Goods Transferred to another Implementing States

1. For the purposes of Clause 2 of Article 48 of the Decree-Law, the Taxable Person must make a payment of the Due Tax by using the payment method specified by the Authority.
2. Unless expressly approved by the Authority to defer the payment of Due Tax, the payment referred to in Clause 1 of this Article shall be made at the time or before the Import of the Goods as directed by the Authority.

Article (48)(2) -
Law

Article (50)

Imports by Unregistered Persons

1. Where Concerned Goods are imported by a Person not registered for Tax or where the Taxable Person does not meet the conditions in Clause 1 of Article 48 of this Decision, Tax shall be paid to the Authority by or on behalf of the Person before the Goods may be released.
2. The Customs Departments shall cooperate with the Authority to ensure that Payable Tax on Import has been settled before releasing of Goods.
3. Tax referred to in Clause 1 of this Article must be settled using the payment method specified by the Authority.
4. For the purposes of Clause 1 of this Article, where a Person who is not registered for Tax imports Goods is using an agent who acts on behalf of the Person for the purposes of importing the Goods into the State and who is registered for Tax in the State, the agent shall be responsible for the payment of the Tax in respect of the Import of Goods.
5. The obligation on the agent under Clause 4 of this Article to pay Tax on behalf of another Person shall be met as part of the agent's Tax Return and pay Tax as though he imported the goods himself.
6. An agent who has paid tax in accordance with Clause 4 of this Article shall not recover as Input Tax any Tax paid on behalf of another Person in accordance with obligations set out in this Article.
7. Where an agent has paid Tax on behalf of another Person in accordance with this Article, it shall issue a statement to that other Person which contains, at the minimum, all of the following details:
 - a. The name, address, and Tax Registration Number of the agent.
 - b. The date upon which the statement is issued.
 - c. The date of Import of the relevant Goods.
 - d. A description of the imported Goods.
 - e. The amount of Tax paid by the agent to the Authority in respect of the imported Goods.
8. The statement issued by the agent to a Person in accordance with this Article shall be treated as a Tax Invoice for the purposes of the documentation requirements in paragraph (a) of Clause 1 of Article 55 of the Decree-Law.

Article (48) - ER

Article (49) - Law

Article (55) - Law

Title Nine Designated Zones

Article (51) Designated zones

1. Any Designated Zone specified by a decision of the Cabinet shall be treated as being outside the State and outside the Implementing States, subject to the following conditions:
 - a. The Designated Zone is a specific fenced geographic area and has security measures and Customs controls in place to monitor entry and exit of individuals and movement of goods to and from the area.
 - b. The Designated Zone shall have internal procedures regarding the method of keeping, storing and processing of Goods therein.
 - c. The operator of the Designated Zone complies with the procedures set by the Authority.
2. Where the Designated Zone changes the manner of operating or no longer meets any of the conditions imposed on it that led to it being specified as a Designated Zone under the Cabinet Decision, it shall be treated as if being inside the State.
3. The transfer of Goods between Designated Zones shall not be subject to Tax if the following two conditions are met:
 - a. Where the Goods, or part thereof, are not released, and are not in any way used or altered during the transfer between the Designated Zones.
 - b. Where the transfer is undertaken in accordance with the rules for customs suspension according to GCC Common Customs Law.
4. Where Goods are moved between Designated Zones, the Authority may require the owner of the Goods to provide a financial guarantee for the payment of Tax, which that Person may become liable for should the conditions for movement of Goods not be met.
5. Where a supply of Goods is made within a Designated Zone to a Person to be consumed by him or another person, then the place of supply shall be the State unless the Goods are to be incorporated into, attached to or otherwise form part of or are used in the production of another Good located in the same Designated Zone and itself is not consumed.
6. The Place of supply of Services is considered to be inside the State if the place of supply is in the Designated Zone.
7. The Place of supply of water or any form of energy shall be considered to be inside the State if the place of supply is in a Designated Zone.
8. Goods located in a Designated Zone which the owner has not paid Tax on will be treated as Imported into the State by the owner if:
 - a. The Goods are consumed by the owner unless the Goods are incorporated into, attached to or otherwise form part of or are used in the production of another Good located in a Designated Zone which itself is not consumed.
 - b. The Goods are unaccounted for.
9. Any Person established, registered or which has a Place of Residence in a Designated Zone shall be deemed to have a Place of Residence in the State for the purposes of the Decree-Law.

Article (50) ,
Article (51) and
Article (52) - Law

Title Ten Calculation of Due Tax

Article (52)

Input Tax Recovery in Respect of Exempt Supplies

1. Supplies referred to in paragraph (c) of Clause 1 of Article 54 of the Decree-Law are the supplies of financial Services, where the place of supply of these Services is treated as outside the State and the Recipient of Services is outside the State at the time when the Services are performed.
2. For the purpose of Clause 1 of this Article a Person is “outside the State” even if they are present in the State, provided it is only a short-term presence in the State of less than a month, or that his presence is not effectively connected with the supply.
3. Any Tax paid by a Person in another Implementing State on the Import of Goods to the State through that Implementing State or on the supply of Goods to this Person in that Implementing State where the Goods are then transferred to the State, is recoverable in the State if the relevant Goods will be used or are intended to be used in accordance with Clause 1 of Article 54 of the Decree-Law and the following conditions are satisfied:
 - a. The Taxable Person keeps evidence that he has paid Tax in another Implementing State in respect of the relevant Goods.
 - b. The Taxable Person has not recovered the Tax paid in any other Implementing State.
 - c. The Taxable Person has complied with any additional reporting requirement that the Authority may specify.
4. Where the first supply of a residential building by a Taxable Person is by way of lease which is zero-rated in accordance with provisions of the Decree-Law, the Taxable Person may recover Input Tax in full in respect of that supply regardless of any future intention to make later exempt supplies in respect of that residential building.

Article (54) - Law

Article (57) - Law

Article (53)

Non-recoverable Input Tax

1. Input Tax shall be non-recoverable if it is incurred by a Person in respect of the following Taxable Supplies:
 - a. Where the Person is not a Government Entity as specified in a Cabinet Decision in accordance with Article 10 and 57 of the Decree-Law, and there is provision of entertainment services to anyone not employed by the Person, including customers, potential customers, officials, or shareholder or other owners or investors.
 - b. Where a motor vehicle was purchased, rented or leased for use in the Business and is available for personal use by any Person.
 - c. Where Goods or Services were purchased to be used by employees for no charge to them and for their personal benefit including the provision of entertainment services, except in the following cases:
 - 1) where it is a legal obligation to provide those Services or Goods to those employees under any applicable labour law in the State or Designated Zone.
 - 2) it is a contractual obligation or documented policy to provide those services or goods to those employees in order that they may perform their role and it can be proven to be normal business practice in the course of employing those people;
 - 3) where the provision of goods or services is a deemed supply under the provisions of the Decree- Law.

Article (54) - Law

Article (10) and
Article (57) - Law

Article (29) - ER

Article (67) - ER

2. For the purposes of this Article:
 - a. The phrase "entertainment services" shall mean hospitality of any kind, including the provision of accommodation, food and drinks which are not provided in a normal course of a meeting, access to shows or events, or trips provided for the purposes of pleasure or entertainment.
 - b. The phrase "motor vehicle" shall mean a road vehicle which is designed or adapted for the conveyance of no more than 10 people including the driver. A motor vehicle shall exclude a truck, forklift, hoist or other similar vehicle.
3. Provision of catering and accommodation services shall not be treated as entertainment services where it is provided by a transportation service operator, such as an airline, to passengers who have been delayed.
4. A motor vehicle shall not be treated as being available for private use if it is within any of the following categories:
 - a. a taxi licensed by the competent authority within the State;
 - b. a motor vehicle registered as, and used for purposes of an emergency vehicle, including by police, fire, ambulance, or similar emergency service;
 - c. a vehicle which is used in a vehicle rental business where it is rented to a customer.

Article (54)
Special cases of Input tax

1. The amount of Recoverable Tax that can be reclaimed by a Taxable Person in the Tax Period in relation to the supply of Goods or Services made to him, is the amount of Input Tax that relates to the portion of Consideration in respect of the supply that has been paid during that Tax Period.
2. For the purposes of paragraph (b) of Clause 1 of Article 55 of the Decree-Law, a Taxable Person shall be treated as having made a payment of Consideration for a supply to the extent that the Taxable Person intends to make the payment before the expiration of six months after the agreed date for the payment for the supply.

Article (55) - Law

Title Eleven
Apportionment of Input Tax

Article (55)
Apportionment of Input Tax

1. Where there are quarterly Tax Periods, the Tax year shall be as follows:
 - a. Where a Taxable Person's Tax Period ends on 31 January and quarterly thereafter, the Taxable Person's Tax year shall end on 31 January of every year.
 - b. Where a Taxable Person's Tax Period ends on last day of February and quarterly thereafter, the Taxable Person's Tax year shall end on the last day of February of every year.
 - c. Where a Taxable Person's Tax Period ends on 31 March and quarterly thereafter, the Taxable Person's Tax year shall end on 31 March of every year.
2. Where the Tax Period is 12 months, the Tax year shall be the same as the Tax Period.
3. Where the Tax Period is 1 month, the Tax year shall be the total Tax Periods in the year ending on last day of the calendar year.
4. In any other case where Clauses 2 and 3 do not apply, the Authority shall specify the Tax year.

Article (56) - ER

Article (58) - ER

Article (58) and
Article (59) - Law

5. To determine the Input Tax that could be recoverable, the Taxable Person shall apportion Input Tax as follows:
 - a. Input Tax on supplies that wholly relate to supplies as specified in Clause 1 of Article 54 of the Decree-Law made by the Taxable Person shall be recoverable in full.
 - b. Input Tax that does not relate to supplies as specified in Clause 1 of Article 54 of the Decree-Law made by the Taxable Person shall not be recoverable unless provisions allow otherwise.
 - c. Input Tax that partly relates to supplies as specified in Clause 1 of Article 54 of the Decree-Law and partly not, shall be apportioned in accordance with Clause 6 of this Article and only that part that relates to supplies as specified in Clause 1 of Article 54 of the Decree-Law shall be recoverable.
6. The Input Tax that could be recoverable shall be calculated as follows:
 - a. The Taxable Person shall calculate the percentage of Recoverable Tax calculated by reference to Article 54 of the Decree-Law to the sum of Recoverable Tax and non-Recoverable Tax for the Tax Period.
 - b. The percentage calculated under paragraph (a) of this Clause shall be rounded to the nearest whole number.
 - c. The percentage calculated under paragraph (b) of this Clause shall be multiplied by the amount of Input Tax referred to in paragraph (c) of Clause 5 of this Article to establish the recoverable portion of that Input Tax.
7. The calculations referred to above shall be undertaken in respect of each Tax Period where Input Tax incurred relates to making Exempt Supplies or to activities that are not in the course of Business.
8. At the end of each Tax year the Taxable Person shall undertake the calculation mentioned in Clause 6 of this Article, but in respect of the entire Tax year just ended in the first Tax Period of its subsequent Tax year.
9. The Input Tax properly recoverable for the Tax year just ended as described in Clause 8 of this Article shall be compared to the Input Tax amount actually recovered in all the Tax Periods making up the Tax year, and an adjustment to the Recoverable Tax shall be made in the Tax Period mentioned in Clause 8.
10. If the difference in any Tax year between the Recoverable Tax as calculated under this Article and the Recoverable Tax which would arise if a calculation was made which reflects the actual use of the Goods and Services to which the Input Tax relates, exceeds AED 250,000 (two hundred fifty thousand dirhams), the Taxable Person shall, in the Tax Period referred to in Clause 8 of this Article, make an adjustment to the Input Tax in respect of the difference.
11. Where the application of the calculations mentioned in this Article would give a result which the Taxable Person considers would not reflect the actual extent to which the Input Tax relates to making Taxable Supplies, he may apply to the Authority to authorise the use of an alternative basis of calculation based on the list of accepted mechanisms issued by the Authority.
12. The Authority may accept that the Taxable Person may use an alternative mechanism of apportionment of input tax than that referred to in this Article from such future date and as per any further conditions as determined by the Authority.
13. The Taxable Person may only apply to change the alternative mechanism with effect from at least two Tax years after he was first approved to use it.

14. The Authority may request such information from the Taxable Person as it believes is necessary to make a decision regarding application made under Clause 11 of this Article.
15. If the Authority accepts the application made under Clause 11 of this Article, it shall issue a Notification to the Taxable Person setting out the alternative calculation method and conditions for using of such method.

