



الهيئة الاتحادية للضرائب  
FEDERAL TAX AUTHORITY

# VAT Registration



## Registration: Who is required to register for VAT

- **Every taxable person resident** of a member state whose value of annual supplies in the member state exceeds or is expected to exceed the mandatory registration threshold
- The **threshold** for registration will be:
  - Mandatory registration threshold: **AED 375,000**
  - Voluntary registration threshold: at least **AED 187,500**
- Threshold will be **calculated** as follows:
  - Total value of supplies made by a taxable person for the previous 12 months; or
  - Total value of supplies of the subsequent 30 days
  - Value of exempted supplies will not be considered for computing the annual supplies



**No threshold** applies to **non established taxable persons** – they may be required to register



# VAT Registration Turnover Calculation

## **“Taxable Supplies” include:**

- Standard rated supplies
- Zero-rated supplies
- Reverse charged services received (provided the taxable person is responsible for accounting for the tax); and
- Imported goods (provided the taxable person is responsible for accounting for the tax).



## How to register for VAT

- Where an entity is required to register for VAT, or would like to voluntarily register for VAT, it should complete a VAT registration form
- The VAT registration form will be available via the FTA's online portal
- Registrations are expected to open on a voluntarily basis during Q3 2017 and on a compulsory basis during Q4 2017 in order that registrations can be processed in good time for the implementation of VAT on 1 January 2018
- During the application process various documents will be requested to validate the information provided. It is advisable to have these to hand prior to starting the application and copies of the documents should be uploaded with the application.
- Supporting documents will include such items as:
  - Documents identifying the authorized signatory e.g. passport copy, Emirates ID
  - Trade license
  - Other official documents authorizing the entity to conduct activities within the UAE
- Following approval of the application a Tax Registration Number will be issued



