



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization

ICC UAE VAT RETURNS WORKSHOP

29th March 2018

Dubai Chamber of Commerce & Industry



OVERVIEW OF VAT

Direct Tax

- The person paying the tax to the Government directly bears the incidence of tax
- It is progressive in nature – high rate of taxes for people having higher ability to pay.
- Eg. Income Tax

Indirect Tax

- The person paying the tax to the Government collects the same from the ultimate consumer.
- The incidence of tax is shifted to the other person.
- Regressive in nature – all consumers equally bear the burden, irrespective of their ability to pay.
- Eg. Customs Duty, Excise Tax, Value Added Tax

Value Added Tax

- Tax on the value added to the commodity at each stage in production and distribution chain.
- It is a system to collect tax on the value at the final or retail point of sale.
- VAT is a consumption tax because it is borne ultimately by the final consumer of goods.

Variants of VAT

- **Consumption Variant**: allows deduction for all business purchases including capital assets.
- Thus gross investment is deductible in calculating the value added.
- It neither distinguishes between capital and revenue expenditures nor specifies the life of assets or depreciation allowance for different assets.

Origin/Destination Principle

- Origin based tax – levied, collected and retained by the State where the goods are produced.
- “Origin Principle” – value added domestically on all goods whether exported or locally consumed.
- No Tax on value added abroad
- Exports are taxed and Imports are exempt under this Origin Principle

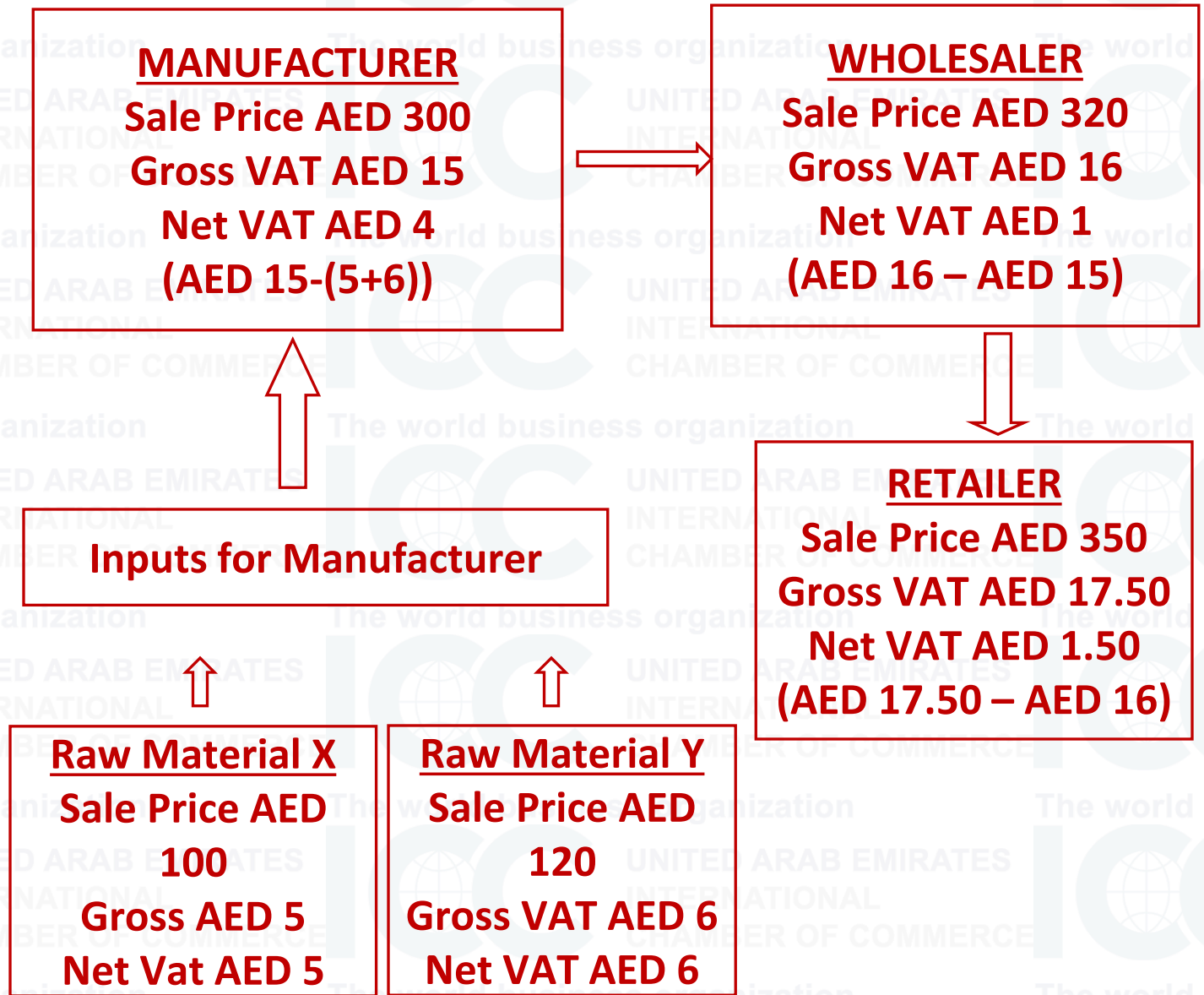
Origin/Destination Principle

- **Destination based tax** – taxed in the State where it is consumed – tax on the basis of location of consumption or destination
- VAT on value added of all taxable products that are consumed domestically
- Value added irrespective of place of origin attracts tax
- Destination principle is used in “Consumption Variant”.