Article (56)

Adjustment of Input Tax Post-Recovery

1. If Input Tax has been recovered because it was attributed to supplies as specified in Clause 1 of Article 54 of the Decree-Law but, before the consumption of the Goods or Services upon which that Input Tax was incurred the Input Tax became not so attributable, then the Taxable Person shall be required to repay that Input Tax. Article (59) - Law
2. If Input Tax has not been recovered because it was not attributed to supplies specified in Clause 1 of Article 54 of the Decree-Law but, before the consumption of the Goods or Services upon which that Input Tax was incurred, the Input Tax became attributable to supplies as specified in Clause 1 of Article 54 of the Decree-Law, then the Taxable Person shall be able to recover Input Tax attributable to the use of the Goods or Services for making such supplies. Article (54) - Law
3. If Input Tax has been treated as subject to apportionment to calculate the Input Tax that could be recovered, but before the consumption of the Goods or Services upon which that Input Tax was incurred, the use of that Input Tax changes, then it shall be adjusted as follows:
 - a. If it becomes attributable to supplies as specified in Clause 1 of Article 54 of the Decree-Law then the Taxable Person shall be able to recover Input Tax not previously recovered to the extent that it is attributable to the use of the Goods or Services for making such supplies.
 - b. If it ceases to be attributable to any supplies specified in Clause 1 of Article 54 of the Decree-Law then the Taxable Person shall be required to repay that Input Tax.
4. The adjustments for change in use of Goods or Services under this Article shall be made only if all of the following conditions are met:
 - a. The change in use occurred within five years of the Date of Supply of the relevant Goods and Services. Article (55) - ER
 - b. The Taxable Person is not required to adjust the same Input Tax under mechanisms provided in Articles 55 and 57 of this Decision in which case those mechanisms will apply. Article (57) - ER

Title Twelve Capital Asset Scheme

Article (57)

Assets Considered Capital Assets

1. A Capital Asset is a single item of expenditure of the Business amounting to AED 5,000,000 or more excluding Tax, on which Tax is payable and which has estimated useful life equal or longer than:
 - a. 10 years in case of a building or a part thereof. Article (56) - ER
 - b. 5 years for all Capital Assets other than buildings or parts thereof. Article (60) - Law
2. Items of stock, which are for resale, shall not be treated as Capital Assets. Article (20) - Law

3. Expenditure consisting of smaller sums which collectively amount to AED 5,000,000 or more shall be treated as a single item of expenditure of AED 5,000,000 or more for the purposes of this Article where the sums are staged payments for any of the following:
 - a. For the purchase of a building.
 - b. For the construction of a building.
 - c. In relation to an extension, refurbishment, renewal, fitting out, or other work undertaken to a building, except that where there is a distinct break between any such works being undertaken they shall be taken to be separate items of expenditure.
 - d. For the purchase, construction, assembly or installation of any goods or immovable property where components are supplied separately for assembly.

Article (58)

Adjustments under the Capital Assets Scheme

1. A Capital Asset eligible for the Capital Asset Scheme shall be monitored and the Input Tax incurred shall be adjusted, as required in accordance with the provisions of this Article, over a period of either 10 ten consecutive years for buildings or parts thereof or 5 five consecutive years for other Capital Assets, commencing on the day on which the owner first uses the Capital Asset for the purposes of its Business.
2. Notwithstanding Clause 1 of this Article, if a Capital Asset is destroyed, sold, or otherwise disposed of before the end of the period referred to in Clause 1 of this Article, the Capital Asset Scheme shall cease in respect of the asset in the Tax year in which the asset was destroyed, sold or disposed of.
3. The Tax year in which the Capital Asset is acquired shall be treated as Year 1 for the purposes of the Capital Asset Scheme.
4. A Taxable Person shall keep a Capital Asset register and record therein the Input Tax incurred on the Capital Asset in Year 1 (represented by "W" in this Article) as well as details of any adjustments made to the Input Tax calculations under this Article.
5. The Input Tax recovered on the Capital Asset in Year 1 after any adjustment that may be due under Article 58 of the Decree-Law shall be recorded together with the percentage that gave rise to that recovery (referred to as "X" in this Article).
6. At the end of each year from Year 2 onwards, the Taxable Person shall calculate the percentage of Recoverable Tax for that Capital Asset for that year in accordance with Article 58 of the Decree-Law (referred to as "Q" in this Article).
7. If Q is not equal to X, the Taxable Person shall perform the calculation described in Clauses 8 to 11 of this Article, and shall make an adjustment to his Input Tax.
8. The Taxable Person shall calculate an amount (referred to as "R" in this Article) as:
 - a. One tenth of W multiplied by Q if the Capital Asset is a building or a part thereof; or
 - b. One fifth of W multiplied by Q if the Capital Asset is not a buildings or a part thereof.
9. The Taxable Person shall calculate an amount (referred to as "Z" in this Article) as:
 - a. One tenth of W multiplied by X if the Capital Asset is a building or a part thereof.
 - b. One fifth of W multiplied by X if the Capital Asset is not a buildings or a part thereof.
10. Where R is more than Z, the Taxable Person shall increase his Input Tax by the difference.
11. Where R is less than Z, the Taxable Person shall reduce his Input Tax by the difference.

Article (60) - Law

Article (20) - Law

Article (58) - Law

12. If the Capital Asset is disposed of by the Taxable Person in any year other than the final year or the Taxable Person deregisters from Tax and is required to account for tax on the asset as a Deemed Supply, the use to which the Capital Asset is deemed to have been put in any remaining years will be:
 - a. For making Taxable Supplies, where it is disposed of by way of a supply or Deemed Supply that is subject to Tax or would be subject to Tax were it to be made in the State.
 - b. For making Exempt Supplies, where it is disposed of by way of a supply that is exempt or would be exempt were it to be made in the State.
 - c. Not in the course of conducting Business, where it is disposed of by way of a transaction that is not deemed as supply in the course of Business, unless it is deemed as a supply according to the meaning provided in Clause 2 of Article 7 of the Decree-Law.
13. Where a Taxable Person transfers his Capital Assets as part of a transfer of his Business or a part thereof according to Clause 2 of Article 7 of the Decree-Law, or to become a member of a Tax Group, or to leave a Tax Group and immediately become a Taxable Person on a stand-alone basis, then the Tax year then applying shall end on the day the Taxable Person transfers the Business or part of the Business, or becomes or ceases to be part of a Tax Group. On the next day, the next Tax year shall commence with the owner of the Capital Assets.
14. Where a Person who registers for Tax has already owned a Capital Asset for the purpose of his Business before registration for Tax, Year 1 shall be deemed to have commenced on the date of first use by that Person.
15. For the purposes of Clauses 12 and 13 of this Article, any adjustments that may be required in respect of any such remaining years shall be included in the Tax Return relating to the Tax Period in which the Capital Asset is disposed of.
16. Any adjustments other than required under Clauses 12 and 13 of this Article shall be made in the Tax Period mentioned in Clause 8 of Article 55 of this Decision.

Article (7) - Law

Article (55) - ER

Title Thirteen Tax Invoices and Tax Credit Notes

Article (59)

Tax invoices

1. A Tax Invoice shall contain all of the following particulars:
 - a. The words "Tax Invoice" clearly displayed on the invoice.
 - b. The name, address, and Tax Registration Number of the Registrant making the supply.
 - c. The name, address, and Tax Registration Number of the Recipient where he is a Registrant.
 - d. A sequential Tax Invoice number or a unique number which enables identification of the Tax Invoice and the order of the Tax Invoice in any sequence of invoices.
 - e. The date of issuing the Tax Invoice.
 - f. The date of supply if different from the date the Tax Invoice was issued.
 - g. A description of the Goods or Services supplied.
 - h. For each Good or Service, the unit price, the quantity or volume supplied, the rate of Tax and the amount payable expressed in AED.
 - i. The amount of any discount offered.
 - j. The gross amount payable expressed in AED.
 - k. The Tax amount payable expressed in AED together with the rate of exchange applied where the currency is converted from a currency other than the UAE dirham.
 - l. Where the invoice relates to a supply under which the Recipient of Goods or Recipient of Services is required to account for Tax, a statement that the Recipient is required to account for Tax, and a reference to the relevant provision of the Decree-Law.
2. A simplified Tax Invoice shall contain all of the following particulars:
 - a. The words "Tax Invoice" clearly displayed on the invoice.
 - b. The name, address, and Tax Registration Number of the Registrant making the supply.
 - c. The date of issuing the Tax Invoice.
 - d. A description of the Goods or Services supplied.
 - e. The total Consideration and the Tax amount charged.
3. If there are or will be sufficient records available to establish the particulars of a supply, a Taxable Person is not required to issue a Tax Invoice for the supply where the supply is a wholly zero-rated supply.
4. Where a Taxable Person is required to issue a Tax Invoice, the Tax Invoice must meet the requirements of Clause 1 of this Article.
5. As an exception to Clause 4 of this Article, the Taxable Person may issue a Tax Invoice that meets the requirements of Clause 2 of this Article in either of the following situations:
 - a. Where the Recipient of Goods or Recipient of Services is not a Registrant.
 - b. Where the Recipient of Goods or Recipient of Services is a Registrant and the Consideration for the supply does not exceed AED 10,000
6. A Taxable Person shall not issue separate Tax Invoices in respect of supplies where he makes more than one supply of Goods or Services to the same Person and those supplies are included on a summary Tax Invoice issued to the Recipient of Goods or Recipient of Services in the same calendar month as the Date of Supply of those supplies.

Article (65) - Law

Article (66) - Law

Article (67) - Law

Article (68) - Law

Article (69) - Law

7. Where the Authority considers that there are or will be sufficient records available to establish the particulars of any supply or class of supplies, and that it would be impractical to require that a Tax Invoice be issued by the Taxable Person, the Authority may determine that, subject to any conditions that the Authority may consider necessary:
 - a. Any of the particulars specified in Clauses 1 or 2 of this Article shall not be contained on a Tax Invoice.
 - b. A Tax Invoice is not required to be issued in certain cases.
8. The Taxable Person may issue a Tax Invoice by electronic means provided that:
 - a. The Taxable Person must be capable of securely storing a copy of the electronic Tax Invoice in compliance with the record keeping requirements.
 - b. The authenticity of origin and integrity of content of the electronic Tax Invoice should be guaranteed.
9. Where a Recipient agrees to raise a Tax Invoice on behalf of a Registrant Supplier in respect of a supply of Goods or Services, that document shall be treated as if it had been issued by the supplier if the following conditions are met:
 - a. The Recipient of the Goods or Services is a Registrant.
 - b. The supplier and the Recipient agree in writing that the supplier shall not issue a Tax Invoice in respect of any supply to which this Clause applies.
 - c. The Tax Invoice shall contain the particulars required under Clause 1 of this Article.
 - d. The words "Tax Invoice raised by buyer" are clearly displayed on the Tax Invoice.
10. Where a Tax Invoice is issued pursuant to Clause 9 of this Article, any invoice issued by the Supplier in respect of that supply shall be deemed not to be a Tax Invoice.
11. Where an agent who is a Registrant makes a supply of Goods and Services for and on behalf of the principal of that agent, that agent may issue a Tax Invoice in relation to that supply as if that agent had made the supply, and provided that the principal shall not issue a Tax Invoice.
12. Where the Supply of Goods or Services is considered as supplied in an Implementing State, the Taxable Person must include the following additional particulars in the document issued:
 - a. The tax registration number of the Recipient of Goods or Services issued to him by the competent authority of the Implementing State in which the supply is treated as taking place.
 - b. A statement identifying the supply as between the State and an Implementing State.
 - c. Any other information specified by the Authority.

Article (60) Tax Credit Note

1. The Tax Credit Note shall contain the following:
 - a. The words "Tax Credit Note" clearly displayed on the invoice.
 - b. The name, address, and Tax Registration Number of the Registrant making the supply.
 - c. The name, address, and Tax Registration Number of the Recipient where he is a Registrant.
 - d. The date of issuing the Tax Credit Note.
 - e. The value of the supply shown on the Tax Invoice, the correct amount of the value of the supply, the difference between those two amounts, and the Tax charged that relates to that difference in AED.
 - f. A brief explanation of the circumstances giving rise to the issuing of the Tax Credit Note.
 - g. Information sufficient to identify the supply to which the Tax Credit Note relates.

Article (70) - Law

2. Where, on application by a Taxable Person, the Authority considers that there are or will be sufficient records available to establish the particulars of any supply or class of supplies, and that it would be impractical to require that a Tax Credit Note be issued by the Taxable Person, the Authority may determine any of the following, subject to any conditions that the Authority may consider necessary:
 - a. Any one or more of the particulars specified in Clause 1 of this Article shall not be contained on a Tax Credit Note.
 - b. A Tax Credit Note is not required to be issued.
3. The Taxable Person may issue a Tax Credit Note by electronic means provided that:
 - a. The Taxable Person must be capable of securely storing a copy of the electronic Tax Credit Note in compliance with the record keeping requirements.
 - b. The authenticity of origin and integrity of content of the electronic Tax Credit Note should be guaranteed.
4. Where a Recipient of Goods or Recipient of Services agrees to raise a Tax Credit Note on behalf of a Registrant Supplier in respect of a supply of Goods or Services, that document shall be treated as if it had been issued by the supplier if the following conditions are met:
 - a. The Recipient of Goods or Recipient of Services is a Registrant.
 - b. The Supplier and the Recipient of Goods or Recipient of Services agree that the Supplier shall not issue a Tax Credit Note in respect of any supply to which this Clause applies.
 - c. The Tax Credit Note shall contain the particulars required under Clause 1 of this Article.
 - d. The words "Tax Credit Note created by buyer" are clearly displayed on the Tax Credit Note.
5. Where a Tax Credit Note is issued pursuant to Clause 4 of this Article, any tax credit note issued by the supplier in respect of that supply shall be deemed not to be a Tax Credit Note.
6. Where an agent who is a Registrant makes a supply of Goods and Services for and on behalf of the principal of that agent, that agent may issue a Tax Credit Note in relation to that supply as if that agent had made the supply, and provided that the principal shall not issue a Tax Credit Note.
7. Where approval has been granted by the Authority under Clause 2 of this Article, that approval may be withdrawn at any time where the Authority considers that the conditions of that approval have not been met.

Article (61)
Fractions of Fils

Where the Tax chargeable on a supply is calculated to a fraction of a Fils, the Taxable Person is permitted to round the amount to the nearest Fils on a mathematical rounding. Article (68) - Law

Title Fourteen
Tax Returns and Tax Periods

Article (62)
Length of tax period

1. The standard Tax Period applicable to a Taxable Person shall be a period of three calendar months ending on the date that the Authority determines. Article (71) - Law

2. As an exception to Clause 1 of this Article, the Authority may assign a Person or class of Persons a shorter or longer Tax Period where it considers that a non-standard Tax Period length is necessary or beneficial to:
 - a. Reduce the risk of Tax Evasion.
 - b. Enable the Authority to improve the monitoring of compliance or collection of Tax revenues.
 - c. Reduce the administrative burden on the Authority or the compliance burden on a Person or class of Persons.
3. Where a Taxable Person is assigned the standard Tax Period, he may request that the Tax Period ends with the month as requested by him, and the Authority may accept such request at its discretion.