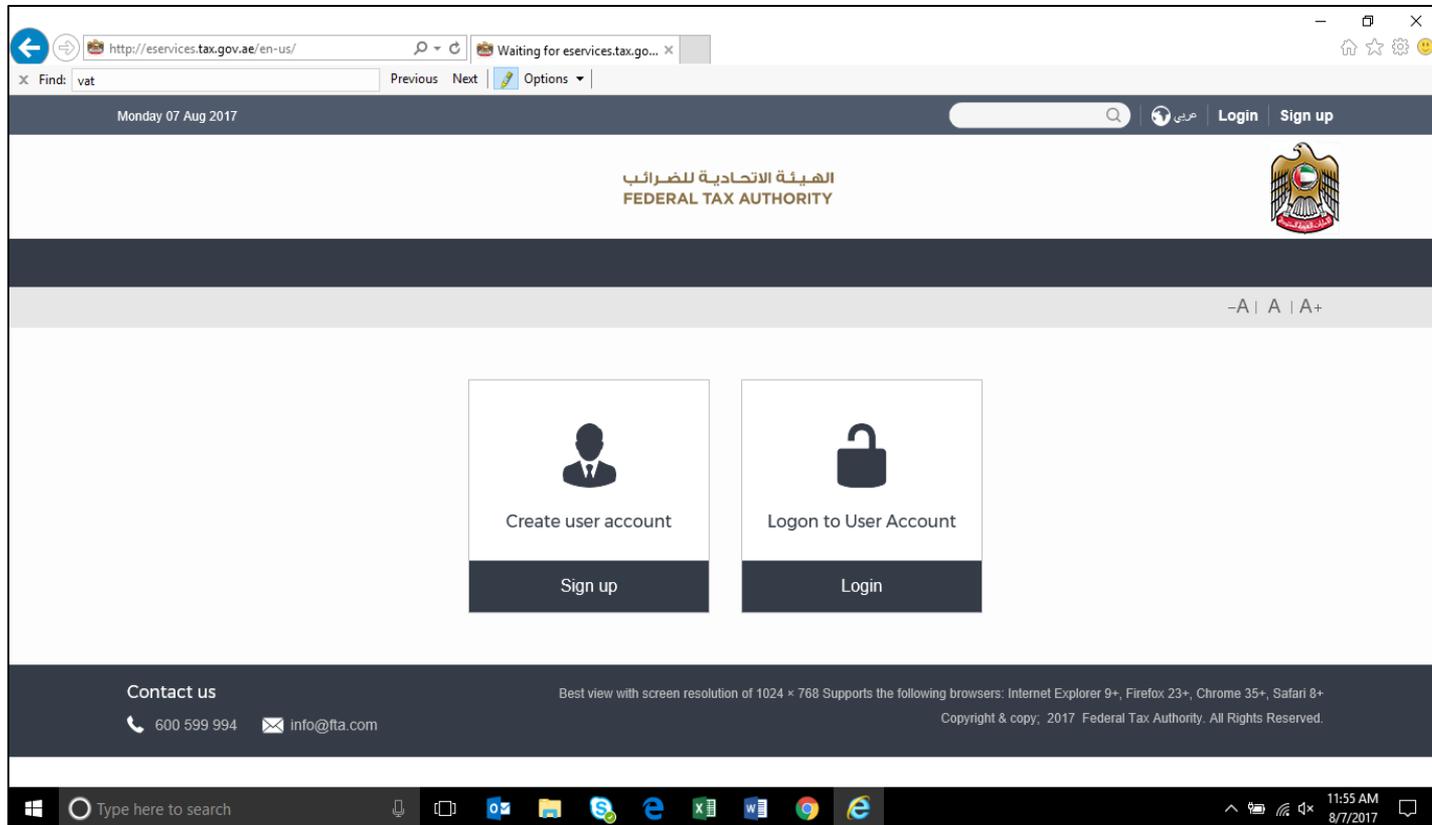
## The VAT registration form

- Simple process – approximately 15 minutes to complete the form
- The form should be completed by a person who is an authorized signatory of the business e.g. a Director, owner, someone holding Power of Attorney to sign on behalf of the business etc.
- Prior to completing the form ensure you have considered the following:
  - Are you required to register for VAT or are you registering voluntarily?
  - Are you applying for a single VAT registration or for registration as a VAT Group?
  - Have supporting documentation & information on hand to upload e.g. trade license, certificate of incorporation, Emirates ID, Articles of Association, bank account details etc.
- The VAT registration form will also ask you to provide details about your business, such as:
  - Description of business activities
  - Last 12 months turnover figures
  - Projected future turnover figures
  - Expected values of imports and exports
  - Whether you expect to deal with GCC suppliers or customers
  - Details of Customs Authority registration, if applicable



# The FTA registration portal

The first time you access the portal you will be required to register your details





# The FTA registration portal

You will be required to create an account in order to gain access to the portal

The screenshot shows a web browser window displaying the sign-up page for the UAE Federal Tax Authority. The browser's address bar shows the URL <http://eservices.tax.gov.ae/en-us/signup>. The page title is "Sign up" and the subtitle is "Welcome to the UAE Federal Tax Authority". The form includes the following fields and elements:

- Email address
- Password must be 6-20 characters long with at least one numeric, one alphabet and one special character such as @, #, \$, %, &, \*
- Password
- Password strength
- Confirm password
- I'm not a robot (with a reCAPTCHA logo)
- Select security question (dropdown menu)
- Answer
- Hint
- I agree to Terms & Conditions of FTA.
- 
- Already registered? [login here](#)

The browser's taskbar at the bottom shows the Windows Start button, a search bar, and various application icons. The system tray on the right indicates the time as 11:56 AM on 8/7/2017.



United Arab Emirates

# الهيئة الاتحادية للضرائب FEDERAL TAX AUTHORITY

## The FTA registration portal

As part of the account creation process, you will be required to verify your e-mail address. An email will be sent to your registered e-mail address with a link which you can click to verify your details and activate your account.