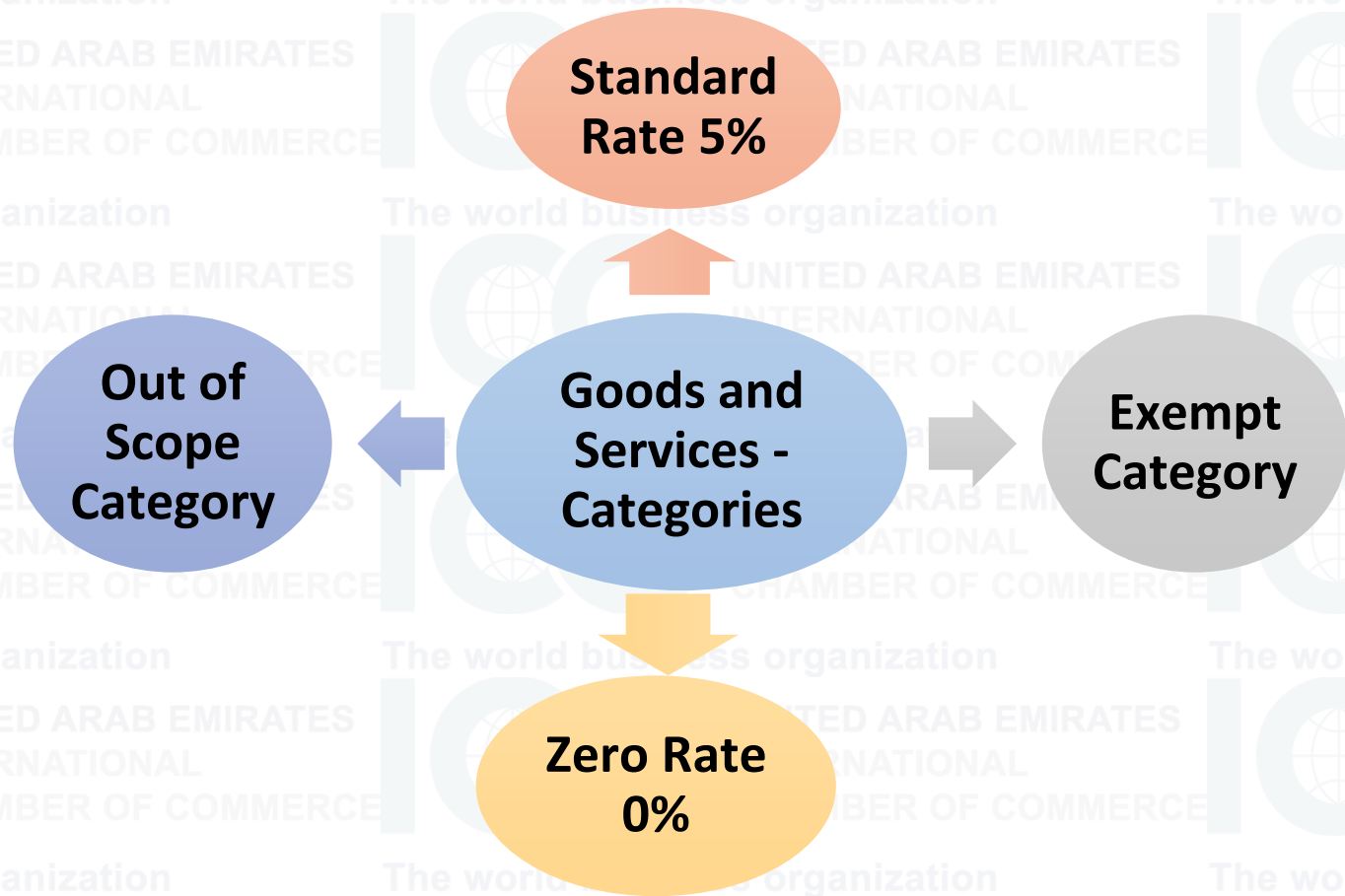
Methods of computing VAT

- **Invoice Method:** Tax is imposed at every stage of sales on the entire sales value and tax paid at the earlier stage is allowed as set-off. At every stage the differential tax is paid. At every stage, the tax is to be charged separately in the Invoice.

How the UAE VAT levy works?



VAT Charge Categories



Input Tax & Output Tax

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 Taxable Supply

Registered & Unregistered Business

- If you are a VAT-registered business, in most cases you:
 - Charge VAT on the goods and services you provide
 - Reclaim the VAT you pay when you buy goods and services for your business
- If you are not VAT-registered then you cannot reclaim the VAT you pay when you purchase goods and services

Point of Tax

Goods	Services
<p>Earlier of:</p> <ul style="list-style-type: none">(a) Date of Payment(b) Date at which goods are made available(c) Date of issue of VAT Invoice	<p>Earlier of:</p> <ul style="list-style-type: none">(a) Date of Payment(b) Date at which services are rendered (completed)(c) Date of issue of VAT Invoice

General Rules regarding import of goods

Article 47 of Executive Regulations:

1. Goods shall not be treated as imported into the state:
 - a. Where they are under customs duty suspension against guarantee or deposit in cases of (i) temporary admission (ii) goods placed in customs warehouse (iii) goods in transit (iv) imported goods intended to be re-exported by the same person
 - b. Imported into a designated zone from a place outside the state**
2. Tax shall not be due on any import of goods where they are under an exemption from customs duty under the following categories:
 - a. Goods imported by military forces, and internal security forces
 - b. Personal effects and gifts accompanied by travelers
 - c. Used person 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

Reverse Charge Mechanism

Taxable Person Imports – Article 48 (1) of VAT Law	Final Destination of goods is another implementing state Article 48 (2)	Registrant supplying to another Registrant of oil & gas - Article 48 (3)	Person not registered Article 49
Making Taxable Supply to himself	Pay Tax as an exception to Clause 1 of Article 48	Registrant making supply shall not charge Tax.	Pay VAT at the time of Import
Taxable Person should be registered for Tax and should have Customs Registration – Clause 1 of Article 48 of Executive Regulations	Payment shall be made at the time of or before the Import of the goods – Article 49 of Executive Regulations	Recipient of goods will be responsible for applicable Tax	Tax shall be paid before the goods are released – Clause 1 of Article 50 of the Executive Regulations
Account for Tax at rate applicable and declare and pay Due Tax in the Tax return – Clause 4 of Article 48 of Executive Regulations			

Reverse Charge Mechanism ..2

Taxable Person Imports – Article 48 (1) of VAT Law	Final Destination of goods is another implementing state Article 48 (2)	Registrant supplying to another Registrant of oil & gas - Article 48 (3)	Person not registered Article 49
Show Input Tax on own supply	Pay Input Tax at the port of entry	No entry in the books of supplier	Pay Input Tax at the port of entry
Show Output Tax on own supply – No Cash Flow impact at the time of import	Claim the Input Tax Credit when the goods are sold and Output Tax is charged	Registrant Recipient to show Input Tax on own supply	Claim the Input Tax Credit when the goods are sold and Output Tax is charged
When goods are sold charge VAT and remit the same to the Government in full		Registrant Recipient to show Output Tax on own supply and charge VAT when goods are sold to his customer and remit the same	

Designated Zones – Cabinet Decision

List of 20 Free Zones included in Designated Zones as per Cabinet Decision No.59 of 2017:

Abu Dhabi: 3

Dubai: 7

Sharjah: 2

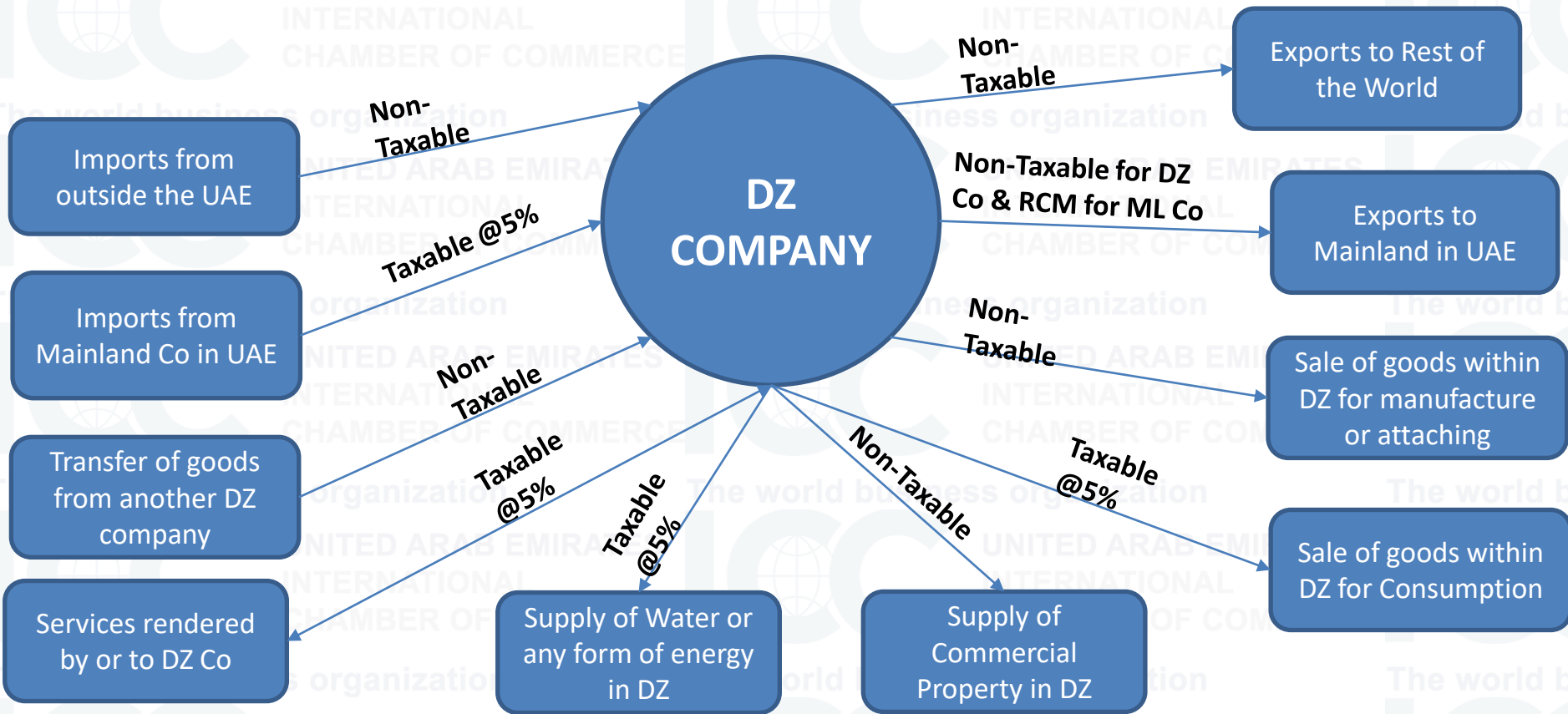
Ajman: 1

Umm Al Quwain: 2

Ras Al Khaimah: 3

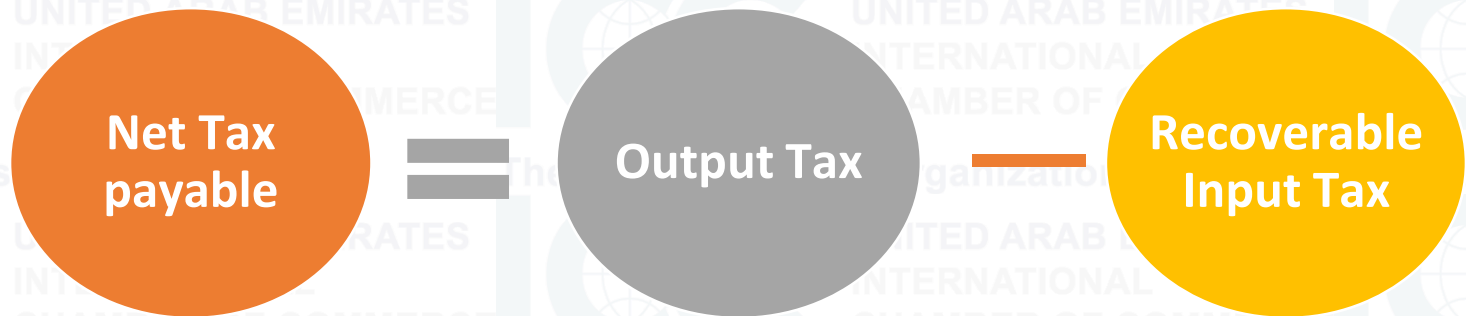
Fujairah: 2

Designated Zones



VAT Liability – Due Tax for a Tax Period

- **Article 53 of the VAT Law:**
- The payable tax for any tax period shall be calculated as being equal to the total Output Tax payable less the total Recoverable Tax over the same period.



*If the Net Tax is negative refund is collected from the Government or is adjusted in the subsequent tax period against the output tax of that period (Input Tax paid is more than Output Tax collected)

Tax Invoice - Article 59 of Executive Regulations

The Tax Invoice shall contain all the following particulars (13 essential attributes):

- The words “Tax Invoice” clearly displayed on the invoice
- The name, address and tax registration number of the registrant making the supply
- The name, address and Tax Registration Number of the Recipient where he is a registrant
- 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
- The date of issuing the Tax Invoice
- The date of supply if different from the date the Tax Invoice was issued
- A description of the goods or services supplied

Tax Invoice - Article 59 of Executive Regulations

- For each good or service, the unit price, the quantity or volume supplied, the rate of tax and the amount payable expressed in AED
- The amount of any discount offered
- The gross amount payable expressed in AED
- The registrant shall issue Tax Invoice within 14 days as of the date of supply
- 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
- Where the invoice related 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

Simplified Tax Invoice

- The words “Tax Invoice” clearly displayed on the invoice
- The name, address and tax registration number of the registrant making the supply
- The date of issuing the Tax Invoice
- A description of the goods or services supplied
- The total consideration and the tax amount charged

Tax Invoice – Exceptions

- As per Clause 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
- As an exception to Clause 4, Taxable Person may issue a Tax Invoice which is simplified Tax Invoice in either of the following situations:
 - Where the recipient of goods or recipient of services is not a registrant
 - Where the recipient of goods or recipient of services is a registrant and the consideration for the supply does not exceed AED 10,000
- As per Clause 6 separate tax invoice need not be issued for each supply where more than one supply is made to the same person and those supplies are included in the summary Tax Invoice in the same calendar month of Date of Supply

Conditions & Requirements for issuing Tax Credit Note

- **Article 70 of VAT Law:** Original Tax Credit Note when a reduction of Output Tax occurs in relation to any supply
- 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
- Executive Regulation will specify:
 - Basic Data that should be included in Tax Credit Note
 - The conditions and procedures required for the issuance of an electronic Tax Credit Note
 - Instances where Registrant is not required to issue and deliver Tax Credit Note to the recipient of goods or services
 - Instances where other documents may be issued in place of Tax Credit Note
 - Instances where another person may issue a Tax Credit Note