Article (63)

Tax Periods in the Case of Loss of Capacity

1. Where a Person becomes an incapacitated Person, his current Tax Period will end on the day before the Person became incapacitated Person. A new Tax Period will commence on the day the Person became incapacitated Person in the name of the Legal Representative.
2. For the purposes of Clause 1 of this Article "incapacitated Person" means a Registrant who dies, or goes into liquidation or receivership, or becomes bankrupt or incapacitated.
3. The Legal Representative will, for the purposes of the new Tax Period referred to in Clause 1 and subsequent Tax Periods, be treated as the Registrant himself for the purposes of the Decree-Law and this Decision for the period of incapacitation.

Article (64)

Tax Return and Payment

1. A Tax Return must be received by the Authority no later than the 28th day following the end of the Tax Period concerned or by such other date as directed by the Authority.
2. A Person whose registration has been cancelled must provide a final Tax Return for the last Tax Period for which he was registered.
3. A Taxable Person shall settle Payable Tax in relation to a Tax Return using the means specified by the Authority so that it is received by the Authority no later than the date specified in Clause 1 of this Article.

Article (72) - Law

4. Where Recoverable Tax for a Tax Period exceeds Due Tax for the Tax Period, the excess Recoverable Tax may be repaid to the Taxable Person in accordance with the relevant provisions in the Decree-Law and the Federal Law No. 7 of 2017.
5. A Tax Return must contain such details as the Authority may require and, at the minimum, allow for the following information to be included:
 - a. The name, address and the TRN of the Registrant;
 - b. The Tax Period to which the Tax Return relates.
 - c. The date of submission.
 - d. The value of Taxable Supplies made by the Person in the Tax Period and the Output Tax charged.
 - e. The value of Taxable Supplies subject to the zero rate made by the Person in the Tax Period.
 - f. The value of Exempt Supplies made by the Person in the Tax Period.
 - g. The value of any supplies subject to Clauses 1 and 3 of Article 48 of the Decree-Law.
 - h. The value of expenses incurred in respect of which the Person seeks to recover Input Tax and the amount of Recoverable Tax.
 - i. The total value of Due Tax and Recoverable Tax for the Tax Period.
 - j. The Payable Tax for the Tax Period

Article (73) - Law

Article (48) - Law

Article (8) -
Procedural Law

Title Fifteen **Recovery of Excess Tax**

Article (65)
Recovery of Excess Tax

If the Taxable Person has excess Recoverable Tax for a Tax Period and has made a request to the Authority by the means specified by the Authority to be repaid the amount of the excess, then the Authority shall repay the amount to the Taxable Person within the timelines and according to the procedures specified in the Federal Law No. 7 of 2017 on Tax Procedures.

Article (74) - Law

Article (34) -
Procedural Law

Title Sixteen **Other Provisions Relating to Recovery**

Article (66)
New residence

1. Where a Person owns or acquires land in the State on which he builds, or commissions the construction of, his own residence, he shall be entitled to make a claim to the Authority to repay the Tax on the expenses of constructing the residence.
2. For the purposes of Clause 1 of this Article:
 - a. The claim may only be made by a natural Person who is a national of the State.
 - b. The claim must relate to a newly constructed building to be used solely as residence of the Person or the Person's family.
 - c. The claim may not be made in connection with a building that will not be used solely as a residence by the Person or the Person's family, for example if it is to be used as a hotel, guest house, hospital or for any other purpose not consistent with it being used as a residence.

Article (75) - Law

3. The refund claim under this Article must be lodged within 6 months from the date of completion of the newly built residence. For the purposes of this Clause, a newly built residence is considered completed at the earlier of the date the residence becomes occupied, or the date when it is certified as completed by a competent authority in the State, or as may otherwise be stipulated by the Authority.
4. A refund claim must be submitted to the Authority in such manner and containing such details as the Authority may stipulate.
5. Where the Authority has repaid Tax in accordance with this Article, and following the receipt of such repayment the Person breached the condition in paragraph (c) of Clause 2 of this Article, the Authority may require the Person to repay the amount of Tax that was recovered by him.
6. The categories of expenses on which the Person may claim a repayment of Tax under this Article are:
 - a. Services provided by contractors, including services of builders, architects, engineers, and other similar services necessary for the successful construction of residence.
 - b. Building materials, being goods of a type normally incorporated by builders in a residential building or its site, but not including furniture or electrical appliances.

Article (67) Business visitors

1. The Authority shall implement a Businesses VAT Refund Scheme for Foreign Businesses to allow the repayment of Tax on expenses incurred in the State by a foreign entity which has no Place of Establishment or Fixed Establishment in the State or the Implementing State, and is not a Taxable Person.
2. For the purpose of this Article, a "foreign entity" is any Person that carries on a Business as defined in this Decision and is registered as an establishment with a competent authority in the jurisdiction in which he is established.
3. A foreign entity is not entitled to make a claim under the VAT Refunds for Foreign Businesses Scheme in the following cases:
 - a. If it makes supplies which have a place of supply in the State, unless the Recipient of Goods or Recipient of Services is obliged to account for the Tax on those supplies in accordance with Clause 1 of Article 48 of the Decree-Law.
 - b. If the Input Tax relates to Goods or Services for which the Tax is not recoverable in accordance with Article 53 of this Decision.
 - c. If the foreign entity is from a country that does not in similar circumstances provide refunds of value added tax to entities that belong to the State.
4. A foreign tour operator is not entitled to make a claim under the VAT Refunds for Foreign Businesses Scheme in connection with undertaking activities as a tour operator.
5. The claim for any refund shall be made on an electronic form as will be provided for the purpose by the Authority.
6. The claim form shall contain such particulars as may be required by the Authority including:
 - a. Name and address of the foreign entity.
 - b. Nature of activities of the foreign entity.
 - c. Details of the registration of the foreign entity with the competent authority in the country where it is established.
 - d. Description of reasons for incurring expenses in the State.
 - e. Description of activities undertaken in the State.
 - f. Details of expenses incurred in the State during the period of the claim.

Article (48) - Law

Article (53) - ER

7. The claim shall be accompanied by such documents or other evidence as may be required by the Authority.
8. The period of the claim shall be 12 calendar months.
9. The minimum claim amount of Tax that may be submitted under VAT Refunds for Foreign Businesses Scheme shall be AED 2,000.
10. As an exception to Clause 1 and Paragraph (c) of Clause 3 and Clause 8 of this Article, Businesses resident in any GCC State that is not considered to be an Implementing State according to the Decree-Law and this Decision, may submit an application for refund of Tax incurred on Goods and Services supplied to them in the State.

Article (68)

Tourist visitors

1. The Cabinet may issue a decision introducing the Tax Refunds for Tourists Scheme specifying the following:
 - a. The date on which the Scheme comes into effect.
 - b. The mechanism for tax refunds.
 - c. Limitations on claiming tax refunds.
 - d. Processes for any verifications to be undertaken under the Scheme.
 - e. Any other conditions or procedures that the Cabinet considers necessary for operation of the Scheme.
2. The following conditions shall apply to the Tax Refunds for Tourists Scheme:
 - a. The Goods which are subject to the Tax Refunds for Tourists Scheme must be supplied to an overseas tourist who is in the State during the purchase of the Goods from the supplier.
 - b. At the Date of Supply, the overseas tourist intends to depart from the State within 90 days from that date, accompanied by the Goods.
 - c. The relevant Goods are exported by the overseas tourist to a place outside the Implementing States within 3 months from the Date of Supply, subject to such conditions and verifications as may be imposed by the Authority.
3. The phrase "overseas tourist" means any natural Person who is not resident in any of the Implementing States and who is not a crew member on a flight or aircraft leaving an Implementing State.
4. The Authority may publish a list of Goods that shall not be subject to Tax Refunds for Tourists Scheme.

Article (69)

Foreign Governments

1. Where Tax is incurred by foreign governments, international organisations, diplomatic bodies and missions, or by an official thereof, the foreign governments, international organisations, diplomatic bodies and missions may submit a claim on a form issued by the Authority requesting repayment of the Tax charged.

2. The application of Clause 1 of this Article is subject to the following conditions:
 - a. Goods and Services are acquired exclusively for official use.
 - b. The country in which the relevant foreign government, international organisation, diplomatic body or mission is established or has its official seat excludes the same type of entities that belong to the State from the burden of any Tax in that country.
 - c. The refund claim is consistent with the terms of any international treaty or other agreement concerning the liability to tax of such a foreign government, international organisation, diplomatic body or mission.
 - d. The official of a foreign government, international organisation, diplomatic body or mission who benefits from the refund should not hold UAE Nationality or have a residence visa under the sponsorship of an entity other than the foreign government, international organisation, diplomatic body or mission itself, and should not carry out any Business in the State.

Title Seventeen

Article (70)

Transitional rules

1. For the purposes of paragraph (e) of Clause 1 of Article 80 of the Decree-Law, "acceptance by the Recipient of Goods" means the point at which the Recipient of Goods considers that the Supplier has completed his obligations to him.
2. Where Clause 1 of Article 80 of the Decree-Law applies, the Date of Supply shall be the effective date of the Decree-Law only in respect of the amounts of Consideration received or specified in the invoice issued before the Decree-Law came into effect.
3. In the case of Clause 3 of Article 80 of the Decree-Law, a supply shall be considered to have taken place in accordance with the following provisions:
 - a. For supplies to which Article 25 of the Decree-Law applies, the Date of Supply shall be determined in accordance with Clauses 1 to 6 of that Article.
 - b. For supplies to which Article 26 of the Decree-Law applies, the supply shall be treated as taking place in accordance with the rules in that Article.
4. For the purpose of Clause 3 of this Article, where the Date of Supply in respect of a supply of Goods or Services was triggered before the Decree-Law comes into effect, and the supply was partly made before the Decree-Law comes into effect and partly after, the Date of Supply shall be treated as taking place after the Decree-Law comes into effect for that part of the supply which takes place after that date.
5. A payment of Consideration before the date the Decree-Law comes into effect shall be disregarded in determining whether a supply takes place before that date if, or to the extent that, it appears to the Authority that it would not have been so made but for the Tax.
6. In the case of Clause 3 of Article 80 of the Decree-Law, the Consideration shall be treated as exclusive of Tax and the Recipient of Goods or Recipient of Services shall be obligated to pay the VAT in addition to the Consideration if all of the following conditions are met:
 - a. Where the Recipient of Goods or Recipient of Services is a Registrant.
 - b. Where the Recipient of Goods or Recipient of Services has the right to recover Input Tax incurred on the supply either in full or in part.

Article (80) - Law

Article (25) - Law

Article (26) - Law

7. Clause 6 of this Article shall only apply if, before the date the Decree-Law comes into effect, the supplier requests from the Recipient of Goods or Recipient of Services to confirm the following:
 - a. Whether the Recipient of Goods or Recipient of Services is or expects to be a Registrant at the time the Decree-Law comes into effect.
 - b. The extent to which the Recipient of Goods or Recipient of Services expects to be able to recover Tax incurred on the supply.
8. Within 20 business days of receiving an information request under Clause 7 of this Article, the Recipient of Goods or Recipient of Services shall reply to the supplier in writing with the information requested.
9. The supplier may rely on the information provided as required by Clause 8 of this Article in determining the tax treatment of the supply. If the Recipient of Goods or Recipient of Services knowingly provides incorrect information that results in the Supplier having to treat the Consideration as inclusive of Tax, then the Recipient of Goods or Recipient of Services shall not be entitled to reclaim the Input Tax on that supply.
10. Where the Recipient of Goods or Recipient of Services has failed to provide the information in accordance with Clause 8 of this Article, the supplier may treat Consideration in respect of the supply as exclusive of Tax, and request the Recipient of Goods or Recipient of Services to pay Tax.
11. The supplier and the Recipient of Goods or Recipient of Services shall both retain the records of the request made under Clause 7 of this Article and the information provided under Clause 8 of this Article.
12. For the purposes of Clause 6 of this Article, where the Recipient of Goods or Recipient of Services ascertained that he can only recover Input Tax in part, the consideration for the supplies under the contract shall be treated as exclusive of Tax only to the extent of the Input Tax recovery percentage that the Recipient of Goods or Recipient of Services discloses to the Supplier under Clause 8, and the remaining portion of the consideration relating to the Supply should be treated as Tax inclusive.
13. In all cases, the Supplier shall remain responsible for calculation of Tax and payment to the Authority.
14. Where a Taxable Supply is treated as periodically or successively supplied, Tax shall not be charged on the portion of the Consideration that relates to a supply made before the date the Decree-Law comes into effect.
15. A GCC State shall be treated as an Implementing State according to the provisions of the Decree-Law and this Decision if the following conditions are met:
 - a. Where the GCC State treats the State similarly as an Implementing State in its published legislation.
 - b. Full compliance with the provisions of the Common VAT Agreement of the States of the Gulf Cooperation Council (GCC).

Article (71)

Record-keeping Requirements

1. Subject to Clause 2 of this Article, any records required to be kept in accordance with the provisions of the Decree-Law must comply with timeframes, limitations and conditions for retention of records as specified in the Federal Law No. 7 of 2017 on Tax Procedures and its Executive Regulations.