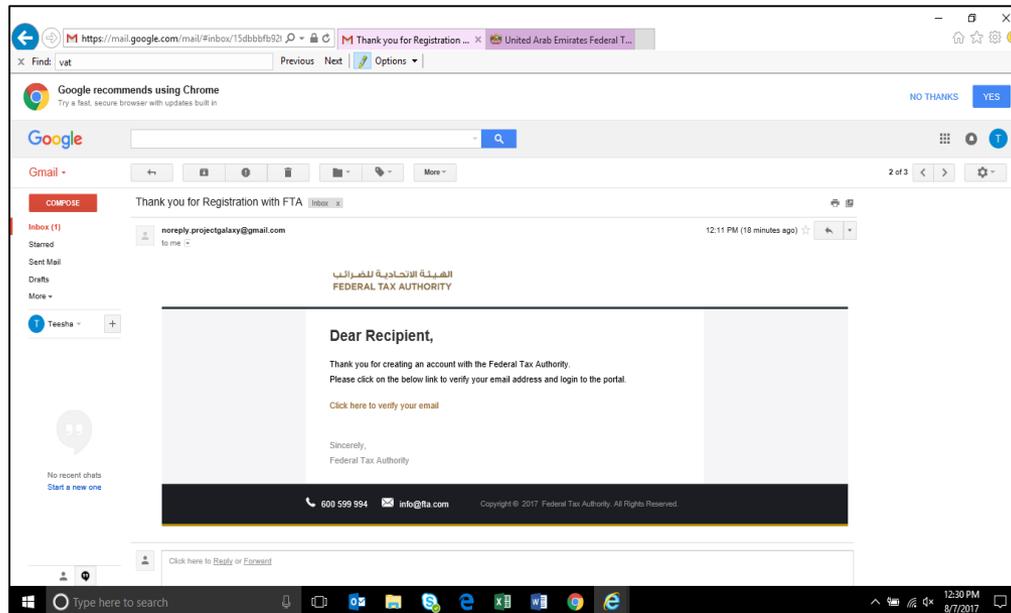
Thank you for signing up. Please follow the instructions sent on your email to verify your account.



Verify your email



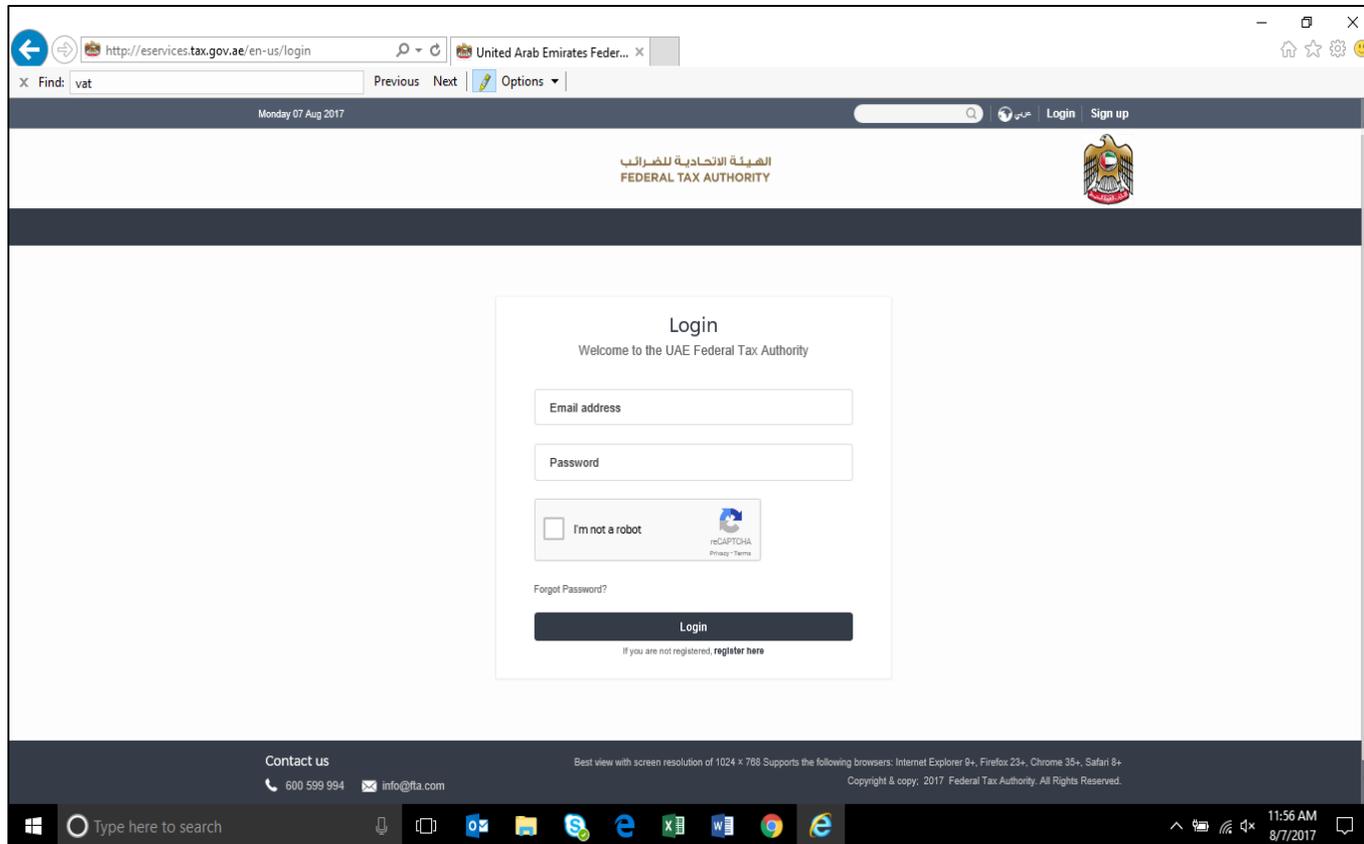
Your account is enabled.  
You can login on [this page](#)





