



Getting Started Guide- VAT



1. Overview

You are about to apply for Value Added Tax (VAT) registration in the UAE.

You should read the following information before proceeding with the completion of your VAT registration application. It will help you understand whether or not you are required or eligible to register for VAT and, if so, what information you will need to hand in order to complete your application. It also provides you with helpful information about how to use the online VAT registration application system.

2. Important basics about VAT registration

a. Who is registered for VAT purposes

When you register for VAT you are registering the **person** that is operating a business, not the business itself. A person can be an individual (i.e. operating as a sole trader), or a legal person (further defined in Section 4) or another form of entity (e.g. an unincorporated body such as a charity or club, a partnership or trust). **A VAT registration covers ALL of the business activities undertaken by the registered person.**

When you apply for VAT registration we will ask you for information relating to the person that is to be registered, and the current/intended business activities of that person.

Federal or Emirate Government bodies and other similar entities in the UAE are to be registered in the name of the relevant body, notwithstanding the fact that they might not be operating a business in the normal sense.

b. Your obligations at this time

The Federal Tax Authority (FTA) is inviting applications for VAT purposes (where the registration criteria set out below have been met) in order to **help businesses operating in the UAE prepare in good time** for the implementation of VAT on 1 January 2018.

3. Registration criteria

For businesses resident in the GCC

(Mandatory registration) You will be **required** to be registered when the VAT law is in force if you are a business that is resident in the GCC and you are making supplies of goods or services in the UAE and either:

1. Your turnover was more than AED 375,000 in the last 12 months; or
2. You expect that your turnover will be more than AED 375,000 in the next 30 days.



(Voluntary registration) If you are not required to register, you will be **eligible** to apply for registration when the VAT law is in force if:

1. Either your turnover or expenses (which will be subject to VAT) were more than AED 187,500 in the last 12 months; or
2. You expect that either your turnover or expenses (which will be subject to VAT) will be more than AED 187,500 in the next 30 days.

Federal or Emirate Government bodies and Charities

All Designated Government Bodies and Designated Charities must register for VAT purposes, whether or not they are otherwise required or eligible for registration (subject to relevant entity being listed in Cabinet Decision). More details on this subject can be obtained from the FTA if required.

For businesses resident outside the GCC

You are **required** to register when the VAT law is in force if you are making or expect to make supplies of goods or services in the UAE and there is no other person who is required to account for the VAT due in the UAE on your behalf.

If you have determined that you will be required to register or will be eligible to register, you should read the rest of the information on this page and **proceed with your application**.

Please notify us via the eServices portal if the above reasons for registrations do not apply to you but you still consider that you are required to register for VAT for any other reason.

4. Definitions that you should be aware of at this time

Business: Any activity conducted regularly, on an ongoing basis and independently by any Person, in any location, such as industrial, commercial, agricultural, professional, service, or excavation activities or anything related to the use of tangible or intangible properties.

Legal Person: An entity with legal personality formed under the relevant laws that is capable of entering into contracts in its own name. Typically, for example, a company would be a legal person, as it is formed under companies' laws and can enter into contracts. However, it is also possible for other entities to be created which are similar (e.g. a Limited Liability Partnership, or the companies formed by Decree under local laws in the Emirates).

Resident: a business is generally considered resident in a place where it has a place of establishment or a fixed establishment.



Place of establishment: is the place where a business is legally established, or in which significant management decisions are taken and central management functions are conducted.

Fixed Establishment: is any fixed place of business, other than the place of establishment, in which business is carried on regularly or permanently and where sufficient human and technology resources exist to enable the business to make or receive supplies.

Turnover: for the purposes of working out whether you should register you should take into account the value of:

- taxable supplies made or to be made;
- the value of taxable goods and services imported; and
- if you acquire a whole or part of another business, the value of taxable supplies made by the acquired whole or part of the business.

Taxable supply: all supplies of goods and services made in the UAE are taxable supplies, other than a limited number of exempt supplies.

5. Do I have to register if I already have a Tax Registration Number (“TRN”) for Excise Tax?

Yes. You will be allocated a different TRN for VAT purposes if your application for registration is successful. If you have registered for Excise Tax before, you may find the process faster as some of the answers are prepopulated.