Article (4) -
Procedural Law

2. Any records related to a real estate required to be kept shall be held for a period of 15 years after the end of the Tax Period to which they relate. Article (2) - ER
Procedural Law
 3. In the case of a Government Entity that is listed by the Cabinet under Clause 2 of Article 72 of the Decree-Law, the Government Entity may:
 - a. Refuse the Authority's request to take any records or a copy of the same from the premises of the Government Entity. Article (3) - ER
Procedural Law
 - b. Put controls for the access of employees of the Authority to the records and the premises of the Government Entity.
 4. Where the Authority holds any records that belong to a Government Entity listed by the Cabinet under Clause 2 of Article 72 of the Decree-Law, the records shall be held in such manner that they can only be accessed by the employees of the Authority that are specifically authorised to view the records of that Government Entity. Article (4) - ER
Procedural Law
- Article (78) - Law
Article (72) - Law

Article (72)

Record Keeping of the Supplies Made

1. The records of all Goods and Services supplied by the Taxable Person or on his behalf showing the Goods and Services, suppliers and their agents, shall be kept and retained in sufficient detail to enable the Authority to readily identify Goods and Services, suppliers, and agents.
2. Without prejudice to Article 78 of the Decree-Law, the Taxable Person who makes a Taxable Supply of Goods or Services in the State must keep records of the transaction to prove the Emirate in which the Fixed Establishment related to this supply is located. Article (78) - Law
3. As an exception to Clause 2 above, if the Taxable Person who makes a Taxable Supply of Goods or Services does not have a Fixed Establishment in the State, the Taxable Person must keep records of the transaction to prove the Emirate in which the Supply is received.

Title Eighteen Closing Provisions

Article (73)

The Authority shall have jurisdiction over the issuing of clarifications and guidance regarding the implementation of the provisions of this Decision.

Article (74)

Repeal of Conflicting Provisions

Any provision violating or conflicting with the provisions of this Decision shall be abrogated.

Article (75)

Publication and Coming into Force of the Decision

This Decision shall be published in the Official Gazette and shall come into effect on 1 January 2018 at the earlier of:

1. The time of opening of the business on 1 January 2018.
2. 7am on 1 January 2018.

Law on Tax Procedures

Law on Tax Procedures

Federal Law No. (7) of 2017 on Tax Procedures ('Procedural Law')

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We, Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates,

Having reviewed the Constitution,

- Federal Law No. (1) of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Law No. (5) of 1975 on the Commercial Register;
- Federal Law No. (11) of 1981 on the Imposition of a Federal Customs Tax on Imports of Tobacco and its derivatives and its amendments;
- Federal Law No. (5) of 1985 promulgating the Civil Transactions Law and its amendments;
- Federal Law No. (3) of 1987 promulgating the Penal Law and its amendments;
- Federal Law No. (10) of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions and its amendments;
- Federal Law No. (11) of 1992 promulgating the Civil Procedure Law and its amendments;
- Federal Law No. (35) of 1992 promulgating the Penal Procedure Law and its amendments;
- Federal Law No. (18) of 1993 promulgating the Commercial Transactions Law;
- Federal Law No. (17) of 2004 on the Combat of Commercial Concealment;
- Federal Law No. (1) of 2006 on Electronic Commerce and Transactions;
- Federal Decree-Law No. (11) of 2008 on Human Resources in the Federal Government and its amendments;
- Federal Law No. (1) of 2011 on the State's Public Revenues;
- Federal Law No. (6) of 2012 on the Organisation of the Translation Profession;
- Federal Law No. (12) of 2014 on the Organisation of the Auditing Profession;
- Federal Law No. (2) of 2015 on Commercial Companies;
- Federal Decree-Law No. (9) of 2016 on Bankruptcy;
- Federal Decree-Law No. (13) of 2016 on the Establishment of the Federal Tax Authority; and

Pursuant to what was presented by the Minister of Finance and approved by the Cabinet, the Federal National Council and Federal Supreme Council,

We hereby issue the following Law:

Title One

Definitions and Scope of Application of the Law

Article (1) Definitions

In the application of the provisions of this Law, the following words and expressions shall have the meanings assigned against each, unless the context otherwise requires:

State	United Arab Emirates
Minister	Minister of Finance
Authority	Federal Tax Authority
Director-General	Director-General of the Authority.
Committee	Tax Disputes Resolution Committee.
Competent Court	The Federal court within whose jurisdiction the Authority's Head Office or Branch is located.
Tax	Any federal tax administered, collected and enforced by the Authority.
Tax Law	Any Federal Law pursuant to which a Federal Tax is imposed.
Person	A natural or legal person.
Business	Any activity conducted in an ongoing, regular and independent manner by any Person and in any location, such as an industrial, commercial, agricultural, professional, vocational or service activity, the drilling activities or anything related to the use of material or non-material property.
Taxable Person	A Person who is subject to Tax under the provisions of the relevant Tax Law.
Taxpayer	Any Person who is obligated to pay Tax in the State under the Tax Law, whether such person is a Taxable Person or an end consumer.
Tax Return	Information and data specified for Tax purposes and submitted by a Taxable Person in accordance with the form prepared by the Authority.
Tax Period	A specified period of time for which the Payable Tax shall be calculated and paid.
Tax Registration	A procedure by which a Taxable Person or his Legal Representative registers with the Authority for Tax purposes.
Tax Registration Number (TRN)	A unique number issued by the Authority for each Person registered for Tax purposes.
Registrant	A Taxable Person who has been granted a TRN.
Legal Representative	The manager of a company or a guardian or custodian of a minor or an incapacitated person, or the bankruptcy trustee appointed by the court for a company that is in bankruptcy, or any other Person legally appointed to represent another Person.
Due Tax	Tax that is calculated and imposed under the provisions of any Tax Law.
Payable Tax	Tax that has become due for payment to the Authority.
Administrative Penalties	Monetary amounts imposed upon a Person by the Authority for breaching the provisions of this Law or the Tax Law.
Refundable Tax	Amounts that have been paid and that the Authority may return, in whole or in part, to the Taxpayer pursuant to the relevant Tax Law, require to use for the payment of amounts due or Administrative Penalties or require to carry forward to future Tax Periods depending on the nature of the refund, according to the Tax Law.

Tax Assessment	A decision issued by the Authority in relation to the Payable Tax or Refundable Tax.
Administrative Penalties Assessment	A decision issued by the Authority concerning any Administrative Penalties due.
Notification	A notification sent to the concerned Person or his Tax Agent or Legal Representative of any decisions issued by the Authority through the means stated in this Law and its Executive Regulation.
Voluntary Disclosure	a form prepared by the Authority pursuant to which the Taxpayer notifies the Authority of an error or omission in the Tax Return, Tax Assessment or Tax Refund application in accordance with the provisions of the Tax Law.
Register	The Register of Tax Agents.
Tax Agent	Any Person registered with the Authority in the Register, who is appointed on behalf of another Person to represent him before the Authority and assist him in the fulfilment of his Tax obligations and the exercise of his associated tax rights.
Tax Audit	A procedure undertaken by the Authority to inspect the commercial records or any information or data related to a Person conducting Business.
Tax Auditor	Any member of the Authority's staff appointed as a Tax Auditor.
Tax Evasion	The use of illegal means resulting in the reduction of the amount of the Due Tax, nonpayment thereof, or a refund of a tax that a person does not have the right to have refunded under any Tax Law.

Article (2) Scope of Application of the Law

The provisions of this Law shall apply to the tax procedures related to the administration, collection and enforcement of taxes by the Authority.

Article (3) Objectives of the Law

This Law aims to achieve the following:

1. Regulation of the mutual rights and obligations between the Authority and the Taxpayer and any other Person dealing with the Authority;
2. Regulation of the common procedures and rules applicable to all Tax Laws in the State.

Title Two Tax Obligations

Chapter One

Keeping Accounting Records and Commercial Books

Article (4) Record Keeping

Any Person conducting any Business shall keep Accounting Records and Commercial Books of his Business and any Tax-related information as determined by the Tax Law and maintain the same according to the controls that will be specified by the Executive Regulation of this Law.

Article (71) - ER
Article (2) - ER
Procedural Law
Article (3) - ER
Procedural Law
Article (4) - ER
Procedural Law

Article (5)
Language

1. Each Person shall submit the Tax Return, data, information, records and documents related to the Tax and that he is required to submit to the Authority in Arabic as determined by the provisions of the Tax Law.
2. The Authority may accept data, information, records, and documents related to Tax in any other language, provided that the Person provides the Authority with a translated copy of any of them into Arabic at his expense and responsibility, if so requested, and in accordance with the Executive Regulation of this Law.

Article (5) - ER
Procedural Law

Chapter Two
Tax Registration

Article (6)

Tax Registration, Tax De-registration and Amendment of Data related Thereto

1. A non-registered Taxable Person or any other Person who has the right to register shall apply for registration under the relevant provisions of the Tax Law.
2. A Registrant shall:
 - a. Include his TRN in all correspondence and transactions with the Authority or with others in accordance with the provisions of the Tax Law.
 - b. Inform the Authority, as per the form prepared by the latter, of the occurrence of any circumstance that might require the amendment of information related to his Tax record kept by the Authority, within 20 business days from the occurrence of such circumstance.
 - c. Apply for de-registration in accordance with the relevant provisions of the Tax Law.
3. The Executive Regulation of this Law will specify the procedures for Tax Registration, de-registration, and amendment of the Tax registration data with the Authority.
4. The governmental entities concerned with licensing businesses shall notify the Authority within a time limit of a maximum (20) business days from the date of issuance of any licence of the fact and according to the provisions of the Executive Regulation of this Law.

Article (6) - ER
Procedural Law

Article (7)

The Legal Representative

Any Person appointed as a Legal Representative of a Taxable Person or his funds or his inheritance shall inform the Authority within 20 business days from the date of his appointment, and according to the procedures that will be specified in the Executive Regulation of this Law.

Article (6) - ER
Procedural Law

Chapter Three
Tax Obligations

Article (8)

Tax Return Preparation and Submission

1. Each Taxable Person shall:
 - a. Prepare the Tax Return for each Tax Period for each Tax within the time limit of registration in accordance with the Tax Law.
 - b. Submit the Tax Return to the Authority in accordance with the provisions of this Law and the Tax Law.
 - c. Settle any Payable Tax as specified in the Tax Return or any Tax Assessment within the timeframe specified in this Law and the Tax Law.

Article (64) - ER

2. Any incomplete Tax Return submitted to the Authority shall be treated as not having been accepted by it if it does not include the basic information determined by the Tax Law.
3. Each Taxable Person is responsible for the accuracy of the information and data in the Tax Return and in all his correspondence with the Authority.
4. Each Taxpayer shall settle any Administrative Penalties prescribed within the period of time specified in this Law and the Tax Law.

Article (9)

Allocating Payable Tax Upon Settlement

1. A Taxable Person shall, when paying any amount to the Authority, specify the type of Tax and the relevant Tax Period to which the amount relates; the Authority shall allocate the payment accordingly.
2. If a Taxable Person makes any payment without specifying the type of Tax or the Tax Period, the Authority shall have the right to allocate the full amount or part thereof according to the mechanism that will be determined in the Executive Regulation of this Law.
3. If a Taxable Person pays more than the Payable Tax amount, the Authority shall have the right to allocate the difference to a subsequent Tax Period, unless such Taxable Person submits a refund application in accordance with the provisions of this Law.
4. If a Taxable Person pays less than the Payable Tax amount, the provisions of Title Three, Chapter Four of this Law shall apply.

Article (7) - ER
Procedural Law

Chapter Four

Voluntary Disclosure

Article (10)

Voluntary Disclosure

1. If a Taxable Person becomes aware that a Tax Return submitted by him to the Authority or a Tax Assessment sent to him by the Authority is incorrect, which resulted in calculating the Payable Tax according to the Tax Law at a value that is less than it should have been, the Taxable Person shall, in this case, apply to correct such Tax Return by submitting a Voluntary Disclosure within the time limit specified in the Executive Regulation of this Law.
2. If a Taxpayer becomes aware that a Tax refund application that he has submitted to the Authority is incorrect, which resulted in calculating the refund to which he is entitled according to the Tax Law, at a value that is more than it should have been, he shall, in this case, apply to rectify the Tax refund application by submitting a Voluntary Disclosure within the time limit specified in the Executive Regulation of this Law.
3. If a Taxable Person becomes aware that a Tax Return submitted by him to the Authority or a Tax Assessment sent to him by the Authority are incorrect, which resulted in calculating the Payable Tax according to the Tax Law at a value that is more than it should have been, he may, in this case, apply to rectify such a Tax Return by submitting a Voluntary Disclosure.
4. If a Taxpayer becomes aware that a Tax refund application that he has submitted to the Authority is incorrect, which resulted in calculating a refund amount to which he is entitled according to the Tax Law at a value that is less than the it should have been, he may, in this case, apply to rectify the Tax refund application by submitting a Voluntary Disclosure.

Article (8) - ER
Procedural Law

Article (25) -
Procedural Law

Title Three Tax Procedures

Chapter One

Notification

Article (11)

Methods of Notification

1. The Authority shall notify a Person of any decisions or procedures through the address stated in the correspondence between the Authority and that Person.
2. The Authority shall notify a Taxable Person through the address stated in the Tax Return, unless the Authority is informed of an address change by the Taxable Person, his Legal Representative or his Agent.
3. In all cases, a Person shall be treated as having been notified of any decision and as having received any correspondence if it appears that the Authority has sent the notification and correspondence according to the provisions of Clauses (1) and (2) of this Article.
4. The Executive Regulation of this Law shall specify the means used for Notifications and correspondence.

Article (9) - ER
Procedural Law

Chapter Two

Tax Agent

Article (12)

Register of Tax Agents

A Register of Tax Agents shall be established at the Authority. For each Tax Agent there will be a file containing everything related to his professional conduct.

Article (13)

Tax Agents Registration

It is not permitted for any Person to practise the profession of a Tax Agent in the State unless he is listed in the Register and licensed for this purpose by the Ministry of Economy and the competent local authority.

Article (14)

Conditions of Registration in the Register

1. Whoever wishes to be listed in the Register shall fulfil the following conditions:
 - a. To be of good conduct and behaviour and have never been convicted of a crime or misdemeanour prejudicial to honour or honesty, notwithstanding that he may have been rehabilitated.
 - b. To hold an accredited qualification from a recognised university or institute showing his specialisation and practical experience as specified in the Executive Regulation of this Law.
 - c. To be medically fit to perform the duties of the profession.
 - d. To hold a professional indemnity insurance contract.
2. A Tax Agent shall notify the Authority of any period during which he ceases to practise his profession as a Tax Agent in case of any impediment, and he can request to resume his practice when such impediment ceases to exist.