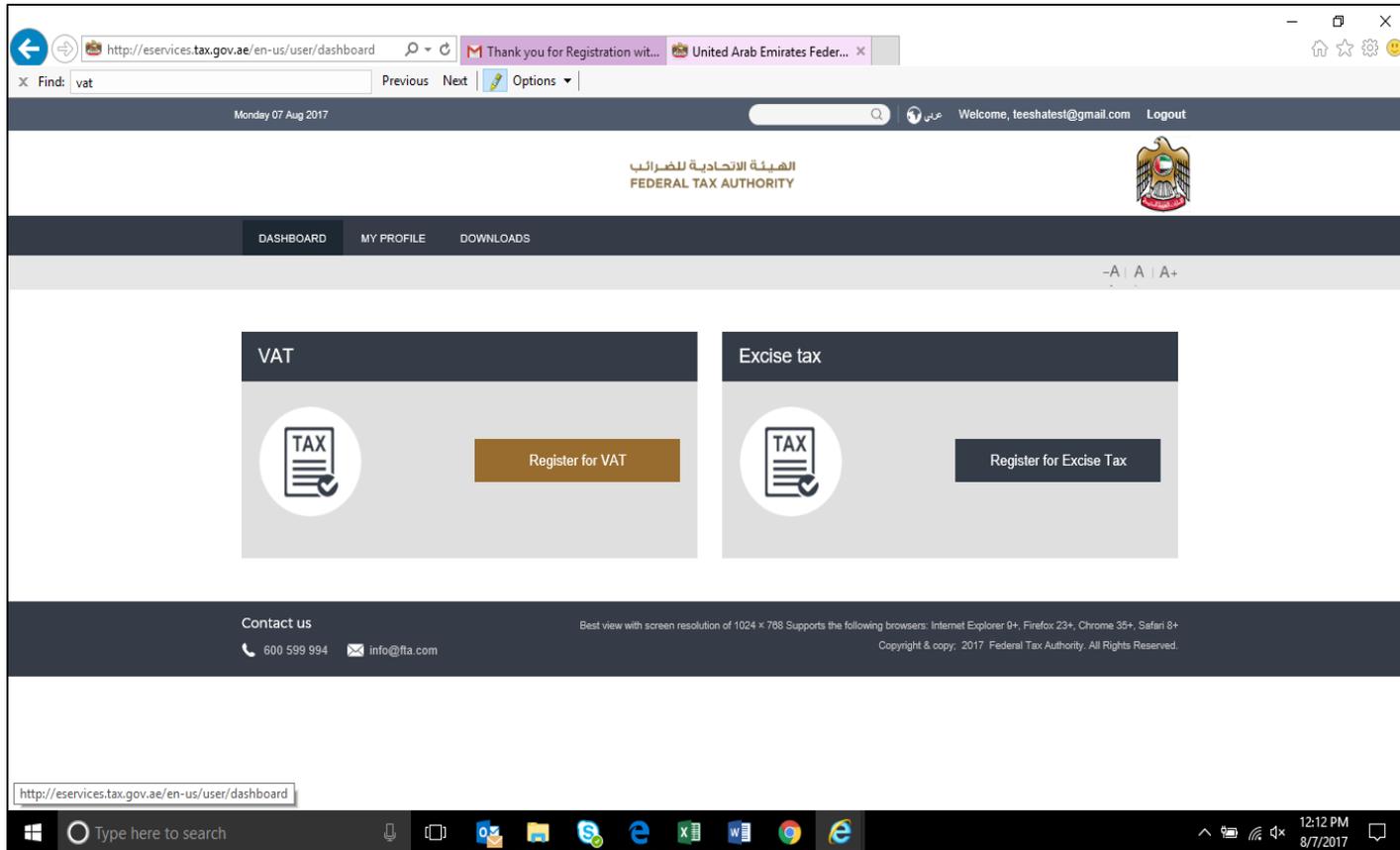
# The FTA registration portal

After the first time accessing the portal, you will simply be required to login using your user details