6. Can one person have more than one TRN for VAT

No. A person can only hold one TRN for VAT purposes at any one time. It is your responsibility to ensure that duplicate applications are not submitted.

Branches are not separate legal entities; only the entity of which they are branches should apply for registration where that entity meets the relevant criteria. Even if you are operating via branches in more than one Emirate, only one VAT registration is required.

7. Registration of a Tax group

A Tax group can be formed between two or more legal persons (each of which must be resident in the UAE), that are associated and which meet specific control criteria.

The prospective representative member of the Tax group is the only member who can create the group. In order to create a Tax group, and if you are the representative member, you must first apply for VAT registration in the normal manner using the standard VAT registration application form. Upon submission of the application, you will be allocated a Tax Identification Number (TIN) which is



required in order to be able to proceed and complete a Tax group registration form. **Please note that this is not a TRN and cannot be used for VAT purposes.**

A separate Tax group registration application will also have to be completed. **Only when the group application has been accepted and approved will you be issued with a TRN.**

8. What if you only make zero-rated supplies?

If you only make zero-rated supplies, you may apply to be excepted from registering for VAT.

You must still complete a VAT registration application, but you should answer “Yes” to the question: “Are you applying for an exception from VAT registration?” (Please refer to the additional instructions provided in the Authorized Signatory section in the application).

9. Important information about using the online VAT application form

a. What information will you need to hand when completing the registration application

During the application process you will be asked for various documents relating to your activities. It is advisable that you have these to hand prior to starting your application.

The required documentation will vary depending on the profile of the applicant. Below is a guide showing the types of documents that may be requested, depending on the legal status of the applicant.

Natural person	Incorporated Bodies (e.g. a company, a UAE company established by Decree or Limited Liability Partnership)	Other non-Corporate bodies (e.g. a partnership, trust, club, charity, etc.)	Government entity
Trade License(s)	Trade License(s)	Trade License(s)	Law or decree of establishment
Partnership Agreement (if applicable)	Certificate of Incorporation (if applicable)	Certificate of Incorporation (if applicable)	Contact Information



Natural person	Incorporated Bodies (e.g. a company, a UAE company established by Decree or Limited Liability Partnership)	Other non-Corporate bodies (e.g. a partnership, trust, club, charity, etc.)	Government entity
Contact Information	Articles of Association/ Partnership Agreement (if applicable)	Club or Association Registration	Bank Account details
Bank Account details	Contact Information	Contact Information	Customs details (if applicable)
Financial Statements	Bank Account details	Bank Account details	Authorized Signatory documents
Customs details (if applicable)	Financial Statements	Financial Statements	
Passport and Emirates ID	Customs details (if applicable)	Customs details (if applicable)	
	Authorized Signatory documents	Authorized Signatory documents	
	Passport and Emirates ID of manager, owner and senior management	Passport and Emirates ID of manager, owner and senior management	

You are required to upload copies of documents in some cases. Accepted file types are PDF, JPG, PNG and JPEG. The individual file size limit is 2 MB.

b. How much time will the application process take?

The online application form should take approximately 15 - 20 minutes to complete if you have all the documents on hand.



c. Save as you go

It is recommended that you save your form as you work through it by clicking the “save and next” button at the bottom of the form. **Your entries will not be saved automatically.**

For data security purposes, the online registration system will automatically **log you out after a period of 10 minutes of inactivity.**

d. Taking care

Please provide as much accurate information as you can; failure to do so can lead to delays processing your application and could lead to your application being rejected. All sections marked with an asterisk (*) must be completed otherwise you will not be able to submit the form.

Please be aware that **you may be subject to penalties if you provide incorrect information in your application.**



10. What happens next?

When your **application has been approved you will be provided with a TRN** for VAT and enabled to submit your Tax returns and pay any amounts due online. Other services specific to VAT will also be available to you.

In some limited cases we may have to contact you where we have questions about your application or if we require additional information. Your application will not progress until you have provided the necessary information and it will be shown as “Pending” on your eServices portal.

In all cases if we do not believe that you have met the criteria necessary for VAT registration your application will be rejected.

If you have a question about your application, you can submit a Service Request on the eServices portal.