Tax Credit Note

Article 60 of Executive Regulations:

- The words “Tax Credit Note” clearly displayed on the invoice
- The name, address and tax registration number of the registrant making the supply
- The name, address and Tax Registration Number of the Recipient where he is a registrant
- The date of issuing the Tax Credit Note
- The value of 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 related to that difference in AED
- A brief explanation of the circumstances giving rise to the issuing of the Tax Credit Note
- Information sufficient to identify the supply to which the Tax Credit Note relates



Record Maintenance

Article 78 of the VAT Law:

- It is mandatory for every taxable person to maintain books of accounts under UAE VAT law.
- In addition to that the authority can ask for additional documents such as, annual accounts, general ledger, purchase day book, invoices issued, invoices received, credit notes, debit notes, VAT Ledger etc.
- Under Article 3 of Executive Regulation on Tax Procedures the books of accounts and records are to be maintained by Taxable Person for five years.
- As per Article 71 of the Executive Regulations the records related to real estate shall be kept for a period of 15 years after the end of the tax period to which they relate



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization

TAX RETURN



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL
CHAMBER OF COMMERCE

The world business organization



UNITED ARAB EMIRATES
INTERNATIONAL

Tax Return – Important Notes

- **Tax Return: Form VAT 201**
- **Tax Period**: Standard Tax Period is **three calendar months** ending on the date as determined by FTA.
- In some cases FTA may stipulate **Monthly Return**
- VAT Return must be received by FTA **no later than 28th day** following the end of the tax period
- Payment should be received by FTA by the same deadline
- If the due date of submission of VAT Return falls on a weekend or a national holiday, the deadline for filing the VAT Return and making payment is extended to the first business day thereafter

Staggers of Tax Period

VAT Stagger 1

- Tax Year end: 31st January of every year
- First tax period: 1st Jan 2018 to 30th Apr 2018
- Tax Periods following first tax period: Feb–Apr; May–Jul; Aug–Oct; Nov–Jan

VAT Stagger 2

- Tax Year end: last day of February of every year
- First tax period: 1st Jan 2018 to 31st May 2018
- Tax Periods following first tax period: Mar–May; Jun–Aug; Sep–Nov; Dec–Feb

Staggers of Tax Period

VAT Stagger 3

- Tax Year end: 31st March of every year
- First tax period: 1st Jan 2018 to 31st Mar 2018
- Tax Periods following first tax period: Apr–Jun; Jul–Sep; Oct–Dec; Jan–Mar

VAT Stagger 4

- Tax Year end: last day of the calendar year
- First tax period: 1st Jan 2018 to 31st Jan 2018
- Tax Periods following first tax period: Monthly

VAT Return – Form VAT201

Taxable Person Details is pre-populated:

Taxable Person Details

TRN

100314157700003

Taxable Person Name (English)

FTA Simplified VAT Return

Taxable Person Name (Arabic)

مضاد

Taxable Person Address

12, a,
a,
Dubai, United Arab Emirates,
12, +971522116682

VAT Return – Form VAT201

VAT Return Period and related details automatically get populated:

VAT Return Period

VAT Return Period*

01/01/2018 - 31/01/2018

VAT Return Due Date

28/02/2018

Tax Year End*

31 December 2018

VAT Return Period Reference Number* 

01 - 2018

VAT Return – common requirements

1. Insert all amounts in United Arab Emirates Dirhams (AED)
2. Insert all amounts to the nearest fils – the form allows for two decimal places
3. Complete all mandatory fields
4. Use “0” where necessary and where there are no amounts to be declared

VAT on Sales and all other Outputs

1. Enter all amounts relating to sales and other outputs net of VAT and for each Emirate
2. Include reductions in value due to credit notes issued and errors that are allowed to be corrected for previous tax period
3. In the Amount column declare the net amount of correction excluding VAT amount
4. Errors in calculation of payable tax of above AED 10,000 should be reported under the Voluntary Disclosure Scheme
5. Errors in calculation of payable tax of not more than AED 10,000 can be corrected in the subsequent tax return

Output Tax Adjustments

1. Use the Adjustment (AED) column only for adjustments for Bad Debts
2. Amount entered should be VAT Amount only and can only be a negative amount
3. **Bad Debts** Tax Amount should be reported for each Emirate, where applicable
4. Adjustment column can also be used by a seller of **commercial property** for adjusting the output tax on commercial property which is already paid by the buyer
5. This will be reported as normal output tax and the same is included in the adjustments column
6. The amount entered should be **VAT Amounts only and can only be a negative amount**
7. **If you are not claiming VAT Bad Debt Relief or making a real estate adjustment, you should not include anything in the Adjustment column**

Box 1: Standard Rated Supplies

1. Supplies that are subject to Standard Rate of 5% VAT
2. Net Value means the value of supplies excluding the VAT charged to the customer
3. To be reported by Emirate
4. For businesses with fixed establishments in UAE, the supply should be reported in the Emirate where the fixed establishment most closely connected to the supply is located
5. For non-established businesses, the supply should be reported in the Emirate where the supply was received

Items to be included in Box 1

1. The Supply of goods and services subject to VAT at 5%
2. Supplies of goods and services at a discounted rate (after deducting the discount value)
3. Deposits received as part payment
4. Sales through vending machines
5. Inter-company sales (where you don't have a tax group registration in place)
6. Supplies made to staff, for example canteen takings, private use charges, etc)
7. The sale of business assets
8. Deemed supplies

Items to be included in Box 1 (cont'd...)

9. Reimbursements of expenses from customers where you have recovered the VAT on expenses as a separate supply and made a recharge of cost to customer
10. The full value of goods sold under the profit margin scheme even though VAT due is calculated on the profit achieved
11. Sales from non-resident persons who are registered for VAT purposes in UAE, where the importer is not responsible for calculation and settlement of the tax
12. Supplies of goods located in Designated Zones where the goods are consumed within the Designated zones
13. Reductions in value due to credit notes issued
14. Errors that are allowed to correct for previous tax periods

Items to be excluded in Box 1

1. Sale of goods located within Designated Zones which are not consumed within the Designated zones
2. Out of Scope supplies
3. Zero Rated supplies – exports, Zero rated educational services, Zero rated healthcare services
4. Disbursements

Use of Adjustments Column in Box 1

1. Record any adjustments made to Output Tax due to claims for VAT Bad Debt Relief
2. Record any adjustments made to the Output Tax due as a result of sales of taxable commercial property in UAE

