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# VAT Refunds

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# VAT Refunds in the UAE

## VAT REFUND SCHEME FOR BUSINESS VISITORS

- ▶ Foreign Businesses are eligible to apply for a refund of VAT in the **UAE**, if:
  - They have **no place of establishment or fixed establishment** in the UAE
  - They are **not a taxable person** (presumably in the UAE)
  - They are **registered as an establishment** in the jurisdiction where it is established
  - They are from a **country that provides refunds** of VAT to UAE entities in similar circumstances (reciprocity!)
- ▶ The **period** of each refund claim is 12 months (hence at the earliest after the end of each year)
- ▶ **Minimum amount** of each refund claim to be submitted: AED 2,000
- ▶ The claim will be completed by submitting a **form + supporting documents** to the FTA
- ▶ Only limited number of countries (**reciprocity principle**)

# VAT Refunds in the KSA

## TO TAXABLE PERSONS IN OTHER GCC MEMBER STATES

- ▶ An application for refund of tax may be submitted:
  - By a person who is registered for VAT in **another Member State**
  - That has **incurred VAT** in the KSA
  - In accordance with the **mechanism agreed** between the Member States
  
- ▶ To date the refund mechanism for taxable persons in other member states is **not yet in place** in the KSA

# VAT Refunds in the KSA

## TO TAXABLE PERSONS NON-RESIDENT IN THE GCC TERRITORY

- ▶ Persons carrying on an economic activity in a country outside of the GCC Member States could apply to be considered an **Eligible Person** for tax refund, if:
  - That person is established in a country with a **transaction tax system similar to VAT**
  - That person is **registered** for that tax
  - The country of establishment allows a similar mechanism to provide **refunds of tax (reciprocity principle)**
  
- ▶ A **refund claim** for tax may be submitted in respect of a calendar year basis only.
  
- ▶ To date this refund mechanism for taxable persons outside the GCC is **not yet in place** in the KSA

# VAT Refunds in the Kingdom of Bahrain

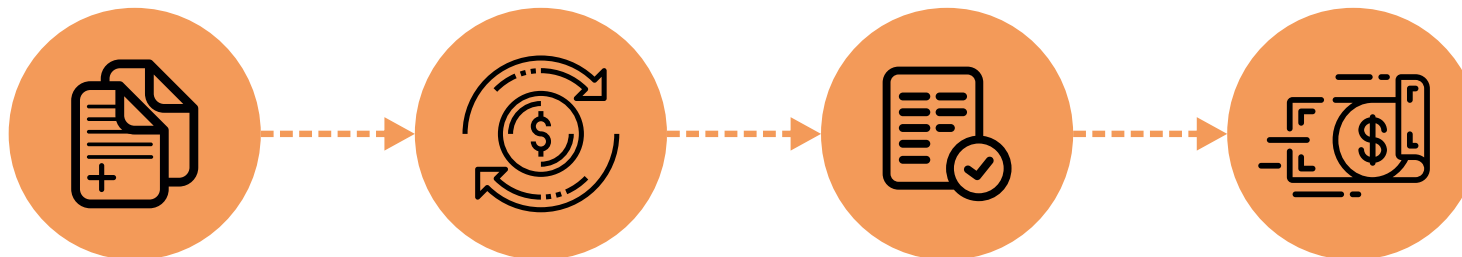
## VAT REFUND SCHEME FOR NON-RESIDENT PERSON

- ▶ Non-resident person is eligible to apply for a refund of VAT in Bahrain, if:
  - Does not make any supply of goods or services in the Kingdom
  - Registered for tax purposes in the country of residence
  - Not resident person for the purposes of his business activity
- ▶ The refund application form accompanied by all supporting documents shall be submitted within three months from the end of the year during which the tax is due (**31st of March of following year**).
- ▶ Notification of the decision on the request within **three months from the date of submission**.
- ▶ Refund mechanism for non-resident persons guide is yet to be published by the tax authorities.
- ▶ **No reciprocity condition.**

# VAT Refunds

## HOW CAN WE HELP YOU?

- ▶ Aurifer assists in **submitting refund claims** for tax with the competent tax authorities
  - In all EU countries
  - In the GCC: UAE, KSA and Bahrain (once the refund procedure is in place)
- ▶ Our approach:
  - Collecting and bundling of the **supporting documentation** (minimum of 50 invoices per year)
  - **Review and interpretation** of the selected invoices
  - **Prepare** the refund claim in accordance with the country-specific requirements
  - **Submitting** of the refund claim to the tax authorities
  - Follow-up of **payment of tax refund** to client's bank account



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