Article (10) – ER
Procedural Law

3. The Executive Regulation of this Law shall specify the procedures for listing a Tax Agent in the Register and the rights and obligations of the Tax Agent before the Authority and the Person.

Article (15)

Appointment of a Tax Agent

1. A Person may appoint a Tax Agent to act in his name and on his behalf with regard to his tax affairs before the Authority, without prejudice to that Person's responsibility before the Authority.
2. The Authority may not deal with any Tax Agent regarding any Person if such Person informs the Authority that his agency engagement has ended or that the Tax Agent has been dismissed.

Article (10) –
ER Procedural
Law

Article (16)

Person's Records with the Tax Agent

1. The Tax Agent shall, upon the Authority's request, provide it with all the information, documents, records and data required for any Person represented thereby.
2. The Authority may view the records of any Person available with his Tax Agent and may rely on them for the purposes of Tax Audit, even after the expiry of the agency engagement or the dismissal of the Tax Agent.

Chapter Three

Tax Audits

Article (17)

The right of the Authority to perform a Tax Audit

1. The Authority may perform a Tax Audit on any Person to verify the extent of that Person's compliance with the provisions of this Law and the Tax Law.
2. The Authority may perform the Tax Audit at its office or the place of business of the Person subject to the Tax Audit or any other place where such Person conducts Business, stores goods or keeps records.
3. If the Authority decides to perform a Tax Audit at the place of Business of the Person subject to the Tax Audit or any other place where such Person conducts his Business, stores goods or keeps records, the Authority shall inform him at least five business days prior to the Tax Audit.
4. By way of exception to Clause (3) of this Article, the Tax Auditor has the right of entry to any place where the Person subject to the Tax Audit conducts his Business, stores goods, or keeps records, and as the case may be, it will be temporarily closed in order to perform the Tax Audit for a period not exceeding 72 hours without prior notice in any of the following cases:
 - a. If the Authority has serious grounds to believe that the Person subject to the Tax Audit is participating or involved in Tax Evasion in respect to this Person or another Person;
 - b. If the Authority has serious grounds to believe that not temporarily closing the place where the Tax Audit is conducted will hinder the conduct of the Tax Audit;
5. If the Person who has been given advance notice of the Tax Audit under Clause (3) of this Article attempts to hinder the Tax Auditor's access to the place where the Tax Audit is to be performed. In all cases provided for in Clause (4) of this Article, the Tax Auditor shall obtain the prior written consent of the Director-General; and if the place to be accessed is a place of residence, then a permit from the Public Prosecutor shall also be obtained.

Article (12) - ER
Procedural Law

Article (13) - ER
Procedural Law

6. Places closed under this Article shall be reopened after the lapse of 72 hours, unless the Authority obtains a permit from the Public Prosecutor to extend the closure period for a similar period prior to the expiry of the preceding 72 hours.
7. A criminal case may be initiated only upon an application from the Director-General.
8. The Executive Regulation of this Law shall determine the necessary procedures related to the Tax Audit.

Article (11) - ER
Procedural Law

Article (18)
The Right of the Authority to Access the Original Records or Copies
Thereof During a Tax Audit

While conducting a Tax Audit, the Tax Auditor may obtain the original records or copies thereof, or take samples of the stock, equipment or other assets from the place at which the Person subject to the Tax Audit conducts his business or which are in his possession, or may seize them in accordance with the rules that shall be specified in the Executive Regulation of this Law.

Article (12) - ER
Procedural Law

Article (19)
Timing of the Tax Audit

A Tax Audit will be conducted during the official working hours of the Authority. In cases of necessity, a Tax Audit may be exceptionally conducted outside of these times by a decision of the Director-General.

Article (20)
New Information Surfacing after a Tax Audit

The Authority may audit any issue previously audited if new information that might impact the outcome of the Tax Audit surfaces, provided that the Tax Audit procedures apply in accordance with the provisions of this Law and its Executive Regulation.

Article (21)
Cooperation during the Tax Audit

Any Person subject to a Tax Audit, his Tax Agent or Legal Representative shall facilitate and offer assistance to the Tax Auditor to enable him to perform his duties.

Article (22)
The Rights of The Person who is Subject to Tax Audit

The person subject to tax audit shall have the right to:

1. Request the Tax Auditors to show their job identification cards.
2. Obtain a copy of the Tax Audit Notification.
3. Attend the Tax Audit which takes place outside the Authority.
4. Obtain copies of any original paper or digital documents seized or obtained by the Authority during the Tax Audit, according to what is specified in the Executive Regulation of this Law.

Article (14) - ER
Procedural Law

Article (23)

Notification of the Tax Audit Results

1. The Authority shall inform the Person subject to Tax Audit of the final results of the Tax Audit within the time limit and according to the procedures specified in the Executive Regulation of this Law.
2. The Person subject to the Tax Audit may view or obtain the documents and data on which the Authority based its assessment of Due Tax according to the provisions specified in the Executive Regulation of this Law.

Article (17) -ER
Procedural Law

Chapter Four

Tax Assessment and Administrative Penalties Assessment

Article (24)

Tax Assessments

1. The Authority shall issue a Tax Assessment to determine the Payable Tax and notify the Taxable Person within five business days of its issuance, in any of the following cases:
 - a. The failure of the Taxable Person to apply for registration within the timeframe specified by the Tax Law.
 - b. The failure of the Registrant to submit a Tax Return within the timeframe specified by the Tax Law.
 - c. The failure of the Registrant to settle the Payable Tax stated as such on the Tax Return that was submitted within the time limit specified by the Tax Law.
 - d. The submittal of an incorrect Tax Return by the Taxable Person.
 - e. The failure of the Registrant to account for Tax on behalf of another Person when he is obligated to do so under the Tax Law.
 - f. In case of a shortfall in the Payable Tax as a result of a Person's Tax Evasion, or as a result of a Tax Evasion in which such Person was involved.
2. The Authority may issue an estimated Tax Assessment if it has not been possible to determine the amount of Tax deemed to be a Payable Tax or the Refundable Tax that has not been due to be refunded, as the case may be.
3. The Authority may amend a Tax Assessment that was estimated, based on new information that surface after the issuance of said estimation. It shall notify the concerned Person of these amendments within (5) five business days from the date of amendment.
4. The Executive Regulation of this Law shall specify the information or data that shall be included in the Tax Assessment.

Article (21) -ER
Procedural Law

Article (25)
Administrative Penalties Assessment

1. The Authority shall issue an Administrative Penalties Assessment for a Person and notify him within (5) five business days for any of the following violations:
 - a. The failure of the Person conducting Business to keep the required records and other information specified in this Law and the Tax Law.
 - b. The failure of the Person conducting Business to submit the data, records and documents related to Tax in Arabic to the Authority when requested.
 - c. The failure of the Taxable Person to submit a registration application within the timeframe specified in the Tax Law.
 - d. The failure of the Registrant to submit a deregistration application within the timeframe specified in the Tax Law.
 - e. The failure of the Registrant to inform the Authority of any circumstance that requires the amendment of the information pertaining to his tax record kept by the Authority.
 - f. The failure of the Person appointed as a Legal Representative for the Taxable Person to inform the Authority of his appointment within the specified timeframe, in which case, the penalties will be due from the Legal Representative's own funds.
 - g. The failure of the Person appointed as a Legal Representative for the Taxable Person to file a Tax Return within the specified timeframe, in which case the penalties will be due from the Legal Representative's own funds.
 - h. The failure of the Registrant to submit the Tax Return within the timeframe specified in the Tax Law.
 - i. The failure of the Taxable Person to settle the Payable Tax stated in the submitted Tax Return or Tax Assessment he was notified of, within the timeframe specified in the Tax Law.
 - j. The submittal of an incorrect Tax Return by the Registrant.
 - k. The voluntarily disclosure by the Person of errors occurring in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of this Law.
 - l. The failure of the Taxable Person to voluntarily disclose errors in the Tax Return, Tax Assessment or Refund Application pursuant to Article 10 (1) and (2) of this Law before being notified that he will be subject to a Tax Audit.
 - m. The failure of the Person conducting Business to facilitate the work of the Tax Auditor in violation of the provisions of Article (21) of this Law.
 - n. The failure of the Registrant to calculate Tax on behalf of another Person when the registered Taxable Person is obligated to do so under the Tax Law.
 - o. Any other violation for which a Cabinet Decision is issued.
2. The Executive Regulation of this Law shall specify the information and data that must be included in the Administrative Penalties Assessment.
3. The Cabinet shall issue a resolution that specifies the Administrative Penalties for each of the violations listed in Clause (1) of this Article. Such Administrative Penalties shall be no less than 500 Dirhams for any violation and shall not exceed three times the amount of Tax in respect of which the Administrative Penalty was levied.
4. The imposition of any Administrative Penalty pursuant to the provisions of this Law or any other law shall not exempt any Person of his liability to settle the Due Tax in accordance with the provisions of this Law or the Tax Law.

Article (21) - ER
Procedural Law

Article (10) -
Procedural Law

Chapter Five

Penalties

Article (26)

Tax Evasion Penalties

1. Without prejudice to any more severe penalty applicable under any other law, a prison sentence and monetary penalty not exceeding five times the amount of evaded Tax or either of the two, shall be imposed on:
 - a. a Taxable Person who deliberately fails to settle any Payable Tax or Administrative Penalties.
 - b. a Taxable Person who deliberately understates the actual value of his Business or fails to consolidate his related Businesses with the intent of remaining below the required registration threshold.
 - c. a Person who charges and collects amounts from his clients claiming them to be Tax without being registered.
 - d. a Person who deliberately provides false information and data and incorrect documents to the Authority.
 - e. a Person who deliberately conceals or destroys documents or other material that he is required to keep and provide to the Authority.
 - f. a Person who deliberately steals, mis-uses or causes the destruction of documents or other materials that are in the possession of the Authority.
 - g. a Person who prevents or hinders the Authority's employees from performing their duties.
 - h. a Person who deliberately decreases the Payable Tax through Tax Evasion or conspiring to evade Tax.
2. The imposition of a penalty under the provisions of this Law or any other Law shall not exempt any Person from the liability to pay any Payable Tax or Administrative Penalties under the provisions of this Law or any Tax Law.
3. The competent court shall impose Tax Evasion penalties against any Person who is proven to have been directly involved or instrumental in Tax Evasion pursuant to said Federal Law No. (3) of 1987.
4. Without prejudice to Clause (2) of this Article, any Person who is proven to have been directly involved or instrumental in Tax Evasion pursuant to Clause (3) of this Article shall be jointly and severally liable with the Person whom he has assisted, to pay the Payable Tax and Administrative Penalties pursuant to this Law or any other Tax Law.

Title Four Objections

Chapter One

Application for Reconsideration

Article (27)

Procedures for Application for Reconsideration

1. Any Person may submit a request to the Authority to reconsider any of its decisions issued in connection to him, in whole or in part, provided that reasons are included, within 20 business days from him being notified of the decision.
2. The Authority shall review a request for reconsideration if it has fulfilled the requirements and issue its justified decision within 20 business days from receipt of such application. The Authority shall inform the applicant of its decision within five business days as of the issuance thereof.

Chapter Two

Objections to the Committee

Article (28)

Tax Disputes Resolution Committee

1. One or more permanent committee shall be formed known as the "Tax Disputes Resolution Committee", chaired by a member of the judicial authority and two expert members registered in the register of tax experts to be appointed by a decision by the Minister of Justice in coordination with the Minister.
2. A Cabinet Decision shall be issued regarding the Committee's bylaws, the remuneration of its members, and the procedures followed thereby.

Article (29)

Jurisdictions of the Committee

The Committee shall have jurisdiction to:

1. decide in respect of objections submitted regarding the Authority's decisions on applications for reconsideration.
2. decide in respect of applications for reconsideration that were submitted to the Authority and yet, the Authority has not made a decision in their regard according to the provisions of this Law.
3. any other jurisdictions entrusted to the Committee by the Cabinet.

Article (30)

Procedures for Submitting Objections

1. An objection regarding the Authority's decisions on applications for reconsideration shall be submitted within 20 business days from the date of Notification.
2. An objection submitted to the Committee shall not be accepted in the following instances:
 - a. if a reconsideration request has not been previously submitted to the Authority.
 - b. if the Tax and Penalties subject of the objection have not been settled.

Article (31)

Procedures of the Committee

1. The Committee shall review the objection submitted thereto and make a decision within 20 business days from receipt of the objection.
2. The Committee may extend the period for deciding on the objection for no more than 20 additional business days after the end of the time limit specified in Clause (1) of this Article if it sees that there are reasonable grounds for the purpose of deciding on the objection.
3. The Authority shall inform the Person submitting the objection of its decision within five business days as of its issuance.
4. The Committee's decision on the objection shall be deemed as final if the total amount of the Due Tax and Administrative Penalties determined accordingly does not exceed 100,000 Dirhams.
5. In no case may Tax disputes be brought before the Competent Court if an objection has not been first submitted to the Committee.

Article (32)

Enforcement of the Committee's Decision

Final decisions issued by the Committee regarding disputes which do not exceed 100,000 Dirhams shall be deemed as executory instruments pursuant to this Law, while final decisions of disputes exceeding 100,000 Dirhams shall be deemed as executory instruments if they were not challenged before the Competent Court within 20 business days from the date of rejection of the objection and shall be enforced through the execution judge at the Competent Court pursuant to the Civil Procedure Law in the State.

Chapter Three

Challenge before Courts

Article (33)

Challenge Procedures before Courts

1. Without prejudice to the provisions of Article (32) of this Law, the Authority and a Person may challenge any of the Committee's decisions before the Competent Court within 20 business days from the date of notification of the objector thereof.
2. Challenges may be made to the Competent Court in the following instances:
 - a. An objection to the whole or part of the decision of the Committee.
 - b. Non-issuance of a decision by the Committee regarding an objection submitted to it in accordance with the provisions of this Law.