# The FTA registration portal

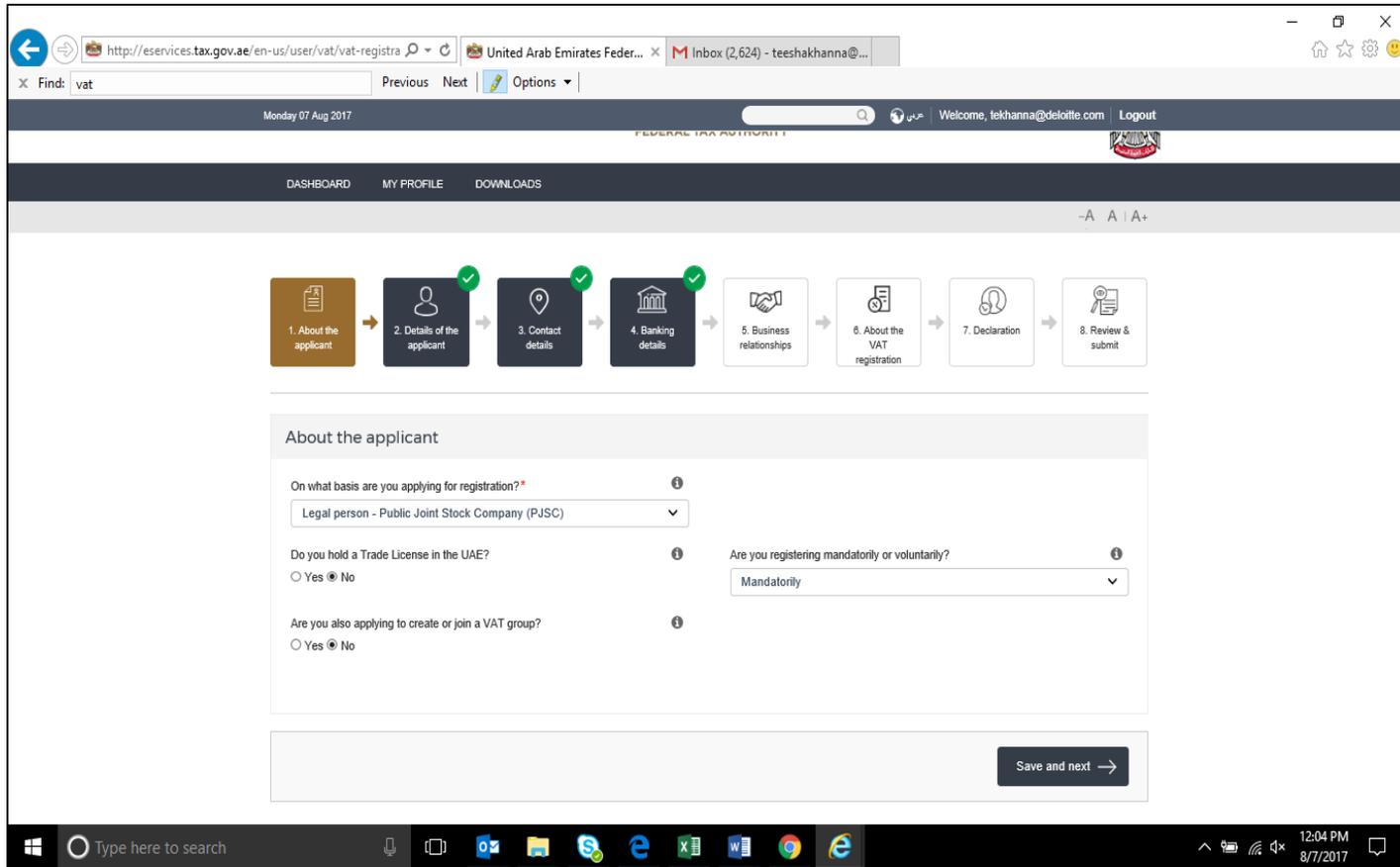
Once you have logged in, you will need to navigate to the VAT registration form



