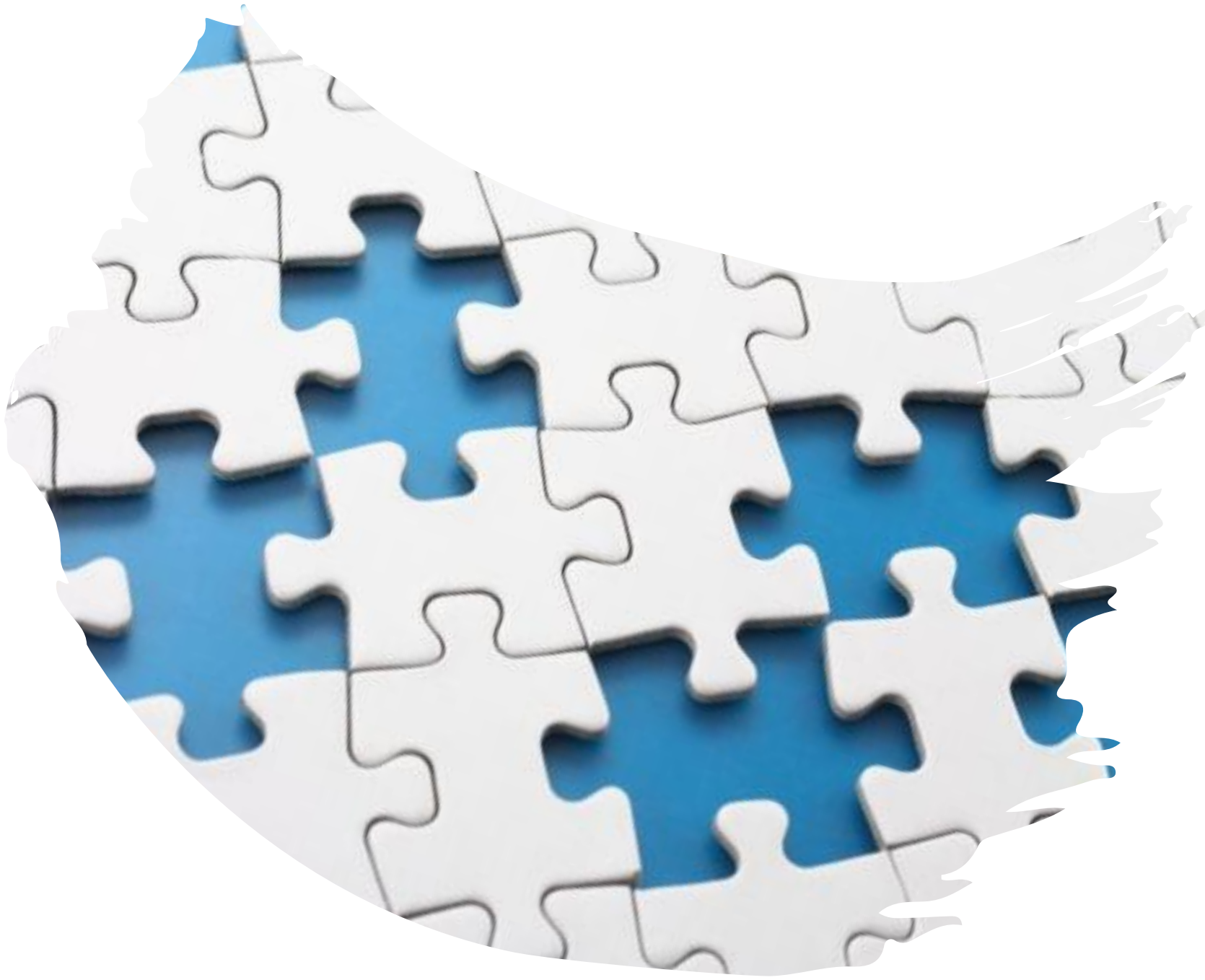
REAM

Audit, Tax & Financial Advisors