Box 2: Tax Refunds provided to Tourists

1. Value of tax refunds provided to tourists under the “tax refunds for tourists scheme”
2. Report under the VAT Amount column the amount of VAT that you have refunded to the tourists
3. **Use this box only if you are a retailer and provide tax refunds to tourists in the UAE under the “tax refunds for tourists scheme”**
4. The amount reported in this box should always be a negative
5. This amount will reduce the total Output Tax Liability
6. If you are not authorised to handle refunds for tourists, this box should remain with the **Nil value already pre-populated**

Box 3: Supplies subject to reverse charge

1. Value of supplies of goods and services received which are subject to VAT under the reverse charge mechanism
2. Disregard the imports of goods that have been declared to UAE Customs during the Tax Period which are subject to reverse charge mechanism for which the import VAT is reported separately in Box 6
3. **This box will primarily relate to import of services**
4. **The import of goods will be reported in this box only if the movement was not reported to UAE Customs**
5. Value in this box will be Net Value and the VAT Value of the Output Tax due on these supplies – if the Taxable person is entitled to recover the Input Tax against these imports then it will be shown under Box 10

Box 3: Items to be included

1. Services received from foreign suppliers which are subject to the standard rate of VAT
2. Services received from foreign suppliers which are subject to the Zero Rate of VAT
3. Goods received which are subject to the reverse charge provisions and have not been declared to UAE customs
4. Local supplies subject to reverse charge provisions (e.g. specific supplies within the Oil and Gas Industry)

Please exclude imports of goods into UAE which are subject to reverse charge provisions but which have been declared to UAE customs and therefore will be reported in Box 6 of the VAT Return

Box 4: Zero Rated Supplies

1. Declare the value of supplies of goods and services which are subject to VAT at 0% (Zero rated supplies)
2. VAT on the supply is calculated as Nil and hence Net Value of Supply needs to be declared

Include the following:

1. Exports of goods and services outside the UAE
2. Local supplies of certain educational services and related goods and services
3. Local supplies of certain healthcare services
4. Supplies or imports of investment precious metals
5. Supplies of crude oil and natural gas

Box 5: Exempt Supplies

- All exempt supplies should be indicated in this box
- Only the Net Value of the supply is required to be declared in this box as there is no VAT on the supply

Include the following:

1. Local supplies of certain financial services
2. Supplies of residential buildings through sale or lease, other than the ones subject to Zero Rate of VAT
3. Supplies of bare land
4. Supplies of local passenger transport

Box 6: Goods imported into the UAE

- Net Value and Output Tax due on the goods which have been imported into the UAE
- Include all imports that have been declared through UAE Customs where payment of the VAT on import is to be made on the VAT Return
- Amount (AED) should be auto-populated based on imports you have declared under your customs registration number, which should be linked to your TRN
- **The Amount will include Customs Duty and Excise Tax paid on goods imported**
- Output Tax Amount will also be auto-populated in the “VAT Amount (AED)” column
- **Agent importing goods** on behalf of non-registered persons should be responsible to pay tax – hence will be reflected under this box

Box 7: Adjustments to goods imported into the UAE

- This box is used when the information included in Box 6 is incomplete or incorrect
- Adjustments can be made accordingly and you should be able to justify the same to FTA
- The amount is to be shown as positive or negative as the case may be
- The Net Amount and VAT Amount field should be filled as the case may be
- If the amount declared for VAT under Box 6 does not include Customs Duty and Excise Tax and hence is incorrect, then the adjustment can be made in Box 7
- If goods imported are taken at 5% but it is actually Zero Rated then you can adjust in Box 7
- **Use the View Details button next to Box 6 to check all the details and decide on any adjustments to be made in Box 7**

Box 8: Totals

- Box 8 will automatically calculate the totals of all the above boxes
- Total output tax due to FTA
- Total Adjustments applicable to that value

VAT ON STANDARD RATED SUPPLIES

VAT on Sales and All Other Outputs

		Amount (AED) ⓘ	VAT Amount (AED) ⓘ	Adjustment (AED) ⓘ
1a Standard rated supplies in Abu Dhabi*	ⓘ	<input type="text" value="20000"/>	<input type="text" value="1000"/>	<input type="text" value="- 0.00"/>
1b Standard rated supplies in Dubai*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>
1c Standard rated supplies in Sharjah*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>
1d Standard rated supplies in Ajman*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>
1e Standard rated supplies in Umm Al Quwain*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>
1f Standard rated supplies in Ras Al Khaimah*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>
1g Standard rated supplies in Fujairah*	ⓘ	<input type="text"/>	<input type="text"/>	<input type="text" value="- 0.00"/>

VAT ON ALL OTHER OUTPUTS

2 Tax Refunds provided to Tourists under the Tax Refunds for Tourists Scheme*



- 0.00

- 0.00

3 Supplies subject to the reverse charge provisions*



4 Zero rated supplies*



5 Exempt supplies*



6 Goods imported into the UAE*



0.00

0.00

[View Details](#)

7 Adjustments to goods imported into the UAE*



8 Totals

0.00

0.00

0.00

VAT ON EXPENSES AND ALL OTHER INPUTS

- **Amount (AED):** Enter all amounts relating to all expenses and inputs net of VAT, for which you would like to recover input tax
- Include any reductions in the value due to credit notes issued by suppliers and errors you are allowed to correct for previous tax period
- If VAT Return submitted previously contains errors that resulted in a calculation of payable tax being more or less than required and it is not more than AED10,000 then you can correct this error in the current VAT Return in which you have discovered the error
- If the error has resulted in calculation of payable tax being less than required by more than AED 10,000 then you should make a “voluntary disclosure”

VAT ON EXPENSES AND ALL OTHER INPUTS

- **Recoverable VAT Amount (AED)**: Enter the amounts of recoverable VAT only (not the total incurred VAT, in case your ability to recover the input tax is restricted)
- You should also include changes in the VAT amount due to credit notes and errors that you are allowed to correct from the previous Tax Periods
- Under VAT amount column declare only the VAT amount of the correction
- If the error is more than AED 10,000 you need to make “Voluntary Disclosure”
- **As per Article 8 of the Executive Regulations on Tax Procedures the Voluntary Disclosure shall be made within 20 business days from the date when the Taxable person became aware of the error**

VAT ON EXPENSES AND ALL OTHER INPUTS

- **Adjustment**: Use this column for any adjustments relating to Input Tax for previously reported amount which arise as a result of adjustments for bad debts end of year adjustments to recoverable tax under the Capital Asset Scheme
 - **First** type of adjustment relates to Input Tax adjustments for amounts not paid to suppliers where the supplier has claimed the **Bad Debt** relief. The Input Tax claimed earlier needs to be repaid to FTA in the adjustment box
 - The **second** type tax **apportionment and adjustment** in cases where the business cannot recover all the **input tax** that it incurs
 - Adjustment is made in the first tax period following the end of the year
 - The **third** type of adjustment relates to **Capital Asset Scheme**