The screenshot displays the user dashboard of the Federal Tax Authority (FTA) registration portal. The browser address bar shows the URL <http://eservices.tax.gov.ae/en-us/user/dashboard>. The page header includes the date "Monday 07 Aug 2017", a search bar, and a welcome message "Welcome, teeshatest@gmail.com" with a "Logout" link. The main navigation menu contains "DASHBOARD", "MY PROFILE", and "DOWNLOADS". The central content area features two prominent registration options: "VAT" and "Excise tax". Each option is represented by a card with a "TAX" icon and a "Register for [Service]" button. The footer contains contact information: "Contact us", phone number "600 599 994", and email "info@fta.com". It also includes a note about browser compatibility and copyright information: "Copyright © & copy, 2017 Federal Tax Authority. All Rights Reserved." The Windows taskbar at the bottom shows the system tray with the time "12:12 PM" and date "8/7/2017".

# The FTA registration portal

You will then be asked to complete the VAT registration form



The screenshot displays the FTA registration portal interface. At the top, there is a navigation bar with 'DASHBOARD', 'MY PROFILE', and 'DOWNLOADS' options. Below this is a progress bar with eight steps: 1. About the applicant, 2. Details of the applicant, 3. Contact details, 4. Banking details, 5. Business relationships, 6. About the VAT registration, 7. Declaration, and 8. Review & submit. Steps 2, 3, and 4 are marked with green checkmarks, indicating they are completed. The current step is 'About the applicant', which contains the following form fields:

- On what basis are you applying for registration?\*: Legal person - Public Joint Stock Company (PJSC)
- Do you hold a Trade License in the UAE?:  Yes  No
- Are you also applying to create or join a VAT group?:  Yes  No
- Are you registering mandatorily or voluntarily?: Mandatorily

A 'Save and next' button is located at the bottom right of the form.



United Arab Emirates

# الهيئة الاتحادية للضرائب FEDERAL TAX AUTHORITY

## The FTA registration portal

If you require assistance during completion of the form, user guides and help sections will be available on the portal

The screenshot displays a web browser window with the URL <http://eservices.tax.gov.ae/en-us/user/downloads>. The page header includes the date "Monday 07 Aug 2017", a search bar, and user information "Welcome, tekhanna@deloitte.com" with a "Logout" link. The main content area is titled "Downloads" and features a single link: "Tax payer's guide-Excise Tax". The footer contains contact information: "Contact us" with phone number "600 599 994" and email "info@fta.com". It also includes a note: "Best view with screen resolution of 1024 x 768 Supports the following browsers: Internet Explorer 9+, Firefox 23+, Chrome 35+, Safari 8+" and a copyright notice: "Copyright & copy, 2017. Federal Tax Authority. All Rights Reserved." The Windows taskbar at the bottom shows the time as 12:06 PM on 8/7/2017.



United Arab Emirates

## الهيئة الاتحادية للضرائب FEDERAL TAX AUTHORITY

# The FTA registration portal

Once you have completed the form and have checked that all of the details are accurate, you should click submit to send the form to the FTA. The FTA will then process the application and will respond to confirm your Tax Registration Number.

The screenshot shows a Gmail interface with a search bar containing 'vat'. The main content is an email from 'noreply.projectgalaxy@gmail.com' with the subject 'Welcome to Federal Tax Authority'. The email body features the FTA logo and the following text:

Dear Recipient,

You have been successfully registered with the Federal Tax Authority, your account can now be accessed using your login details.

Please click on the below link to login to the portal.

[Login](#)

Sincerely,  
Federal Tax Authority

At the bottom of the email, contact information is provided: 600 599 994, info@fta.com, and a copyright notice for 2017.