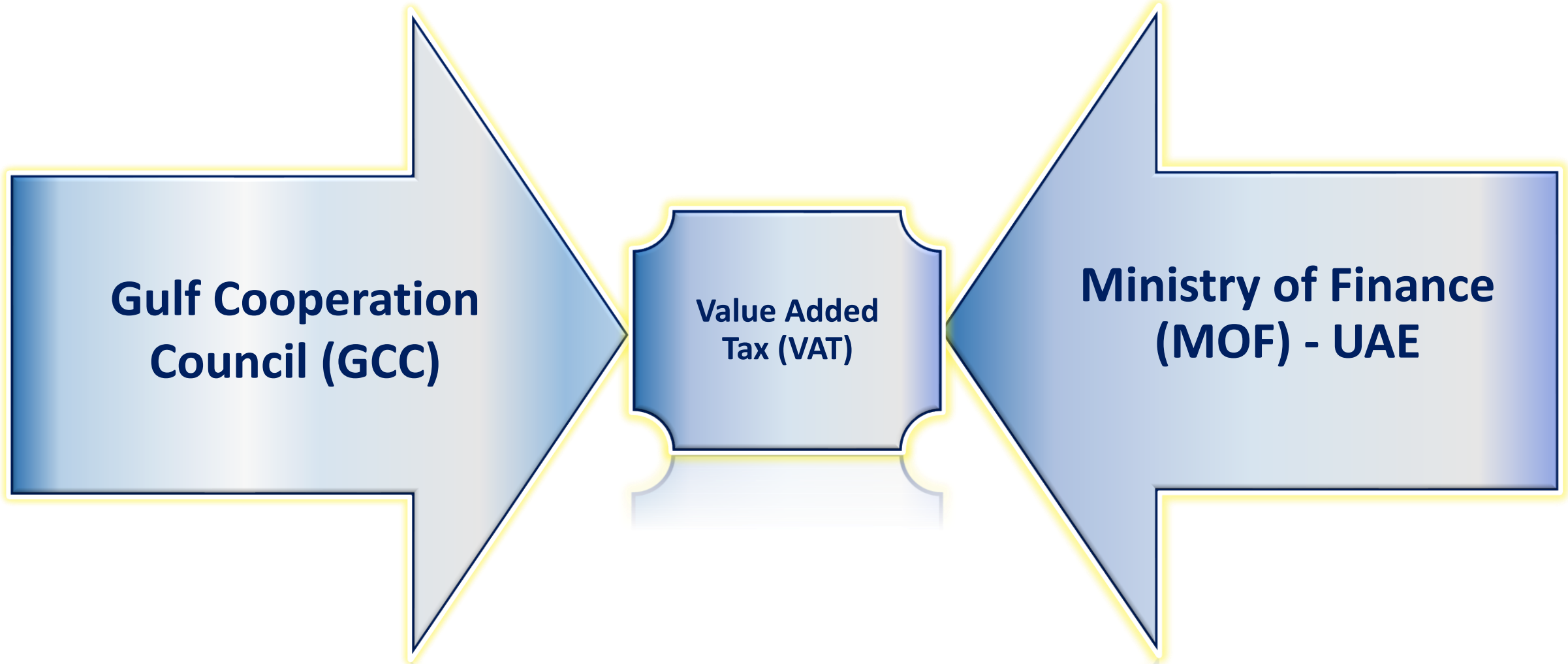
Building paths for better business process