Box 9: Standard Rated Expenses

- Enter all amounts subject to Standard Rate of VAT for which you would like to recover the Input Tax
- The total net value of the standard rated purchases on which you are seeking to recover VAT should be reported in the Amount (AED) column
- The VAT amount relating to the net value of expenses and inputs previously included within the Amount (AED) Column, should be included within the Recoverable VAT Amount (AED) column
- You should also include any required adjustments to Recoverable Tax under the Adjustment (AED) column

Items to include in Box 9

- Goods or services purchased for business purposes from VAT registered suppliers that were subject to VAT @ 5%
- Goods or services which were purchased at a discount
- The total price that you have paid for goods purchased, which you are selling under the profit margin scheme
- Goods or services purchased before your tax registration and for which you wish and are able to claim the tax incurred. The claim must be made in your first VAT return
- Reductions in value due to credit note received from suppliers
- Errors that you are allowed to correct for previous tax periods

Items to exclude in Box 9

- Wages and salaries
- Money put into and taken out of the business by you
- Purchases that were purely for private or personal use
- Expenses where the input tax is specifically disallowed – entertainment expenses, motor vehicle cost, etc.
- Expenses which were incurred to make exempt or non-business supplies
- Exempt or zero-rated purchases – note that **purchases which were subject to VAT under the reverse charge mechanism should be recovered in Box 10 and not in 9**
- Purchase of goods located within DZ which were not consumed in the DZ or subsequently imported into the UAE
- Gifts or donations of money freely given for nothing in return
- Purchases from members of the same tax group
- Fines and penalty charges received e.g. traffic fines

Use of Adjustments column in Box 9

You should use the Adjustments column only to:

- Record any adjustments made to the input tax due as a result of any claim for Bad Debt Relief made by your supplier
- Record any input tax apportionment annual adjustments
- Record any Capital Assets Scheme Adjustments

Box 10: Supplies subject to RCM provisions

- Box 10 allows you to recover any VAT you have paid as output tax under reverse charge mechanism which was declared in Boxes 3, 6 and 7 of the VAT Return
- Only recoverable portion should be shown in the Recoverable VAT Amount column

Box 11: Totals

- Box 11 then automatically calculates the total of the values declared in Box 9 and 10.
- These totals represent the total value of VAT you are entitled to recover, as well as any adjustments made to those values

VAT on Expenses and All Other Inputs				
		Amount (AED) ⓘ	Recoverable VAT amount (AED) ⓘ	Adjustment (AED) ⓘ
9	Standard rated expenses*	ⓘ <input type="text"/>	<input type="text"/>	<input type="text" value="0.00"/>
10	Supplies subject to the reverse charge provisions*	ⓘ <input type="text"/>	<input type="text"/>	
11	Totals	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>

Box 12: Total value of Tax for the period

- The total value of Output Tax that is due for the Tax Period will be calculated based on the above information.
- This will be the sum of the VAT and Adjustments column in the Outputs Section

Box 13: Total value of Recoverable Tax for the period

- The total value of Input Tax that is recoverable for the Tax Period will be calculated based on the above information.
- This will be the sum of the VAT and Adjustments column in the Inputs Section

Box 14: Payable Tax for the period

- This will be the total due tax for the period less the total recoverable tax for the period and will indicate your net payable or recoverable tax for the current Tax Period
- If the figure in **Box 12 is more than the figure in Box 13**, the difference is the amount of VAT **you must pay**.
- If the figure in Box 12 is less than the figure in Box 13, then you will be eligible to request a refund for the net amount of recoverable tax
- If you do not wish to request for a refund of the excess recoverable tax, your excess recoverable tax will be carried forward to subsequent tax periods and can be used to offset against payable tax and /or penalties, or you can apply for a refund later at any point of time.

Box 15: Request for refund of excess recoverable tax

- Option is available in the VAT Return to request for a refund of the excess recoverable tax
- **If “Yes” is selected, you will be required to complete the VAT refund application in Form VAT311 after submission of the VAT Return**
- If “No” is selected, your excess recoverable tax will be carried forward to subsequent Tax Periods and can be used to offset against payable tax and/or penalties.

Additional Reporting Requirements

- This section is applicable for specific taxable persons
- If this section is not applicable to you then answer “No” for this section
- The additional reporting requirements does not have any financial implication on the VAT Payable or Recoverable amounts and it does not impact the VAT Return Totals


Profit Margin Scheme

- This section is applicable for taxable persons who have used the Profit Margin Scheme during the Tax Period
- Select “Yes” only if you have used the Profit Margin Scheme

Declaration of Authorised Signatory

- Once the VAT Return form is completed, tick the box next to Declaration Section
- Relevant authorised signatory details and information will be prepopulated based on the information provided

Declaration and Authorised Signatory

Name in English	Name in Arabic
<input type="text" value="Abbas"/>	<input type="text" value="شبابز"/>
Phone/Mobile country code	Phone/Mobile number
<input type="text" value="United Arab Emirates (+971)"/>	<input type="text" value="564914215"/>
Date of submission (dd/mm/yyyy)	E-mail address
<input type="text" value="22/01/2018"/> 	<input type="text"/>

I declare that all information provided is true, accurate and complete to the best of my knowledge and belief.

Save the Progress

- In order to save as draft or submit any form, all mandatory elements must be completed.
- Any field that is marked with a red asterisk (*) mark is mandatory field and must be filled in order to save or submit the form.
- If you attempt to save or submit without filling mandatory fields you will get a popup message under the relevant field indicating that additional details are required
- It is recommended to save the progress as you complete the form. Click on “**Save as Draft**” button at the bottom of the screen.
- You will be logged out of the system after 10 minutes of inactivity
- When you “save as draft” the form will not be submitted and will be open for edit

Submit VAT Return

- Review all the information entered on the form after completing the mandatory fields and confirming the declaration
- Once you are certain that all the information is correct, click the **“Submit”** button at the bottom right hand corner of the screen
- Upon submission you will receive an email to confirm submission

Paying VAT

- There is a tab “My Payments”
- Total Outstanding Liability need not be fully paid as part payment is allowed
- However, entire amount needs to be paid in full before the due date to avoid penalty
- Older liabilities are paid first
- When you enter the amount you want to pay, and press “Make Payment” you will be directed to Payment Information Screen
- Press ‘Pay Now’ in the payment information screen
- You will be directed to e-Dirham gateway
- Make the payment through e-Dirham or Non-eDirham Card
- Once payment is processed you will be redirected to the FTA website

Paying VAT - EFTS

- UAEFTS is one of the many means for FTA to collect taxes from taxable entities.
- All taxable entities have a valid TRN and a GIBAN issued to them from FTA.
- As a remitting institution, the CB103/CB102 shall be used to accept and process tax payments to the credit of FTA in UAEFTS.
- Key elements required for in CB102/CB103 that will need to be provided by the taxable entity ...Purpose of Payment [**TAX/ GRI**]
- Amount to be Paid to FTA
- GIBAN - The IBAN representation of the TRN of the Taxable entity.

