

UAE VAT – FEW IMPORTANT THINGS TO CONSIDER BEFORE FILING OF RETURN

Box 1

(Standard rated supplies)

- For businesses with Fixed Establishment in UAE, the supply is to be reported in the Emirate where the fixed establishment which is most closely connected to the supply is located.
- For non-established businesses, the supply should be reported in the Emirate where the supply was received.

Adjustment Column of Box 1

(Standard rated supplies)

- Decrease in Output Tax as a result of VAT Bad Debt Relief to be reported under Adjustment column of Box 1.
- Decrease in Output tax of Seller as a result of sale of taxable commercial property in UAE wherein VAT has been directly paid by Buyer to Federal Tax Authority to be reported under adjustment column of Box 1.

Box 3

(Supplies subject to the reverse charge provisions)

- Apart from reporting Import of Services, the only scenario where a purchase of goods from outside UAE are reported in this box is when the movement was not declared via UAE Customs for some reason.

Box 5

(Exempt supplies)

- Employers must evaluate reporting of provision of Residential Accommodation (non-serviced apartments) to employees for a consideration* as Exempt Supplies in Box 5.

Adjustment in Box 9

(Standard rated expenses)

- Negative adjustment to Input Tax as a result of VAT Bad Debt Relief claimed by Supplier to be reported under 'Adjustment Column' in Box 9 of the Receiver of supplies.
- End of year adjustment to Input VAT as a result of input tax apportionment annual wash up computation to be reported under 'Adjustment Column' in Box 9.
- Adjustment to Input VAT as a result of Capital Assets Scheme computation to be reported under 'Adjustment Column' in Box 9.

*Please refer Section 3.6 of UAE VAT Guide on Real Estate (link provided below) to determine what comprise as consideration with respect to Residential Accommodation provided to employees.
<https://tax.gov.ae/en/vat/guides-listing>

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Contacts

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