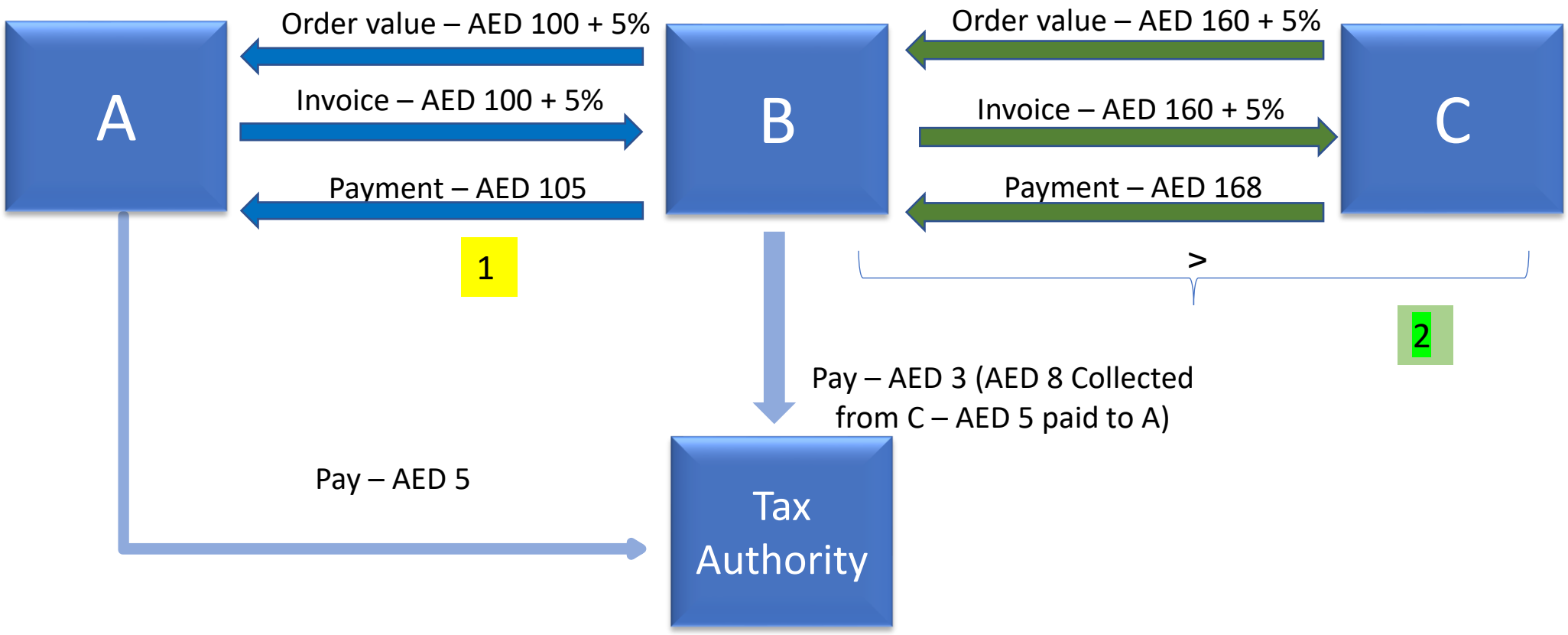
Value Added Tax

This presentation contains general educational information for educational purposes only