Title Five

Refund and Collection of Tax

Chapter One

Refund of Tax

Article (34)

Application for Tax Refund

A Taxpayer may apply for a refund of any Tax he has paid if he is entitled to a refund under the Tax Law and it appears that the amount he has paid is in excess of the Payable Tax and Administrative Penalties, pursuant to the procedures specified in the Executive Regulation of this Law.

[Article \(65\) - ER](#)

[Article \(22\) - ER
Procedural Law](#)

Article (35)

Tax Refund Procedures

1. The Authority shall offset the amount applied to be returned against any other Payable Tax or Administrative Penalties due from the Taxpayer who has applied for the refund pursuant to the Tax Return or Tax Assessment issued by the Authority before refunding any amount relating to a particular tax.
2. The Authority may decline to refund the amounts mentioned in Clause (1) of this Article if it finds that there are other disputed Tax amounts that are due in relation to that Person or according to a decision of the Competent Court.
3. The Authority shall issue a Tax refund under this Article pursuant to the procedures and provisions specified in the Executive Regulation of this Law.

[Article \(22\) - ER
Procedural Law](#)

Chapter Two

Tax Collection

Article (36)

Collection of Payable Tax and Administrative Penalties

If a Taxable Person fails to settle any Payable Tax or Administrative Penalties within the specified timeframe under this Law and the Tax Law, the following measures shall be taken:

1. The Authority shall send the Taxable Person a notice to pay the Payable Tax and Administrative Penalties within 20 business days as of the date of Notification.
2. If the Taxable Person fails to make payment after being notified pursuant to Clause (1) of this Article, the Director-General shall issue a decision obligating the Taxable Person to settle the Payable Tax and Administrative Penalties which shall be communicated to him within five business days from the issuance of the decision, accompanied by the Tax Assessment and Administrative Penalties Assessment.
3. The decision of the Director-General regarding the Tax Assessment and Administrative Penalties Assessment shall be deemed as an executory instrument for the purposes of enforcement through the execution judge at the Competent Court.

Chapter Three

Settlement and Collection of Tax and Administrative Penalties in Special Cases

Article (37)

Obligations of the Legal Representative

The Legal Representative shall continue to submit the required Tax Returns to the Authority on behalf of the Taxable Person.

Article (38)

Responsibility of Settlement in the Case of a Partnership

If multiple Persons participate in a Business that does not have an independent legal personality, each of them shall be jointly and severally liable towards the Authority for any Payable Tax and Administrative Penalties related to such Business.

Article (39)

Tax and Administrative Penalties Settlement in Special Cases

1. In cases of death, the Payable Tax shall be paid as follows:
 - a. For the Payable Tax owed by a natural Person prior to the date of death, payment shall be made from the value of the elements of the legacy or income arising thereof prior to its distribution among the heirs or legatees.
 - b. If it appears following the distribution of the legacy that a Payable Tax is still outstanding, legal recourse shall be taken against the heirs and legatees for the payment of such outstanding tax, unless a Clearance Certificate has been obtained from the Authority for the legacy representative or any of the heirs.
2. Payable Tax and Administrative Penalties imposed on a Taxable Person lacking capacity, or who is absent or missing, or of unknown place of residence, or the like, shall be paid by their Legal Representative from the funds and assets of such Taxable Person.
3. Payable Tax and Administrative Penalties imposed on a Taxable Person who is an incapacitated person shall be paid by their Legal Representative from the funds and assets of such Taxable Person.

Article (40)
Settlement of Tax in Bankruptcy Case

1. The appointed Trustee shall communicate with the Authority to be informed of the Due Tax or of its intention to perform a Tax Audit for specific tax period (s).
2. The Authority shall notify the Trustee of the amount of the Due Tax or of the Tax Audit within 20 business days after being notified by the Trustee.
3. The Trustee may object or appeal against the estimate of the Authority or settle the Due Tax.
4. The Executive Regulation shall specify the procedures of communication with the Authority, grievance, objection and settlement of Due Tax.

Article (23) - ER
Procedural Law

Title Six
General Provisions

Chapter One
Confidentiality

Article (41)
Professional Confidentiality

1. Employees of the Authority shall not disclose information that they have obtained or to which they have had access to in their capacity as employees or by reason of such capacity during their employment, save as specified or defined in accordance with the Executive Regulation of this Law.
2. In all cases provided for in Clause (1) of this Article, disclosure may be made only with the approval of the officers authorised by the Authority's board of directors, in accordance with the Executive Regulation of this Law.
3. The employees of the Authority shall, after cessation of their employment, continue to maintain professional confidentiality, and shall not disclose information that they have obtained or to which they have had access to in their capacity as employees or by reason of such capacity, unless otherwise requested by the judicial authorities and in accordance with the Executive Regulation of this Law.
4. Any person who has obtained information pursuant to the provisions of this Law shall not disclose or use the information for any purposes other than those for which the information was obtained, without prejudice to the liability resulting therefrom where necessary.
5. The Authority's board of directors shall issue the regulations and instructions regulating the internal procedures to protect confidentiality of information within the Authority, and the obligations of the Tax Agent in this regard.

Article (24) - ER
Procedural Law

Article (25) - ER
Procedural Law

Chapter Two

Timeframes and Lapse of Time

Article (42)
Statute of Limitation

1. Except in cases of proven Tax Evasion or non-registration for Tax purposes, the Authority may not conduct a Tax Assessment after the expiration of five years from the end of the relevant Tax Period.
2. In case Tax Evasion is proven, the Authority may conduct a Tax Assessment within 15 years from the end of the Tax Period in which the Tax Evasion occurred.

3. In cases of non-registration for Tax purposes, the Authority may conduct a Tax Assessment within 15 years from the date on which the Taxable Person should have registered.

Article (43)
The Authority's Right to Claim

The Payable Tax and Administrative Penalties of which the Taxable Person has been notified do not lapse with time and the Authority may claim them at any time.

Article (44)
Time Limit for Tax Obligations

In case a period of time is not specified for the performance of any obligations or any other procedure in this Law or the Tax Law, the Authority shall grant the Taxable Person a period commensurate with the nature of the obligation or procedure of not less than five business days and not more than 40 business days from the date of the event giving rise to obligation or the conduct of the procedure.

Article (45)
Calculation of Time limits

In all events, the following rules shall be observed when calculating time limit:

1. The day of notification or the day of occurrence of the event by reason of which the time limit arose shall not form part thereof.
2. If the last day of the time limit coincides with a public holiday, the time limit shall be extended to the first business day thereafter.

Article (46)
Reduction of Administrative Penalties or Waiving Therefrom

If the Authority imposes an Administrative Penalty on any Person for violating the provisions of this Law or the Tax Law, the Authority may reduce or waive such Administrative Penalty if the Person produces evidence justifying the reason for his failure to comply, pursuant to the controls specified in the Executive Regulation of this Law.

Article (26) - ER
Procedural Law

Article (47)
Calendar

Time limits and due dates provided for in this Law and the Tax Law shall be calculated according to the Gregorian calendar.

Chapter Three
Closing Provisions

Article (48)
Proving the Accuracy of Data

The burden of proving the accuracy of the Tax Return falls upon the Taxable Person, and the burden of proving cases of Tax Evasion falls upon the Authority.

Article (49)
Conflict of Interest

All Authority's employees are prohibited from performing or participating in any tax procedures related to any Person in the following cases:

1. The existence of a kinship up to the fourth degree between the employee and said person.
2. The existence of a common interest between the employee and said Person or between any of their relatives up to the third degree.
3. If the Director-General decides that the employee should not perform any tax procedures related to that Person due to any case of conflict of interest.

Article (50)
Judicial Officers

The Director-General and Tax Auditors appointed by a decision of the Minister of Justice in agreement with the Minister shall have the capacity of Judicial Officers in recording violations of the provisions of this Law, the Tax Law or the decisions issued in implementation thereof.

Article (51)
Authority's Fees

The Cabinet shall, according to a suggestion by the Minister, issue a decision specifying the fees due in implementation of the provisions of this Law and its Executive Regulation.

Article (52)
Abrogation of Conflicting Provisions

All provisions contrary to or inconsistent with the provisions of this Law shall be abrogated.

Article (53)
Executive Regulation

The Cabinet shall, according to a suggestion by the Minister, issue the Executive Regulation of this Law within 6 months as of the issuance of this Law.

Article (54)
Publication and Application of this Law

This Law shall be published in the Official Gazette and shall come into effect 30 days from the date of its publication.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi

On: 16 Ramadan 1438 H.

Corresponding to: 11 June 2017

The background is a solid dark blue color. It features several large, overlapping, semi-transparent geometric shapes in a lighter shade of blue. These shapes are primarily triangles and quadrilaterals, some pointing towards the corners and others overlapping in the center, creating a dynamic, layered effect.

Executive Regulations on Tax Procedures

Executive Regulations on Tax Procedures

Cabinet Decision No. (36) of 2017 on the Executive Regulation of Federal Law No. (7) of 2017 on Tax Procedures ('ER Procedural Law')

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Cabinet Decision No. (36) of 2017 on the Executive Regulation of Federal Law No. (7) of 2017 on Tax Procedures

The Cabinet,

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments;
- Federal Decree-Law No. (13) of 2016 on the Establishment of the Federal Tax Authority;
- Federal Law No. (7) of 2017 on Tax Procedures;
- Based on what was presented by the Minister of Finance and approved by the Cabinet,

Has decided:

Title One

Article (1) Definitions

In the application of the provisions of this Decision, the following words and expressions shall have the meanings assigned against each, unless the context otherwise requires:

State	United Arab Emirates
Authority	Federal Tax Authority
Board	Authority's board of directors.
Director-General	Director-General of the Authority
Competent Court	Federal court within whose jurisdiction the Authority's Head Office or branch is located.
Tax	Any Federal tax administered, collected or enforced by the Authority.
Tax Law	Any federal law pursuant to which a Federal Tax is imposed.
Person	A natural or legal person
Business	Any activity conducted in an ongoing, regular and independent manner by any Person and in any location, such as an industrial, commercial, agricultural, professional, vocational or service activity, drilling activities or anything related to the use of material or non-material property.
Premises	the place of business of the Person subject to Tax Audit, any other place in which he conducts his business, or where he stores goods or records.
Taxable Person	A Person who is subject to Tax under the provisions of the relevant Tax Law.
Taxpayer	Any Person who is obligated to pay Tax in the State under the Tax Law, whether such Person is a Taxable Person or an end consumer.
Tax Return	Information and data specified for Tax purposes and submitted by a Taxable Person in accordance with the form prepared by the Authority
Tax Period	A specified period of time for which the Payable Tax shall be calculated and paid.
Tax Registration	A procedure by which a Taxable Person or his Legal Representative registers with the Authority for Tax purposes.

Tax Registration Number (TRN)	A unique number issued by the Authority for each Person registered for Tax purposes.
Registrant	A Taxable Person who has been granted a TRN.
Legal Representative	The manager of a company or a guardian or custodian of a minor or incapacitated person, or the bankruptcy trustee appointed by court for a company that is in bankruptcy, or any other Person legally appointed to represent another Person.
Due Tax	Tax that is calculated and imposed under the provisions of any Tax Law.
Payable Tax	Tax that has become due for payment to the Authority.
Administrative Penalties	Monetary amounts imposed on a Person by the Authority for breaching the provisions of the Law or the Tax Law.
Refundable Tax	Amounts that have been paid and that the Authority may return in whole or in part to the Taxpayer pursuant to the relevant Tax Law require to use for the payment of amounts due or Administrative Penalties or require to carry forward to future Tax Periods depending on the nature of the refund, according to the Tax Law.
Tax Assessment	A decision issued by the Authority in relation to the Payable Tax or Refundable Tax.
Administrative Penalties Assessment	A decision issued by the Authority concerning Administrative Penalties due.
Notification	Notification to the concerned Person or his Tax Agent or Legal Representative of the decisions issued by the Authority through the means stated in the Law and this Decision.
Voluntary Disclosure	A form prepared by the Authority pursuant to which the Taxpayer notifies the Authority of an error or omission in the Tax Return, Tax Assessment or Tax Refund application in accordance with the provisions of the Tax Law.
Register	The Register of Tax Agents.
Tax Agent	Any Person registered with the Authority in the Register, who is appointed on behalf of another Person to represent him before the Authority and assist him in the fulfilment of his Tax obligations and the exercise of his associated tax rights.
Tax Audit	A procedure undertaken by the Authority to inspect the commercial records or any information or data related to a Person conducting Business.
Tax Auditor	Any member of the Authority's staff appointed as a Tax Auditor.
Documents	Original documents or copies thereof that are related to the Person conducting a Business, and forming a part of the Person's legal records.
Assets	Tangible assets, including equipment, machinery, stock and others, that the Authority has considers as owned, leased or used in connection with the conduct of business by any Person.
The Law	Federal Law No. (7) of 2017 on Tax Procedures.

Title Two Keeping Accounting Records and Commercial Books

Article (2)

Keeping Accounting Records and Commercial Books

1. Accounting Records and Commercial Books shall include the following:
 - a. Accounting books in relation to that Business, which include records of payments and receipts, purchases and sales, revenues and expenditures, and any business, and any matters as required under any Tax Law or any other applicable law, including:
 - 1) Balance sheet and profit and loss accounts.
 - 2) Records of wages and salaries.
 - 3) Records of fixed assets.
 - 4) Inventory records and statements (including quantities and values) at the end of any relevant Tax Period and all records of stock-counts related to Inventory statements.
 - b. Additional records as may be required in the Tax Law and its Executive Regulation.
2. In addition to the Accounting Records and Commercial Books mentioned in Clause (1) of this Article, the Authority may require any other information in order to confirm, through an audit trail, the Person's Tax obligations, including any liability to register for Tax purposes.