## VAT Groups - Registration

- Each Member State may treat the Tax Group as a single Taxable Person
- Two or more persons carrying on a business are able to apply for a single “Group” VAT registration where:
  - Each person has a place of establishment or a fixed establishment in the UAE
  - The persons are “related parties”, and
  - Either one person controls the others, or two or more persons form a partnership and control the others

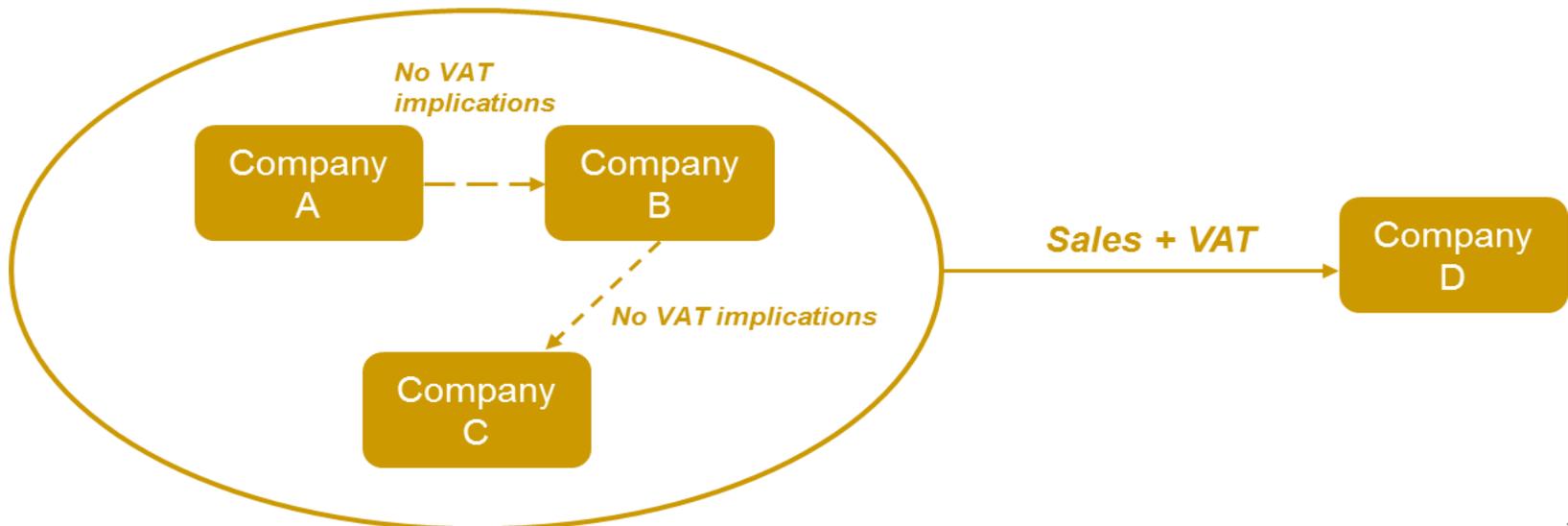


Two or more persons carrying on a business (subject to grouping conditions)

VAT group – for VAT purposes the persons are now treated as a single taxable person

## VAT Groups - Registration

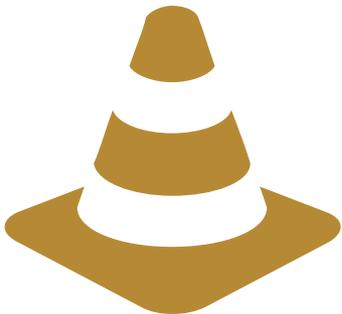
- **Effect:** entities within the VAT group are treated as one entity for VAT purposes
- **Results:**
  - supplies made between members of a VAT group are disregarded from VAT (i.e. no VAT is due on the supplies)
  - Supplies made by the VAT group to an entity outside the VAT group are subject to normal VAT rules



## VAT obligation - Tax Return filing & Payment



- Submission **online**
- Deadlines for submission and payment:
  - the due date will be 28 days following the end of the return period
  - where the due date falls on a weekend or national holiday, the deadline shall be extended to the first following working day



- Late submission or payment can result in a penalty levied by the FTA

## Record-keeping

The following records are required to be kept to ensure accurate tax compliance:

1

**Books of account** and any information necessary to verify entries, including, but not limited to:

- annual accounts;
- general ledger;
- purchase day book;
- invoices issued or received;
- credit notes and debit notes.

2

**Additional records** required for specific taxes

Different taxes may require different records to be kept in order for taxpayers to be compliant, for example, a VAT account.

3

**Any other information** as directed by the FTA that may be required in order to confirm, the person's liability to tax, including any liability to register.