Introduction

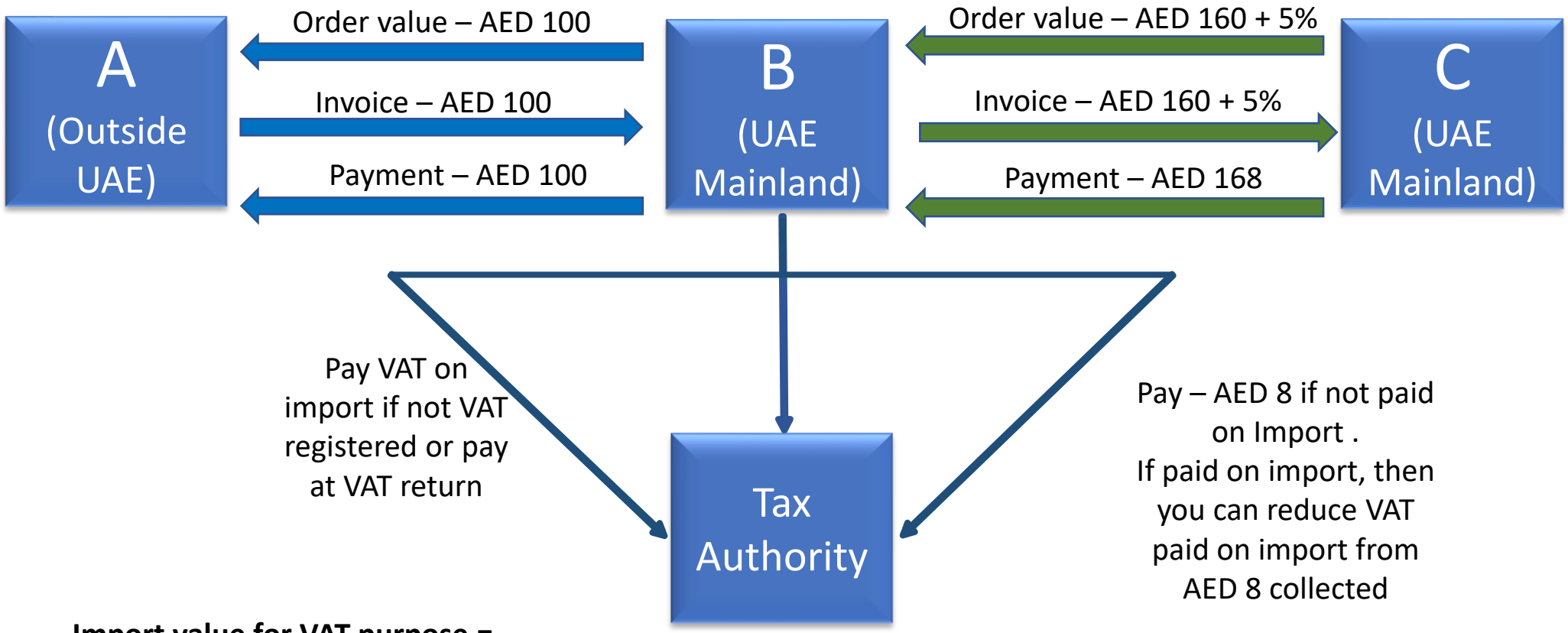


VAT Calculation-Illustration



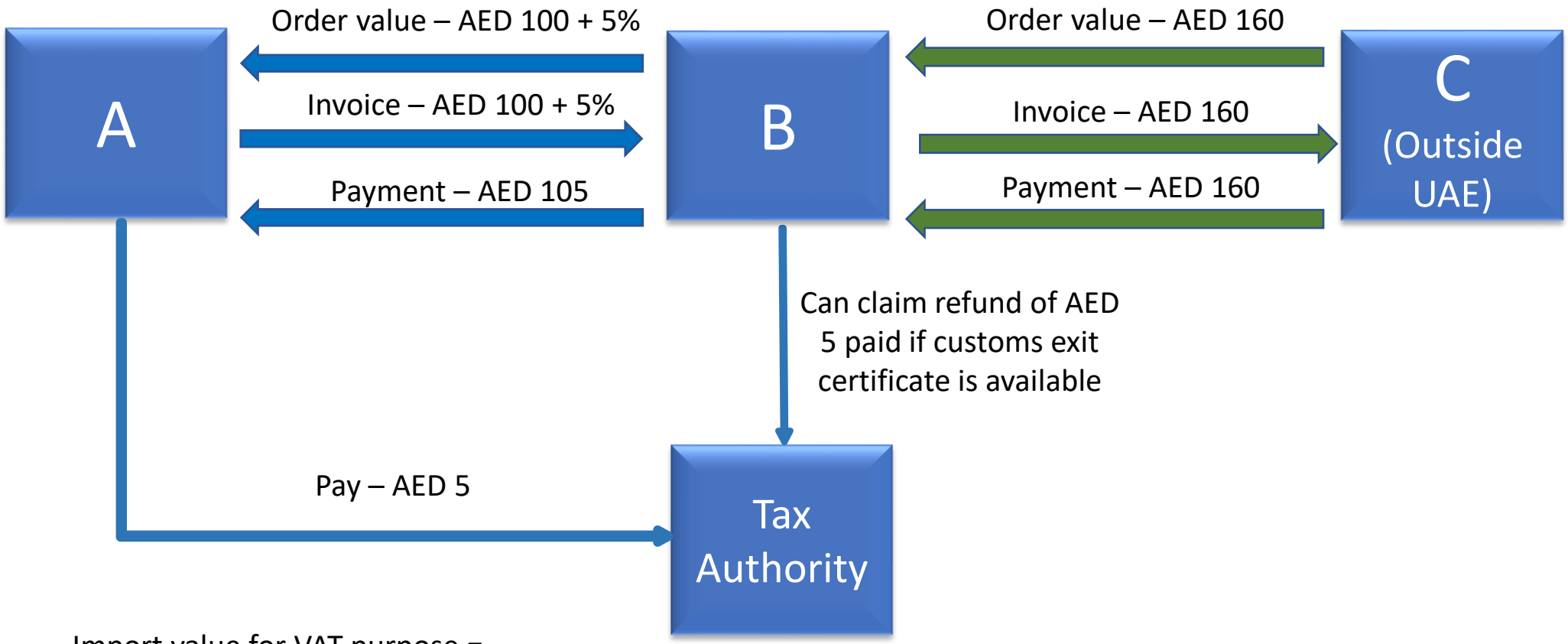
1: A is the Seller and B is the Customer
2: B is the Seller and C is the Customer