Article (4) -
Procedural Law

Article (71) - ER

Article (3)

Period of Record-Keeping

1. Every Person holding and maintaining any of the records mentioned in Article (2) of this Decision, shall keep these records in a manner that enables the Authority, or an officer authorised by the Authority, to ascertain that Person's Tax obligations, as follows:
 - a. For a period of (5) years after the end of the Tax Period to which they relate in the case of a Taxable Person.
 - b. For a period of (5) years from the end of the calendar year in which the concerned document was created in the case of non-Taxable Persons.
 - c. For a period specified in the Tax Law for real estate records.
2. The Authority may, before the expiry of the period specified in paragraph (a) of Clause (1) of this Article, inform the Person to retain the records for a further period not exceeding (4) years, in cases where he is required to do so including the following:
 - a. If the Taxable Person's tax obligations are subject to a dispute between him and the Authority.
 - b. If the Person is being subject to a Tax Audit and that Tax Audit has not yet been completed.
 - c. If the Authority has given notice to the Person that it intends to conduct a Tax Audit before the expiry of the period specified in Clause (1) of this Article.
3. If a Person is no longer a Taxable Person, he shall be required to comply with the provisions of paragraph (b) of Clause (1) of this Article.
4. Where a Person enters into bankruptcy proceedings, his Legal Representative is required to keep the records of that Person for 12 months from the date on which those proceedings have come to an end.
5. For the purposes of Clause (4) of this Article, should the Authority require the records to be kept for a longer period, it may take possession of them, at a time agreed with the Legal Representative responsible for the relevant bankruptcy proceedings.

Article (4) -
Procedural Law

Article (71) - ER

Article (4)

How to Keep Accounting Records and Commercial Books

1. Unless otherwise required by the Tax Law, the obligation to maintain Accounting Records and Commercial Books shall be met through any of the following:
 - a. Creating the record and the retention of original Documents which support the entries contained in the record.
 - b. Creating the record and preserving the information that was contained in the original document, provided that:
 - 1) The information matches the data contained in the original document and shall be available during the periods referred to in Article (3) of this Decision.
 - 2) The information retained or stored in either photocopy or electronic form, and an easily readable copy of it can be reproduced within a reasonable period, if requested by the Authority.
2. The Authority may lay down the rules of preserving information contained in Accounting Records and Commercial Books, and impose such reasonable requirements for ensuring that the information will be as readily available to it as if the original records themselves had been preserved.

Article (4) -
Procedural Law

Article (71) - ER

Article (5)

The use of a language other than the Arabic

1. Tax Return, data, information, records and other Documents related to any Tax shall be submitted to the Authority in Arabic, as per the mechanism specified by the Tax Law.
2. As an exception to Clause (1) of this Article, the Authority may accept data, information, records and other Documents related to any Tax to be submitted to it in English; the Authority may, at its discretion, request the Person to translate some or all of these to Arabic.
3. Where the data, information, records and other Documents related to any Tax are issued in any foreign language other than English, the Person is required to submit these Documents to the Authority as translated into Arabic.
4. The Person submitting any translation of data, information, records and other Documents related to any Tax to the Authority shall be liable for the accuracy and correctness of the translation, and shall bear all associated costs. The Authority shall have the right to rely on the translation provided.

Article (5) -
Procedural Law**Title Three****Registration and De-Registration for Tax Purposes**

Article (6)

Procedures of Tax Registration, De-registration and Amending Details of Registration

The following procedures with respect to tax registration and de-registration shall be followed:

1. A Tax Registration application shall be submitted by the non-registered Taxable Person or any other Person who has the right to be registered to the Authority according to the forms adopted by the Authority in this regard.
2. A Tax de-registration application shall be submitted to the Authority by the Registrant who is required or has the right, to be deregistered based on the forms adopted by the Authority in this regard.

Article (6) -
Procedural Law

3. The Authority shall review the tax registration or de-registration application in accordance with the rules adopted in this regard
4. Tax registration or de-registration shall be finalised by issuing the Tax Registration Number for the applicant, or cancelling this number, or reactivating the Tax Registration Number if the Authority re-registers a Person, as the case may be.
5. The Authority shall notify the Person of his tax registration or de-registration or the reactivation of his registration based on the mechanism adopted thereby in this regard.
6. A Registrant shall within (20) business days notify the Authority of any of the following:
 - a. Any change to the name, address, articles of association, or nature of the Business of that Registrant.
 - b. Any change to the address from which any Business is conducted by that Registrant.
7. The Government body responsible for issuing business licences shall inform the Authority in writing of any licences that has been issued thereby on the form specified by the Authority, within (20) business days from issuing the licence, provided that such notification include the following:
 - a. The name of the business.
 - b. The type of commercial licence.
 - c. The commercial licence number.
 - d. The date of issuance of the commercial license.
 - e. The registered address of the business.
 - f. Description of the activities of the business.
 - g. The details of the owners and directors of the business.
 - h. Any other information requested by the Authority.
8. Any Person appointed as a Legal Representative is required to give a notice of his appointment to the Authority within (20) business days from the appointment date, such notice shall be in writing or by the form determined by the Authority, and shall include the following:
 - a. The type of appointment.
 - b. The Person's responsibilities.
 - c. The duration of the appointment, in the case of fixed-term appointment.
 - d. The name, address and Tax Registration Number, if applicable, of the Taxable Person who is represented by the Legal Representative.
 - e. The name and address of the Legal Representative.
 - f. The legal basis of the appointment.
9. When a notice is given in accordance with Clause (8) of this Article, it shall be accompanied by appropriate evidence of the appointment of the Legal Representative, such as a copy of the document that states the legal basis for the appointment.
10. The Authority may request further information from the applicant about the appointment of the Legal Representative and may obtain from other persons information relating to the appointment in order to verify the details of the appointment.
11. Where the Authority accepts the appointment of the Legal Representative, it will notify the Legal Representative of the acceptance of his appointment within (20) business days as of such acceptance.

Article (7) -
Procedural Law

Title Four

Tax Obligations

Article (7)

Allocation of Unidentified payments

1. If the Taxable Person settles any amount to the Authority without specifying the type of Tax or Tax Period to which it relates, the Authority may allocate the amount for settling any debts or liabilities due to the Authority based on seniority.
2. If the amount received by the Authority under Clause (1) of this Article, exceeds the Taxable Person's existing liabilities, the Authority shall treat the excess amount received as a credit against future liabilities of the Taxable Person, where the Taxable Person did not request the excess amount to be returned.
3. The Authority shall notify the Taxable Person regarding the allocation of payments according to Clause (1) of this Article.

Article (9) -
Procedural Law

Title Five

Voluntary Disclosure

Article (8)

Time Limits for Voluntary Disclosure

1. If a Taxable Person becomes aware that a Tax Return submitted by him to the Authority or a Tax Assessment sent to him from the Authority are incorrect, resulting in a calculation of the Payable Tax according to the Tax Law being less than required by more than (10,000) Dirhams, the Taxable Person shall make a Voluntary Disclosure to the Authority within (20) business days from the date when the Taxable Person became aware of the error.
2. If a Taxable Person becomes aware that a Tax Return submitted by him to the Authority or a Tax Assessment sent to him from the Authority is incorrect, resulting in a calculation of Payable Tax according to the Tax Law being less than required by not more than (10,000) Dirhams, the Taxable Person shall make the following:
 - a. To correct the error in the Tax Return for the Tax Period in which the error has been discovered, if the Taxable Person is obligated to submit a Tax Return to the Authority for this Tax Period.
 - b. The Taxable Person shall make a Voluntary Disclosure to the Authority within (20) business days from the date of becoming aware of the error, if there is no Tax Return through which the error can be corrected according to paragraph (a) of this Clause.
3. If a Taxpayer becomes aware that a Tax refund application that he has submitted to the Authority is incorrect, resulting in a calculation of a refund to which he is entitled according to the Tax Law being more than the correct amount, the Taxpayer shall make a Voluntary Disclosure to the Authority within (20) business days from the date when the Taxpayer becomes aware of the error, unless the error was a result of an incorrect Tax Return or Tax Assessment, then provisions of Clauses (1) and (2) shall apply.
4. For the purposes of implementing this Article, a Voluntary Disclosure must be made in accordance with the form directed by the Authority.

Article (10) -
Procedural Law

Title Six Tax Notifications

Article (9)

Means of Notification and Correspondence by the Authority

1. The Authority shall execute the Notification by any of the following means:
 - a. Post.
 - b. Registered post.
 - c. By electronic mail to the address provided by the Person being notified.
 - d. Posting on the premises of the Taxable Person
 - e. Any other means as may be agreed by the Person and the Authority

2. If the Authority considers that notifying the unregistered person by the means mentioned in Clause (1) of this Article is not practical for the cases of Notification mentioned in Article (13) of this Decision, the Notification may be made by posting a notice in a printed or written form at the Premises at which a Tax Audit is to be conducted.

3. For the purposes of Clause (1) of this Article, the Authority may use any of the following contact addresses for a Person, according to the cases mentioned:
 - a. For delivery by post or registered post: the address provided by the Person to the Authority, or the address of their usual or last known place of residence or business may be used.
 - b. In case of natural Person: the email address that they have provided to the Authority or the Person's last known email address may be used.
 - c. In case of legal Person: the email address shall be used in the following order:
 - 1) The email address that they have provided to the Authority.
 - 2) The email address of any Person acting in favour or on behalf of the Person being notified concerning the relevant matter.
 - 3) The last known email address of a Person acting in favour or on behalf of the Person being notified concerning the relevant matter.
 - 4) Any other email address of another Person, if there are reasonable grounds to suppose that that Legal Person will receive the Notification through that other Person.

4. For the purposes of making a communication under Clauses (1) and (2) of this Article, the Authority may communicate with either of the following:
 - a. The relevant Person.
 - b. The Tax Agent or Legal Representative of the Taxable Person.

Article (11) -
Procedural Law

Article (13) - ER
Procedural Law

Title Seven Tax Agents

Article (10)

Procedures for listing a Tax Agent in the Register and Rights and Obligations of Tax Agents

1. Anyone requesting to be listed in the Register shall satisfy the following conditions:
 - a. To be of good conduct and behaviour and to have never been convicted of a crime or misdemeanor prejudicial to honour or honesty, irrespective of whether or not he may have been rehabilitated.
 - b. To hold at least a certified bachelor or Master degree in tax, accounting or law from a recognised educational institution, or a bachelor degree in any field plus a tax certification as accepted from an internationally known tax institute.
 - c. To have a relevant recent experience of at least three years, in either tax, qualified accounting or law, with the ability to communicate orally and in writing in both Arabic and English.
 - d. To pass any tests to meet qualification standards as may be specified by the Authority.
 - e. To be medically fit to perform the duties of the profession.
 - f. To hold a professional indemnity insurance contract.
 - g. To perform his activity through a legal person approved by the Ministry of Economy and the local competent authority.
2. The Person shall submit an application for listing in the Register to the Authority using the form specified by the Authority.
3. The Authority may request further information from the Person applying for registration, request an interview with the Person or check references provided in the application before deciding whether or not to list the applicant as a Tax Agent.
4. The Authority shall review the applications and shall issue its decision within (15) business days from receiving the application. Exceptionally, in case of gathering additional information under Clause (3) of this Article, it shall issue the decision within (15) business days from the date of receipt of the information.
5. If the Authority accepts the application, the applicant will be listed in the Register within (5) business days from the date of the Authority's approval of the application or any other date that may be specified by the Authority after settling the required fees.
6. The Authority may refuse an application for listing a Person in the Register in any of the following cases:
 - a. The Person fails to meet the conditions specified in Clause (1) of this Article.
 - b. Listing the Person as a Tax Agent would adversely affect the integrity of the Tax system.
7. The Authority shall notify the Person whether or not his application to be listed in the Register has been accepted or rejected within (20) business days from the date of the Authority's approval of the application.
8. Listing in the Register shall be valid for three years from the date of registration. The relevant Person shall be required to renew his listing before expiration of such period according to the mechanism determined by the Authority.
9. The Authority may de-list the Tax Agent from the Register in any of the following cases:
 - a. If it was proven to the Authority that the Person is not eligible to be a Tax Agent.
 - b. If the Authority found that the continued registration of the Person as a Tax Agent would adversely affect the integrity of the Tax system.
 - c. If he committed a significant violation of the provisions of Law or Tax Law.

Article (14) -
Procedural Law

10. Upon de-listing a Person from the Register, the Authority shall notify that Person regarding the de-listing within (5) business days of the decision and provide reasons for the decision.
11. Where a Person appoints a Tax Agent to act in his name and on his behalf, the Tax Agent shall:
 - a. Assist the Person with his Tax obligations according to a contractual agreement between the Person and the Tax Agent.
 - b. Without prejudice to any obligations in the Law, maintain the confidentiality of any information obtained in the course of performing his duties as a Tax Agent.
 - c. Refuse to participate in any work or plan which may result in a breach of any law by any Person or may jeopardize the integrity of the tax system.
12. In performing his duties as a Tax Agent, the Tax Agent may rely on information provided to him by the Person unless the Tax Agent has reasonable grounds for believing that the information may be incorrect.

Article (15) -
Procedural Law

Title Eight Tax Audits

Article (11) Regularity of Tax Audits

1. When the Authority decides on whether or not to conduct a Tax Audit on a Person, it shall consider the following:
 - a. That a Tax Audit is necessary for protecting the integrity of the Tax system.
 - b. The responsibility of the Person, or anyone associated with him, to comply with the Law and Tax Law.
 - c. The likely Tax revenue at stake, and the administrative and compliance burdens on both the Person and the Authority resulting from performing a Tax Audit.
2. If the Authority decides to re-audit a business, it shall take into consideration the results of the previous Tax Audit, any new information or data, which are likely to change the Authority's position.
3. Notwithstanding Clauses (1) and (2) of this Article, a decision by the Authority to conduct a Tax Audit may not be challenged by any Person.