Customer logs on to FTA

The screenshot shows a web browser window displaying the user dashboard for the Federal Tax Authority (FTA). The browser tabs include 'Federal Tax Authority', 'Payment Gateway', and 'https://ewallet.emirates...'. The address bar shows 'uat.tax.gov.ae/en-us/user/dashboard'. The page header includes the date 'Tuesday 20 Feb 2018', a search bar, a language selector for 'عربي', a welcome message 'Welcome, m7@mailinator.com', and a 'Logout' button.

The main content area is divided into several sections:

- Legal Name of Entity (English):** m7mailinator
- Legal Name of Entity (Arabic):** المبعودة
- My Accounts:** A button to manage accounts.
- VAT:** A section with a dark header. It states 'The status of your application is as below:' and shows a table with the following data:

Status	Approved	Edit	View
TRN	100256732700003	Download Certificate	
De-registration status	N/A	De-Register	
First VAT Return Period	01 Mar 2018 - 30 Apr 2018 and quarterly thereafter		
First VAT Return Due Date	28 May 2018		
Start And End Date Of Tax Period	1 Feb to 30 Apr, 1 May to 31 July, 1 Aug to 31 Oct, 1 Nov to 31 Jan		
- Excise Tax:** A section with a dark header. It states 'The status of your application is as below:' and shows a table with the following data:

Status	Approved	Edit	View
TRN	100256732700007	Download Certificate	
De-registration status	N/A	De-Register	
- Warehouse Keeper and Designated Zones:** A section with a dark header, currently empty.

The Windows taskbar at the bottom shows the search bar, task view, and several application icons. The system tray on the right indicates the time as 1:38 PM on 2/20/2018 and shows a battery level of 93%.

Enter VAT amount Payable

Browser tabs: Federal Tax Authority | Payment Gateway | https://ewallet.emiratesn

Address bar: uat.tax.gov.ae/en-us/user/my-account

Page header: Tuesday 20 Feb 2018 | Welcome, m7@mailinator.com | Logout

VAT & Penalty Payment

Total Outstanding Liability 0.00 AED

Enter amount you want to pay *

Make Payment



Payment History

Taskbar: EDebit Payment Tr...PDF | Show all | 1:39 PM 2/20/2018

Select "Pay via Bank"

The screenshot displays a web browser window with the URL `uat.tax.gov.ae/en-us/user/payment?pxID=00000000-0000-0000-0000-000000000000&pxType=vrpay`. The page header includes the date "Tuesday 20 Feb 2018", a search bar, and a user greeting "Welcome, m7@mailinator.com" with a "Logout" link. A navigation menu contains links for "DASHBOARD", "MY PROFILE", "DOWNLOADS", "MY PAYMENTS", "EXCISE TAX", "EXCISE GOODS LIST", and "VAT". A warning banner states: "This is a test environment. Access is restricted to authorized personnel only".

The main content area is titled "Payment Information" and displays the following details:

- TRN: 100256732700003
- Pay Amount: 20.00 AED


At the bottom of the payment information section, there are three buttons: "Pay Now", "Pay Via Bank", and "Cancel". To the right of these buttons are logos for "e-dirham", "VISA", and "MasterCard".

The Windows taskbar at the bottom shows the system tray with the time "1:39 PM" and date "2/20/2018". The taskbar also displays several open PDF files titled "EDebit Payment Tr...PDF".

Select eDebit

Select Payment Method x Payment Gateway x https://ewallet.emiratesn x

Secure | https://g2testi.edirhamg2.ae/PaymentRouter/AcceptRedirectRequestServlet

 الدرهم الإلكتروني
e-dirham

Payment Methods **Types**

Please select one of the payment methods

- + eDirham G2 Cards
- + Non-eDirham Cards
- + eD-Wallet
- eDebit
 - Pay with eDebit
 - Bank Account

Confirm Cancel

Verified by **VISA** learn more

MasterCard SecureCode. learn more

Trustwave Trusted Commerce Click to Validate

EDebit Payment Tr...PDF ^ EDebit Payment Tr...PDF ^ EDebit Payment Tr...PDF ^ Show all x

Type here to search

1:40 PM 2/20/2018

Service Enquiry Confirmation

The screenshot shows a web browser window with the following details:

- Browser tabs: ServiceInquiryConfirmati..., Payment Gateway, https://ewallet.emiratesh...
- Address bar: Secure | https://g2testi.edirhamg2.ae/PaymentRouter/PerformEServiceInquiryServlet
- Page Header: الدرهم الإلكتروني e-dirham
- Section: e-Service Inquiry Confirmation
- Table of Transaction Details:

e-Service English Name	variable amount
e-Service Arabic Name	variable amount
e-Service Fees	AED 0.00
Price	AED 20.00
Merchant Fees	AED 0.00
e-Dirham Fees	AED 3.00
Amount to be paid	AED 23.00

Buttons: Confirm, Cancel

Security Logos: Verified by VISA, MasterCard SecureCode, Trustwave Trusted Commerce Click to Validate

Taskbar: EDebit Payment Tr...PDF, Type here to search, 1:40 PM 2/20/2018

Emirates NBD Service

The screenshot displays the e-Dirham Payment Gateway interface. At the top, the browser address bar shows the URL: <https://g2testi.edirhamg2.ae/PayOnePCB/PaymentPayServlet>. The page header features the e-Dirham logo and the text "الدهرم الإلكتروني e-dirham".

The main content area is titled "Payment Details" and is divided into two sections:

- Payment Information:** A table listing transaction details.

Entity Name	FTA
Order Unique Number	428578645512
Amount	AED 23.00
Description	variable amount
e-Dirham Service	eDebit
Order Date/Time	2018/02/20 01:40:27 PM
- Payment Method Details:** A form for configuring the payment method.

Payment Method	Bank Account
Bank	Emirates NBD
Notification Email	aparna@icinfotec.com
Confirm Notification Email	aparna@icinfotec.com

At the bottom of the form, there are "Submit" and "Cancel" buttons. A red asterisk indicates that the email fields are required. Below the form, there are logos for "Verified by VISA", "MasterCard SecureCode", and "Trustwave Trusted Commerce".

The Windows taskbar at the bottom shows the system tray with the time 1:40 PM on 2/20/2018, and the search bar with the text "Type here to search".

Service Retail Banking in CB Page



Transaction Details

Merchant Name	MOF2
Order Information	428578645512
Description	eservice payment through eDebit
Transaction Amount	23.00
Transaction Type	Direct Debit

Select Product: Retail Banking ▼

Submit

Copyright © 2018, Central Bank of the UAE

This site is best viewed with a resolution of 1024x768 (or higher) and supports Microsoft Internet Explorer 8 and 9 or Firefox 17 and 18



Enter Log In credentials in the Bank Portal

Personal Banking Service x Payment Gateway x https://ewallet.emiratesnbd.com/ePay/auth

Secure | https://ewallet.emiratesnbd.com/ePay/auth

Sunday, 22 September, 2014 at 12:47:13

Emirates NBD

Online Banking

Please use your online banking credentials to login

Online Banking smartBUSINESS

User Name
GAMALAA

Password
.....