VAT Calculation-Illustration for Import



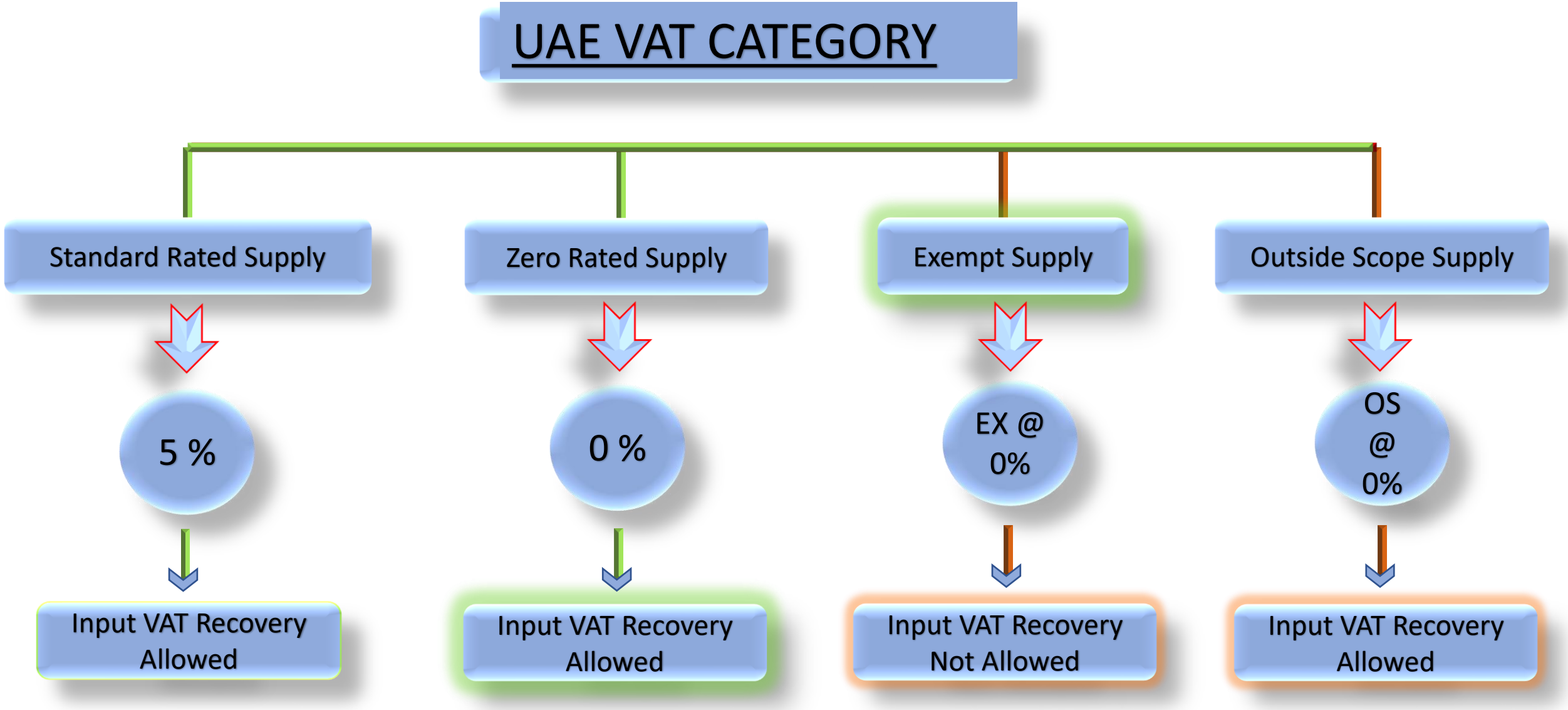
Import value for VAT purpose = Value as per invoice + Customs duty + Other landed costs