## Record-keeping

Taxable persons for VAT must in addition retain the following records for **at least 5 years**:

Invoices, credit/debit notes	Records of:	VAT account
<ul style="list-style-type: none"><li>❖ All tax invoices and alternative documents related to receiving the goods or services</li><li>❖ All received tax credit notes and alternative documents received</li><li>❖ All tax invoices and alternative documents issued</li><li>❖ All tax credit notes and alternative documents issued</li></ul>	<ul style="list-style-type: none"><li>❖ All supplies and imports of goods and services</li><li>❖ Exported goods and services</li><li>❖ Goods and services that have been disposed of or used for matters not related to business</li><li>❖ Goods and services purchased for which the input tax was not deducted</li></ul>	<ul style="list-style-type: none"><li>❖ VAT due on taxable supplies (incl. those related to the reverse charge mechanism)</li><li>❖ VAT due after error correction or adjustment</li><li>❖ VAT deductible after error correction or adjustment</li><li>❖ VAT deductible for supplies or imports</li></ul>



## Simplified VAT invoices

Where consideration for a supply is less than 10,000 AED a simplified VAT invoice may be issued.

### **Simplified VAT Invoice**

- “tax invoice” in a prominent place
- Name, address & TRN of supplier
- Date of issue
- Description of goods or services
- Total amount payable
- Total VAT chargeable



Not less than 500 dirham  
and not more than 3 times  
the amount of tax for which  
the penalty was levied

## Penalties

### Administrative Penalties - Examples

- Administrative penalties are intended to address non-compliance, and encourage compliance.
- The FTA has the power to waive or reduce penalties at its discretion (e.g. taxable person has a reasonable excuse for the error).
- Few **examples** of administrative violation:
  - ❖ If the person conducting a business fails to keep the required records and other information;
  - ❖ If the person conducting a business fails to submit the data, records and documents related to tax in Arabic language when requested by FTA;
  - ❖ If the taxable person fails to submit a registration application within the period required.



Up to five times the  
relevant tax at stake and  
a prison sentence

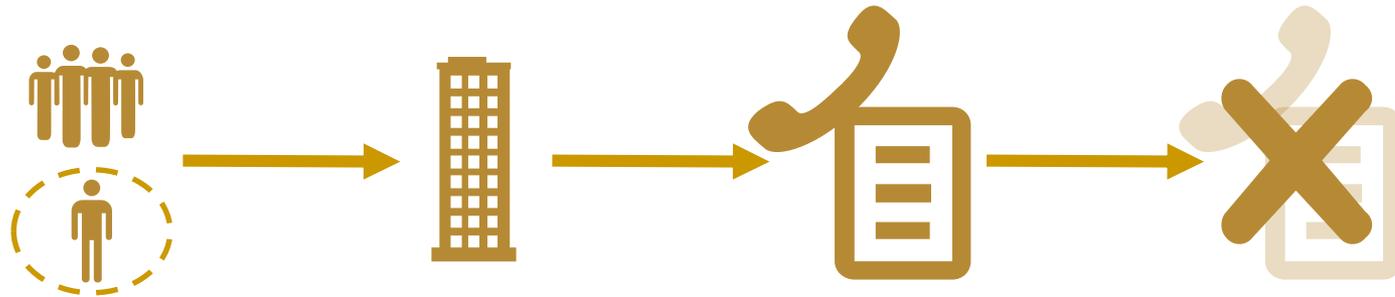
## Penalties

### Tax Evasion Penalties - Examples

- The FTA can issue penalties for tax evasion.
- Tax evasion is where a person uses illegal means to either lower the tax or not pay the tax due, or to obtain a refund to which he is not entitled under law.
- The imposition of a penalty under tax law does not prevent other penalties being issued under other laws.
- Few **examples** of instances of tax evasion:
  - ❖ Where a person deliberately provides false information and data and incorrect documents to the FTA;
  - ❖ Where a person deliberately conceals or destroys documents or other material that he is required to maintain and provide to the FTA.

## Audits

The FTA can visit businesses to inspect records and make sure persons are paying or reclaiming the right amount of tax, and are able to check whether businesses are liable to be registered where they are not.



1

FTA will **apply risk based selection criteria** to determine whom to audit

2

FTA will usually conduct the audit at the **person's place of business** or at the FTA offices

3

If audit at the person's place, must be informed at least **5 business days** prior to the audit

4

FTA can close the place of business for up to 72 hours (e.g. suspect tax evasion)

## Audits

