

# United Arab Emirates

## All you need to know about UAE VAT Registration

### Introduction

The Federal Tax Authority (FTA) has issued the guidelines for obtaining VAT registration. The guidelines would help the businesses in UAE to adhere to the first step of compliance i.e. applying for VAT registration.

Some of the key aspects of the guidelines are enumerated as follows:

### Basics of VAT Registration

#### Registration criteria for businesses resident in the GCC

SN	Registration Type	Remarks
1	Registration for person making only Zero-rated Supply	<ul style="list-style-type: none"> <li>○ May not be required to obtain registration – but VAT application should be filed and the question “Are you applying for an exception from VAT registration?” should be answered “yes”</li> </ul>
2	Mandatory Registration	<ul style="list-style-type: none"> <li>○ Turnover exceeds AED 375,000 in the last 12 months</li> <li>○ Turnover expected to exceed AED 375,000 in the next 30 days</li> </ul>
3	Voluntary Registration	<ul style="list-style-type: none"> <li>○ Turnover or expenses subject to VAT exceeds AED 187,500 in the last 12 months</li> <li>○ Turnover or expenses subject to VAT is expected to exceed AED 187,500 in the next 30 days</li> </ul>

- While it is not mandatory to apply for registration at this juncture, nevertheless the FTA is inviting applications for VAT purposes (where the registration criteria set out above have been met) in the interim in order to help businesses operating in the UAE prepare in good time for the implementation of VAT on 1<sup>st</sup> January 2018;
- Person can be individual, legal person or another form of entity (e.g. an unincorporated body such as a charity or club, a partnership or trust);
- Federal or Emirate Government bodies and other similar entities should register in the name of the relevant body even if they are not operating a business;



## One person one Tax Registration Number (TRN)

- One person can hold only one TRN under VAT law at one time (i.e. person cannot hold two TRNs);
- Branches are not separate legal entities and only the entity of which they are branches shall apply for registration;
- For branches in more than one Emirate, only one VAT registration is required.

## Key definitions

- **Turnover**  
For the purposes of registration, turnover shall include:
  - Taxable supplies made or to be made;
  - Value of taxable goods and services imported; and
  - If you acquire a whole or part of another business, the value of taxable supplies made by the acquired whole or part of the business.
- **Business**  
A business can be constituted in any form. It includes sole traders, partnerships, incorporated or unincorporated bodies (including clubs and associations, trusts and charities)
- **Legal Person**  
An entity with legal personality formed under the relevant laws that is capable of entering into contracts in its own name (E.g. A company formed under Companies' Laws or a Limited Liability Partnership, or the companies formed by Decree under local laws in the Emirates)
- **Taxable supply**  
All supplies of goods and services made in the UAE are taxable supplies, other than specified exempt supplies.

## Tax Group

- Conditions for forming a Tax group:
  - a. Two or more **legal persons**;
  - b. Each person of tax group must be resident in the UAE;
  - c. Person in tax group should be related and shall fulfil the specified control criteria;
- Only the prospective representative member of group can create a Tax group by first applying for VAT registration using the standard VAT registration application form;
- Upon submission of the application, a Tax Identification Number (TIN) would be allocated;
- On the basis of TIN, a separate tax group registration application will have to be made and only when Group application is accepted and approved, a TRN will be issued.



## Required Data for Online VAT application

- Documents specific to each legal status of applicant are prescribed and it is suggested that same should be kept ready before filing online application. The list of specific documents is as below -

Natural person	Incorporated Bodies (e.g. a company, a UAE company established by Decree or Limited Liability Partnership)	Other non-Corporate bodies (e.g. a partnership, trust, club, charity, etc.)	Government entity
Trade License(s)	Trade License(s)	Trade License(s)	Law or decree of establishment
Emirates ID	Certificate of Incorporation (Free Zone Companies)	Certificate of Incorporation (if applicable)	Contact Information
Partnership Agreement (if applicable)	Certificate of Incorporation (if applicable)	Certificate of Incorporation (if applicable)	Contact Information
Contact Information	Articles of Association/ Partnership Agreement (if applicable)	Club or Association Registration	Bank Account details
Bank Account details	Contact Information	Contact Information	Customs details (if applicable)
Financial Statements	Bank Account details	Bank Account details	Authorized Signatory documents
Customs details (if applicable)	Financial Statements	Financial Statements	
Passport and Emirates ID	Customs details (if applicable)	Customs details (if applicable)	
	Authorized Signatory documents	Authorized Signatory documents	
	Passport and Emirates ID of manager, owner and senior management	Passport and Emirates ID of manager, owner and senior management	

- Above documents should be uploaded online in PDF/JPG/PNG/JPEG format with size limit of 2 MB each.

### GENERAL

*The conclusions reached and views expressed in the alert are matters of opinion. We have prepared this alert based on our understanding and interpretation of guidelines issued by Federal Tax Authorities on their official website. There can be no assurance that the authorities will not take a position contrary to that expressed in this alert. We do not bear any responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this alert unless specifically requested.*



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