VAT Calculation - Export

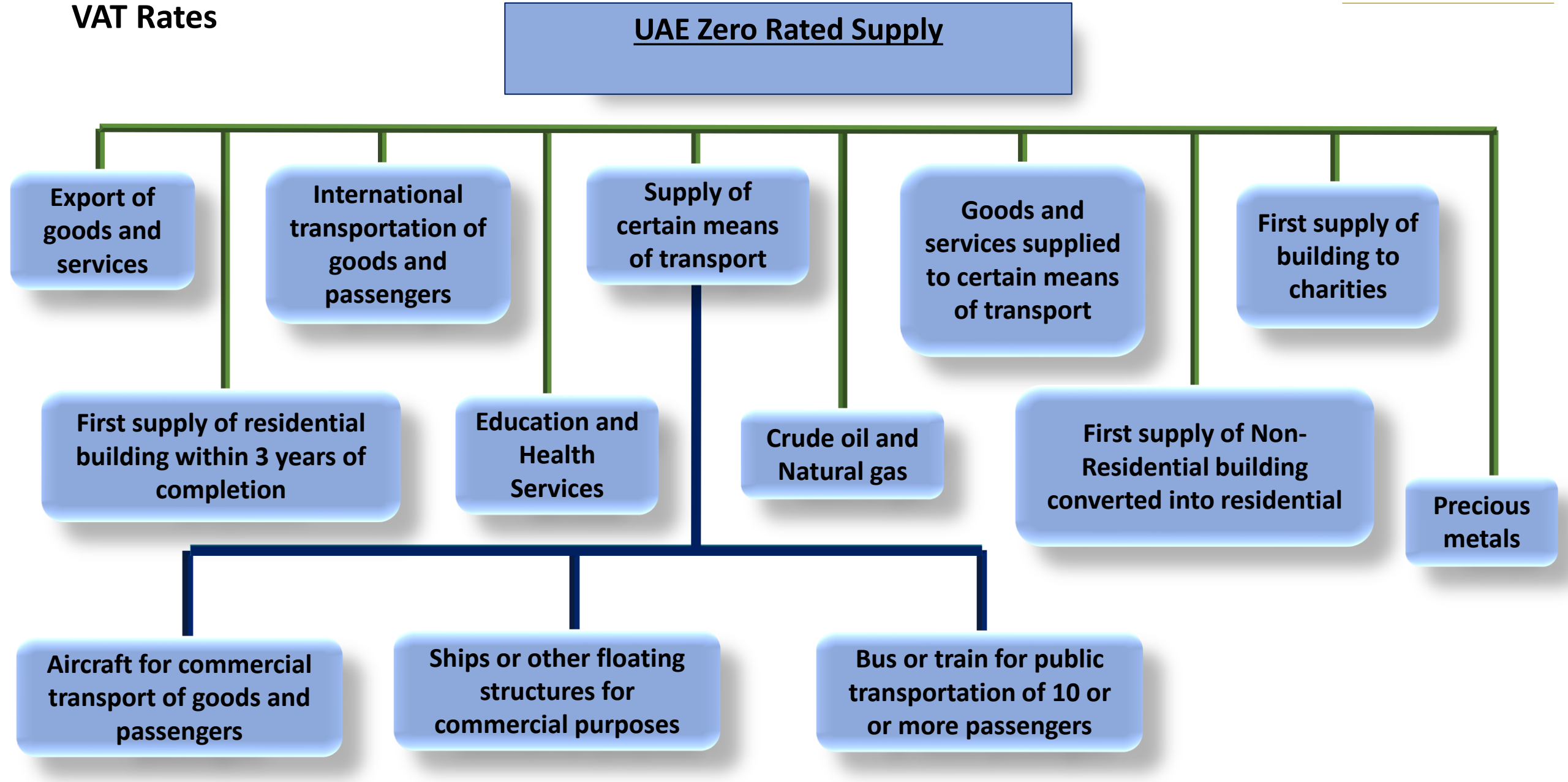


Import value for VAT purpose = Value as per invoice + Customs duty + Other landed costs