Recommended to use Virtual Keyboard for entering your password

If you have forgotten your password or user name or would like to register for Online Banking please visit www.emiratesnbd.com

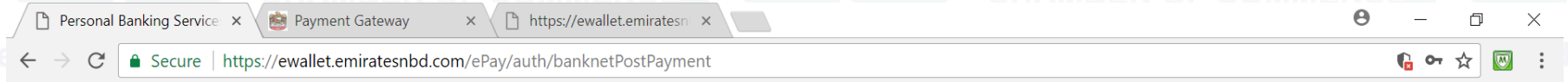
Cancel Log In

EDebit Payment Tr...PDF EDebit Payment Tr...PDF EDebit Payment Tr...PDF

Type here to search

95% 1:42 PM 2/20/2018

Customer Authorises payment in Bank Portal



Tuesday, 20 February, 2018 at 13:43:07

 **Purchase completed**

Transaction details

Merchant Name	MOF2
Amount	AED 23.00
From Account	1011368963002
Date and Time	Tuesday, 20 February, 2018 at 13:43:07
Transaction Reference No	82563
Status	Successful

[Logout](#)

Copyright © 2014 Emirates NBD Bank PJSC. All Rights Reserved.

EDebit Payment Tr....PDF ^ EDebit Payment Tr....PDF ^ EDebit Payment Tr....PDF ^ [Show all](#) x



Customer redirected to eDirham/Payment Portal

Payment Details

The eService payment transaction has been completed successfully, waiting for acknowledgement

Payment Information

Entity Name	FTA	Logo Not Available
Order Unique Number	428578645512	
Amount	AED 23.00	
Description	variable amount	
e-Dirham Service	eDebit	
Order Date/Time	2018/02/20 01:40:27 PM	

Payment Method Details

Bank	Emirates NBD
------	--------------

This page will be automatically submitted if the [CONTINUE] button is not clicked within [15] seconds

Receipt ID	180000151023
Status Code	0002
Status Message	The payment processed successfully but unacknowledged

[Continue](#) [Save](#) [Print](#)

Payment information screen in FTA Portal

The screenshot displays a web browser window with the URL `uat.tax.gov.ae/en-us/user/payment-result`. The page title is "Payment Information". A green message box states: "Your payment was successfully completed. Thank you for the payment." Below this, the following details are listed:

- Payment reference number:** 180000151023
- Amount:** 20.00 AED
- Transaction Date:** 20/02/2018 09:43 AM
- Payment Description:** VAT Return and Penalty Payment

The browser's address bar shows the URL and navigation icons. The top navigation bar includes the date "Tuesday 20 Feb 2018", a search bar, a language selector for "عربي", a user greeting "Welcome, m7@mailinator.com", and a "Logout" link. The Windows taskbar at the bottom shows several open PDF files titled "EDebit Payment Tr...PDF", system icons for search, network, and battery (95%), and the system clock showing "1:43 PM 2/20/2018".

Payment information screen in FTA Portal

Tuesday 20 Feb 2018

Welcome, m7@mailinator.com [Logout](#)

[Make Payment](#)

الدراهم الإلكترونية e-dirham VISA MasterCard

Payment History

Transaction Date	Application reference number	Payment reference number	Amount (in AED)	Purpose	Status
20/02/2018 09:43 AM	100256732700003	180000151023	20.00	VAT Return and Penalty Payment	Transaction was processed successfully.

Items per page 25 ▾

Excise Tax Transaction History

EDebit Payment Tr...PDF ^

Show all x

Type here to search

1:44 PM 2/20/2018

VAT Return Penalty

- VAT Return must be submitted within the specified deadline, otherwise a penalty of AED 1,000 will be imposed for the first time of occurrence of a delay
- In case of repetitive non-compliance within 24 months, the penalty will be increased to AED 2,000 for each offence
- If Tax Return is not submitted by specified due date, FTA may issue a tax assessment to you with an estimate of payable tax.
- You are required to pay the payable tax assessed, penalty on non-submission of tax return and/or late payment penalty upon the issuance of the tax assessment

VAT Late Payment Penalty

- Following the submission of the VAT Return, the reported payable Tax must be settled within the deadline.
- Failure to pay the tax before the due date would result in late payment penalty consisting of:
 - 2% of the unpaid tax immediately levied once the payment of Payable Tax is late
 - 4% is due on the seventh day following the deadline for payment, on the amount of tax still unpaid
 - 1% daily penalty charged on any amount that is still unpaid one calendar month following the deadline for payment with upper ceiling of 300%

Penalty for incorrect Tax Return

Two penalties are applied:

1. Fixed penalty of AED 3,000 for first time and AED 5,000 for repetition
2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to error and resulting in a tax benefit as follows:
 - 50% if the registrant does not make a voluntary disclosure or he made voluntary disclosure after being notified of the tax audit process or after being asked for information relating to tax audit, which takes place first
 - 30% if the registrant makes the voluntary disclosure after being notified of the tax audit and before the Authority starts the tax audit
 - 5% if the registrant makes a voluntary disclosure before being notified of the tax audit by the authority

Penalty for Voluntary Disclosure

Two penalties are applied:

1. Fixed penalty of AED 3,000 for first time and AED 5,000 for repetition
2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to error and resulting in a tax benefit as follows:
 - 50% if the registrant makes a voluntary disclosure after being notified of the tax audit and the Authority starting the tax audit or after being asked for information relating to tax audit, which takes place first
 - 30% if the registrant makes the voluntary disclosure after being notified of the tax audit and before the Authority starts the tax audit
 - 5% if the registrant makes a voluntary disclosure before being notified of the tax audit by the authority

Penalty for Failure to Voluntarily Disclose Errors

Two penalties are applied:

1. Fixed penalty of AED 3,000 for first time and AED 5,000 for repetition
2. 50% of the amount unpaid to the Authority due to error resulting in a tax benefit for the person/taxpayer

Final VAT Return

- Once your application to cancel your VAT registration is approved, you will be notified of the effective date of deregistration and your final VAT Return will also become available
- **Final VAT Return is required to be filed for the last Tax Period**
- The Tax Period and due date for submission of the Final Tax Return will be communicated by FTA
- The Final Tax Return should be submitted according to the same provisions and procedures as any other VAT Return
- In the Final Tax Return Output Tax on goods and services forming part of business assets (including capital assets and inventories) needs to be calculated and accounted. This is treated as Deemed Supply even though you have not sold them.



Thank You!



For follow-up queries please write to:

tpanand@leapexcellence.com



The world business organization