Article (17) -
Procedural Law

Article (12) Right to Conduct Tax Audit

1. For the purposes of conducting a Tax Audit, the Authority may inspect:
 - a. The Premises.
 - b. The Documents available at the Premises.
 - c. The Assets that are available at the Premises.
 - d. The accounting systems used by the Person subject to Tax Audit.
2. For the purposes of implementing provisions of Clause (4) of Article (17) of this Law, the Tax Auditor shall obtain the prior written consent of the Director-General, as well as a permit from the Public Prosecutor to be able to enter the part of the Premises where the Premises or parts thereof are used as a dwelling.
3. For the purposes of implementing Clause (1) of this Article, the occupational tenant of the Premises, or in the absence of the occupational tenant, any Person the Authority considers as having control over the Premises, shall provide the Authority with all reasonable facilities necessary for the effective exercise of its powers under this Article.

Article (18) -
Procedural Law

Article (17) -
Procedural Law

Article (13)
Notice of Audit

1. Any notice of a Tax Audit sent by the Authority shall state the possible consequences of obstructing the Tax Auditor in the exercise of his duty.
2. Where a Tax Auditor is assigned to carry out a Tax Audit according to Clause (4) of Article (17) of this Law, he shall provide a notice in writing at the beginning of the Tax Audit to the following:
 - a. The occupational tenant of the Premises if he is present at the time of beginning the Tax Audit.
 - b. The Person who appears to be in charge of the Premises if he is present and the occupational tenant is not present.
 - c. In any other case, the notice shall be posted on a prominent place in the Premises.
3. Any other official of the Authority whom a Tax Auditor considers necessary for the effective exercise of his powers under this Decision may accompany the Tax Auditor to any Premises.
4. A Tax Auditor carrying out a Tax Audit at the Premises of a Person based on a permission of the public prosecutor according to Article (12) of this Decision, shall present the permit issued by the Authority as well as the permit obtained from the public prosecutor, in addition to the proof of identity every time he is requested to do so.

Article (9) - ER
Procedural Law

Article (17) -
Procedural Law

Article (14)
Power to remove and retain Original Documents or Assets or make
Copies Thereof

1. Where an original Document is provided to or inspected by a Tax Auditor during a Tax Audit, he may:
 - a. Make copies of the Document.
 - b. Remove the Document for a period specified by the Tax Auditor for the completion of his work, or make copies of it during the removal period, provided that he notifies the Person of such matter.
2. For purposes of Article (12) of this Decision, the Tax Auditor may remove any Asset provided thereto, or inspected by him for a period specified by the Authority for the purposes of completing the Tax Audit.
3. Where a Document is removed under Clause (1) of this Article or an Asset is removed under Clause (2) of this Article, the Authority shall provide a record of what was removed, within (10) business days from the date of removal, to any of the following:
 - a. The owner of the Document or the Asset.
 - b. The occupational tenant of the Premises in which the Document or Asset were removed.
 - c. The Person who had custody or control of the Document or Asset immediately before the removal.
4. The record referred to in Clause (3) of this Article shall include the following:
 - a. The purpose for removing the Asset or Document.
 - b. The nature of the Asset or Document so removed.
 - c. The location where the Asset or Document is stored and the conditions of storage.
 - d. The period for which it is expected to be retained by the Authority.

Article (22) -
Procedural Law

Article (15)

Power to Mark Assets and Record Information

The Authority shall have the power to:

1. Mark Assets for the purpose of indicating that they have been inspected.
2. Obtain and record information relating to the Premises, Assets, Documents and accounting systems that have been inspected.

Article (16)

Storage and Providing Access to removed Documents and Assets

1. Any Documents or Assets removed under Article (14) of this Decision shall be kept and stored by the Authority for the duration required for the completion of the Tax Audit in accordance with the conditions included in Clauses (2) and (3) of this Article.
2. Any Documents or Assets removed and retained shall be returned to the Person to whom a record has been provided under the provisions of Clause (3) of Article (14) of this Decision in a condition as good as practically possible. The Authority may dispose of the Assets that naturally deteriorate and hence cease to have value, in accordance with the internal procedures of the Authority.
3. For perishable Assets, the Authority shall have the right to dispose of them (45) business days after their removal, in accordance with the internal procedures of the Authority.
4. The Authority shall notify the owner of an Asset (10) business days prior to exercising its right under Clauses (2) or (3) of this Article, of its intention to dispose of the Asset in whole or in part, and give the owner an opportunity to take back the Asset in whole or in part.
5. Where the Person from whom the Asset or Document was taken submits a request to view the Asset or Document, the Authority may:
 - a. Allow the Person who made the request to view the Asset or Document under the supervision of the Authority for the purpose of photocopying or photographing the Document or photographing the Asset.
 - b. Photocopy or photograph the Document or photograph the Asset, and provide the photocopy or the photograph to the relevant Person.
 - c. Reject the request where the Authority believes that it would prejudice any of the following:
 - 1) That Tax Audit.
 - 2) The Tax Audit of another Person.
 - 3) Any investigation related to any of the Documents or Assets to be viewed.
 - 4) Any criminal proceedings related to the Document or the Asset to be viewed.

Article (17)

Result of the Audit

1. The Person subject to the Tax Audit shall be notified of the results of the Tax Audit within (10) business days from the end of the audit.
2. Where the Person subject to the Tax Audit is notified of the results of the Tax Audit in accordance with Clause (1) of this Article, he may request the Authority to view or obtain Documents and data on which the Authority based the assessment of Due Tax. Such request shall be made in writing or through such other form adopted by the Authority within (20) business days from the date of the notice provided by the Authority, and shall provide the requested information within (10) business days in the following manner
 - a. A paper or electronic copy of the Document or data requested.
 - b. The original Document or data requested if such Documents or data belong to the Person subject to the Tax Audit who made the request.

Article (23) -
Procedural Law

3. The Authority is not required to provide:
 - a. Documents or data which would reveal internal correspondence or decisions made by the Authority.
 - b. Any confidential information or data related to any other Person or Persons.
 - c. Any Documents or data, which are known to be in possession of the Person, who is subject to the Tax Audit and made the request. In this case, the Authority shall provide the Person subject to the Tax Audit with sufficient information to enable him to identify the Documents and data requested.

Article (18)

Notice to Provide Information or Documents

The Authority may issue a Notification requiring a Person to provide any information or any Documents in relation to himself or another Person, if these Documents or information are considered necessary by the Authority.

Article (19)

Complying with Notifications

1. Where a Person has been notified to provide information or Documents, the Person shall do so within the period specified and by the means and in the form determined in the Notification.
2. Where a Notification requires a Person to provide information or Documents, these shall be submitted at any of the following places:
 - a. A place agreed upon between the Person and the Authority.
 - b. The place determined by the Authority provided that this place is appropriate and not used solely as a dwelling

Title Nine

Tax Assessment and the Administrative Penalties Assessment

Article (20)

Considering Taxes as Debts owed to the Authority

Where an amount of Tax or Administrative Penalty has been assessed and notified to any Person under the Tax Law, it shall be deemed to be a debt to the Authority, and may be collected accordingly.

Article (21)

Notification of Tax Assessment or Administrative Penalty Assessment

1. A notification of Tax Assessment shall contain sufficient information regarding the Tax Assessment, and include at least the following:
 - a. The Taxable Person's name and address.
 - b. The Taxable Person's Tax Registration Number, if applicable.
 - c. The Tax Assessment reference number.
 - d. The Tax to which the assessment relates.
 - e. A Tax summary, which includes: the details of the Tax declared and adjustments made.
 - f. Reasons for Tax Assessment.
 - g. Net Tax due to the Authority or refundable by the Authority.
 - h. The date any Due Tax is payable and the method of payment.

Article (24) -
Procedural Law

2. A notification of an Administrative Penalty Assessment shall contain sufficient information regarding the Administrative Penalty Assessment, and shall include at least the following:
 - a. The Person's name and address.
 - b. The Taxable Person's Tax Registration Number if applicable.
 - c. The Administrative Penalty Assessment reference number.
 - d. The Tax to which the Administrative Penalty Assessment relates.
 - e. The violation for which the Administrative Penalty has been assessed.
 - f. The Administrative Penalty summary, which includes: the amount of Administrative Penalty imposed, the amount of Tax to which the Administrative Penalty relates, and any reductions to the Administrative Penalty.
 - g. Total of Administrative Penalties due to the Authority.
 - h. The date any Administrative Penalty due is payable and the method of payment.

Article (25) -
Procedural Law

Title Ten **Tax Refunds**

Article (22)

Procedures of Getting a Tax Refund

1. Subject to any further conditions specified in the Tax Law, a Taxpayer shall apply for a refund as per the mechanism specified by the Authority.
2. The Authority shall, within (20) business days of an application being submitted, review the application and notify said Taxpayer of accepting or rejecting the refund claim. Where the Authority has reasonable grounds for requiring a period longer than (20) business days to consider his application, it shall notify the relevant Taxpayer thereof.
3. Where the Authority has approved a refund application in accordance with Clause (2) of this Article, it shall, within (5) business days of the approval, either make the appropriate payment to the Person or notify the Person that the Authority will offset the amount requested to be refunded against any other Payable Tax or Administrative Penalties due, or to notify the Person that the refund will be postponed until all due Tax Returns are submitted to the Authority; any amount in excess of such liability shall be refundable in conformity with the conditions contained in the Tax Law.
4. The payment of a refund amount shall be made to the Person entitled to the refund by the means acceptable to the Authority.

Article (34) -
Procedural Law

Article (35) -
Procedural Law

Title Eleven **Bankruptcy Cases**

Article (23)

Responsibilities of Bankruptcy Trustee in Case of Bankruptcy

1. If a Business or part of a Business is subject to bankruptcy proceedings and a Person has been appointed as a trustee in bankruptcy, that trustee shall be treated as representing and carrying out the Business or the part of the Business until the expiration date of his appointment as a trustee in bankruptcy under the Federal Decree Law No (9) of 2016.
2. Where the Authority has notified an appointed trustee of the Due Tax, the trustee may apply for a review, objection or appeal of the decision, in accordance with the rules and controls stated in Title Four of the Law.
3. Any Payable Tax due to the Authority shall be paid by the trustee in accordance with the settlement mechanism applicable to the Payable Tax.

Article (40) -
Procedural Law

Title 12

Disclosure of Information

Article (24) Disclosure of information

1. The Authority staff and any Persons delegated by the Authority to execute the provisions of the Law or the Tax Law shall not disclose information they become aware of by virtue of carrying out a function at the Authority, except in the following cases:
 - a. The disclosure is made upon a decision of a judicial authority for the purposes of a civil or criminal case before the Competent Court with respect to a matter falling within the Authority's functions.
 - b. The disclosure is made to a competent government entity that was determined by a decision of the board of directors, after concluding a memorandum that stipulates such disclosure, the use that may be made of the information disclosed, the arrangements for the control, security, subsequent disclosure and the accuracy of the information, including the access to that information by Persons.
 - c. The disclosure is made in the implementation of international conventions or treaties.
 - d. The disclosure is requested by a Person or their Tax Agent in relation to any part of their file which is held by the Authority.
 - e. The disclosure is made to another specialised Authority's staff member, provided it is made at a place and in accordance with the confidentiality conditions under which the Authority expects that Person to perform his duties and functions.
2. For purposes of Clause (1) of this Article, "the Authority's staff" means:
 - a. The chairman and members of the Board.
 - b. The Director-General.
 - c. Any other officer of the Authority.
3. For the purposes of implementing this Article, the Board may specify the following:
 - a. The Persons working at the Authority, whose functions allow them to disclose information and the nature or category of such information which may be disclosed.
 - b. The date on which disclosure may be made.

Article (25)

Disclosure of Information by the Authority's Staff after Leaving Function

If an Authority's staff member leaves his job, he shall remain under the same duty of confidentiality in respect of information known or held by him at the time that he was authorised to carry out his functions as a competent officer of the Authority, save where a Competent Court or the Public Prosecutor orders the disclosure of any such information.

Article (41) -
Procedural Law

Article (41) -
Procedural Law

Title Thirteen

Reduction in or exemption from Administrative Penalties

Article (26)

Reduction of Administrative Penalties or Exemption Therefrom

1. The Authority may reduce or waive any administrative penalties imposed on any person whose violation of the provisions of the Law or Tax Law was proved, according to the following provisions:
 - a. The Person has an excuse that is acceptable to the Authority.
 - b. The Person provides evidence that justifies the excuse and the violation it caused, which led to the imposition of Administrative Penalties.
 - c. The reduction or exemption application shall be notified to the Authority as per the mechanism specified by the Authority within 10 business days as of the end of the acceptable excuse.
 - d. The Person shall not have been subject to any Administrative Penalties in the 2 years preceding the application.
 - e. The Person shall demonstrate that they have corrected the violation.
2. For the purposes of paragraph (a) of Clause (1) of this Article, an acceptance of an excuse shall be decided by a committee, set up by a decision of the Director-General, consisting of three officers, specialised in reviewing the excuse and evidence provided by the violating Person, and accepting or rejecting the excuse subject to Clauses (3) and (4) of this Article.
3. An excuse shall not be considered acceptable if the act that led to the violation was deliberate.
4. The following shall not ordinarily be considered an acceptable excuse:
 - a. Insufficiency of funds.
 - b. Reliance on another Person.
5. The Authority shall make its decision in respect of the reduction of the Administrative Penalties or exemption therefrom within (20) business days from receiving the application, and shall notify the Person of said decision within (10) business days as of issuing its decision.

Article (27)

Abrogation of Contradicting Provisions

Any provision contrary to or inconsistent with the provisions of this Decision shall be abrogated.

Article (28)

Publication and Application of this Decision

This Decision shall be published in the Official Gazette and shall come into effect from the date of its issuance.

Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by us

On: 4 Muharram 1439H

Corresponding to: 24 September 2017

Article (46) -
Procedural Law

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