VAT Rates


UAE VAT CATEGORY
Standard Rated Supply
Zero Rated Supply
Exempt Supply
Outside Scope Supply
5 %
0 %
EX @ 0%
OS @ 0%
Input VAT Recovery Allowed
Input VAT Recovery Allowed
Input VAT Recovery Not Allowed
Input VAT Recovery Allowed

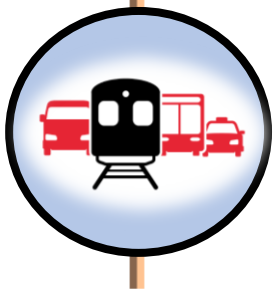
VAT Rates


UAE Zero Rated Supply
Export of goods and services
International transportation of goods and passengers
Supply of certain means of transport
Goods and services supplied to certain means of transport
First supply of building to charities
First supply of residential building within 3 years of completion
Education and Health Services
Crude oil and Natural gas
First supply of Non-Residential building converted into residential
Precious metals
Aircraft for commercial transport of goods and passengers
Ships or other floating structures for commercial purposes
Bus or train for public transportation of 10 or or more passengers

VAT Rates

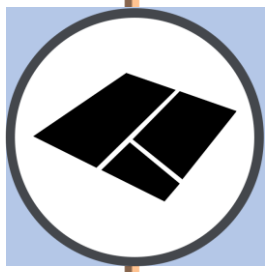
UAE Exempt Supply

Financial services

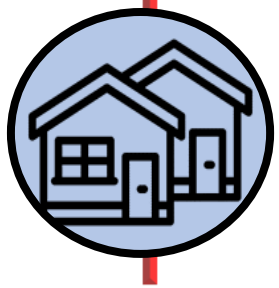


Local passenger transport service

Not for entertainment



Bare land



Residential Building

Not first supply mentioned in Zero rated supply

Lease > 6 months

Tenant is having Emirates ID

UAE Outside Scope Supplies

Supply of goods or services to VAT Group entities

For Designated Zone entities

Supply of goods from outside UAE to outside UAE

Supply of goods from designated zone through customs to outside UAE

Supply of goods from outside UAE to outside UAE

Supply of goods within designated zone through customs

Supply of goods through customs from a designated zone to another designated zone

FREE ZONE

Areas where 100% foreign ownership is permitted

Can enjoy the benefit of Corporate taxation

Not fenced or gated

Not a designated free zone for UAE VAT

- DMCC
- DSO
- Meydan FZ
- SHAMS FZ

Fenced or gated

Designated free zone for UAE VAT

- Jebel Ali FZ
- Dubai Airport FZ
- Sharjah Airport FZ
- Ajman FZ

Note: Only a Free zones are listed out here ,and not the complete list.

SIMPLIFIED TAX INVOICE

TAX INVOICE

Invoice Date: (Mandatory)
Invoice No: (Mandatory)
Customer Name: (Optional)
Customer Address: (Optional)
Customer TRN: (Optional)

1

Mandatory fields: 1 & 2

2

Sl No.	Item Name/ Description of Service	Qty	Rate	Value (Excluding VAT)	% of VAT	VAT	Total (Including VAT)
1	Line 1						

1. Summary of totals value excluding VAT, VAT and value inclusive of VAT
2. AED conversion at Central Bank Exchange rate
3. Applicable for retail suppliers or value of each invoice less than AED 10,000

FULL TAX INVOICE

TAX INVOICE

Invoice Date: (Mandatory)
Invoice No: (Mandatory)
Customer Name: (Mandatory)
Customer Address: (Optional)
Customer TRN: (Optional)

1

Mandatory fields: 1 & 2

2

Sl No.	Item Name/ Description of Service	Qty	Rate	Value (Excluding VAT)	% of VAT	VAT	Total (Including VAT)
1	Line 1						
2	Line 2						

1. AED conversion at Central Bank Exchange rate
2. Applicable for value of each invoice more than AED 10,000

EXPORT OF GOODS

DIRECT

1. Goods exported by supplier
2. Official export document
   - Customs exit document signed & stamped by local emirate customs department
3. Commercial export document
   - Airway bill
   - Bill of lading
   - Consignment Note
   - Certificate of shipment

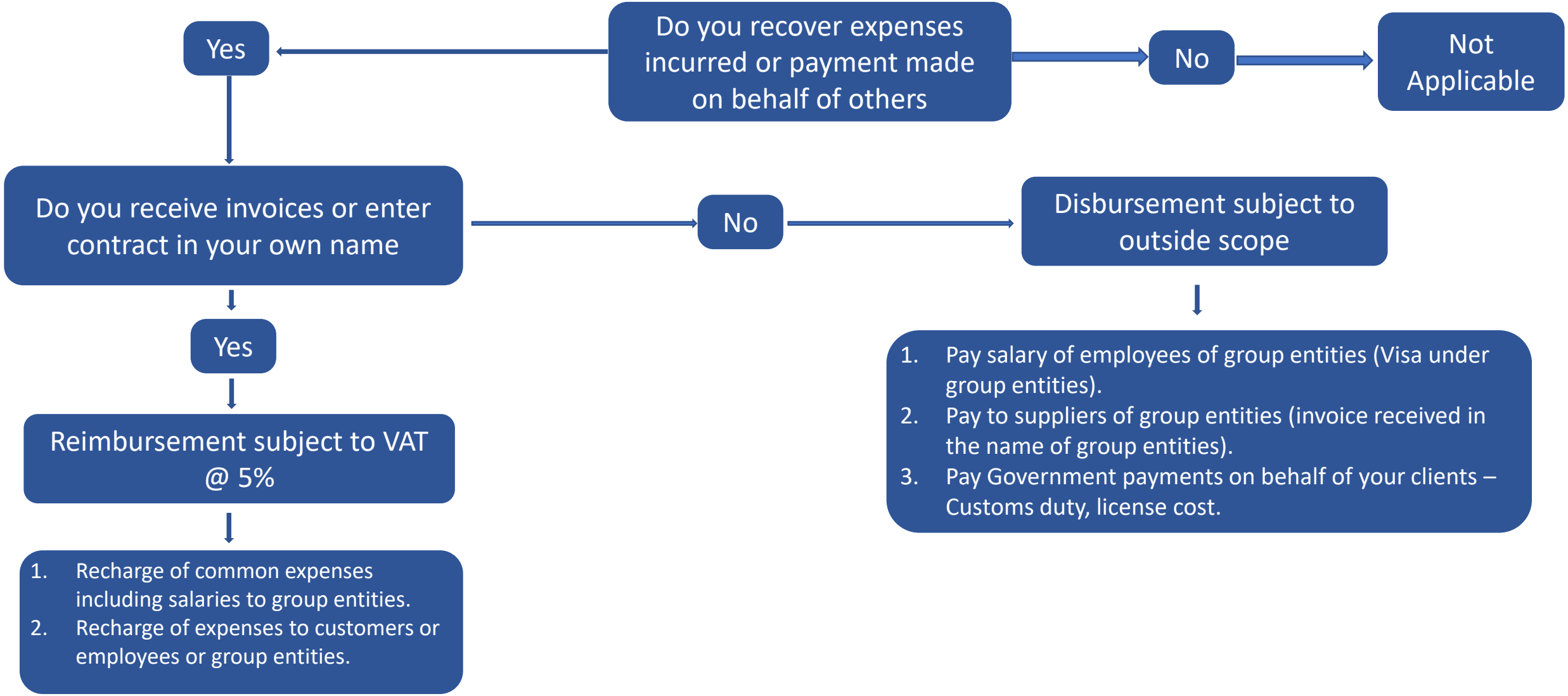
INDIRECT

1. Goods exported by customer
2. Copy of official export document
3. Copy of Commercial export document

Export documents must identify :

1) Supplier
2) Consignee
3) Goods
4) Value
5) Export destination
6) Mode of transport

DISBURSEMENT VS REIMBURSEMENT



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THANK YOU

The information contained herein is of a general nature. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter. No one should act on such information without appropriate professional advice and a thorough examination of the situation. A detailed analysis of the tax and regulatory implications should be done prior to implementation in order to determine the feasibility of the transaction at the time of implementation.

Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received by the receiver or that it will continue to be accurate in the future.. Specialist advice should be sought with respect to any individual circumstances.

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