

# Indirect Taxes Committee

## Institute of Chartered Accountants of India

### SUMMARIZED PROVISIONS OF FEDERAL DECREE-LAW No. (8) OF 2017 ON VALUE ADDED TAX

#### Dubai

VAT Law (Goods & Services Tax ) is expected to be implemented in Dubai w.e.f 01.01.2018

#### TITLE ONE Definitions

##### **Certain important definitions:**

**State:** United Arab Emirates

**Value Added Tax:** A tax imposed on the import and supply of Goods and services at each stage of production and distribution, including the Deemed Supply.

**GCC States:** all countries that are full members of The Cooperation Council for the Arab States of the Gulf pursuant to its Charter.

**Implementing States:** The GCC States that are implementing a Tax law pursuant to an issued legislation.

**Goods:** Physical property that can be supplied including real estate, water and all forms of energy as specified in the Executive Regulation of this Decree-Law.

**Services:** Anything that can be supplied other than Goods.

**Concerned Goods:** Goods that have been imported, and would not be exempt if supplied in the State.

**Concerned Services:** Services that have been imported, where the place of supply is in the State, and would not be exempt if supplied in the State.

**Place of Establishment:** The place where a Business is legally established in a country pursuant to the decision of its establishment, or in which significant management decisions are taken and central management functions are conducted.

**Fixed Establishment:** Any fixed place of business, other than the Place of Establishment, in which the Person conducts his business regularly or permanently and where sufficient human and technology resources exist to enable the Person to supply or acquire Goods or Services, including the Person's branches.

**Place of Residence:** The place where a Person has a Place of Establishment or Fixed Establishment, in accordance with the provisions of this Decree-Law.

#### TITLE TWO Tax Scope and Rate

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**Scope of Tax:**

1. Every Supply made by the Taxable Person
2. Import of Concerned Goods except as may be specified.

**Tax Rate:**

Standard Rate of 5%.

**Responsibility for Tax:**

1. Taxable person making any supply
2. Importer of Concerned Goods
3. Registrant who acquires goods and on whom Reverse Charge is applicable.

### TITLE THREE SUPPLY

#### CHAPTER ONE SUPPLY OF GOODS AND SERVICES

**Supply of Goods:**

1. Transfer of ownership of the Goods or the right to use them to another person.
2. Contract between two parties entailing a transfer of Goods at a later time.

**Supply of Services:**

Every supply that is not considered a supply of Goods.

**Supply in Special Cases:**

Exceptions to Supply:

1. The sale or issuance of any voucher unless the received consideration exceeds its advertised monetary value.  
Eg: A sells/issues a voucher of Rs. 100/- and the monetary value printed on the voucher is Rs. 100/-, in this case, supply would NOT be considered.  
Eg: A sells/issues a voucher of Rs. 100/- and the monetary value printed on the voucher is Rs. 200/-, in this case, supply would be considered.
2. Transfer of whole or an independent part of a business, for the purpose of continuing the business.

**Supply of more than one component:**

Conditions shall be specified by the Executive Regulation of this Decree-Law.

**Supply via Agent**

1. Supply through agent in the name of the principal, considered to be a supply by the principal.
2. Supply by an agent in his own name to be considered as supply by the agent himself.

**Supply by Government Entities:**

To be regarded as making a supply in the course of business in the following cases:

1. If its activities are conducted in a non-sovereign Capacity.
2. If its activities are in competition with the private sector.

Cabinet decision shall be issued to determine activities which are non-sovereign or in competition with the private sector.

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### CHAPTER TWO

#### Deemed Supply

##### The cases of Deemed Supply:

1. A supply, which constituted the whole assets or a part thereof, but are no longer considered to be as such, provided that the supply was made without consideration.
2. Where transfer of goods that constituted a part of business assets from the State to an Implementing State or vice-versa, except:
  - a. When considered as temporary transfer under the Custom Legislation.
  - b. Is made as part of another Taxable Supply of these Goods.
3. A supply of Goods or Services for which Input Tax may be recovered but the Goods or Services were used, in part or whole, for purposes other than Business then such supply shall be considered as deemed only to the extent of the use for non-business purposes.
4. Goods or Services owned on the date of Tax Deregistration.

##### Exceptions for Deemed Supply:

1. Where no Input Tax was recovered.
2. Supply being Exempt Supply  
**Exempt Supply:** A supply of goods or services for consideration while conducting Business in the State, where no Tax is due and no Input Tax may be recovered, except according to the provisions of this Decree-Law.
3. If any adjustment has happened, pursuant to the Capital Assets Scheme.  
**Capital Assets Scheme:** A scheme whereby the initially recovered Input Tax is adjusted based on the actual use during a specific period.
4. Where the goods are supplied as sample or commercial gifts, and the value for each recipient within the 12 months does not exceed the limit specified.
5. If the total output tax due for all the deemed supplies per person for a 12-month period is less than the amount specified.

### TITLE FOUR

#### Tax Registration and Deregistration

##### Mandatory Tax Registration:

1. Every person, who has a Place of Residence in the State or an Implementing State, shall register in the following situations:
  - a. Where the total value of supplies exceeded the mandatory threshold over the previous 12-month period.
  - b. Where it is anticipated that the supplies would exceed mandatory registration threshold in the next thirty days.
2. Every Person, who does not have a Place of Residence in the State or an Implementing State, and who makes supplies of goods or services and where no other person is obligated to pay the due tax on these supplies in the State.
3. The Executive Regulation shall specify the time limits in this regard.

##### Tax Group:

Two or more persons may apply for Tax Registration as a Tax Group if all the following conditions are met:

- a. Each shall have a Place of Establishment or Fixed Establishment in the State.
- b. They should be related parties.
- c. One or more persons conducting business in a partnership shall control the others.

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The Executive Regulation of this Decree-Law shall provide instances where the Authority shall play a role.

The authority may do acts like de-registration, bring about changes by adding/removing persons and other acts which may be required for smooth functioning of this article.

### **Registration Exceptions:**

The Authority may excuse a Taxable Person from mandatory tax registration upon his request if his supplies are only subject to zero rate.

### **Tax Registration of Government Bodies:**

Government entities which shall be determined in Cabinet Decision shall apply for Tax Registration.

### **Voluntary Registration:**

A Person may take voluntary registration, if he proves that the total value of supplies or the expenses which are subject to tax and were incurred during the previous 12-month period, has exceeded the Voluntary Registration Threshold or if it is anticipated that it would increase during the coming 30-day period.

### **Tax Registration for a Non-Resident:**

NR may not take the value of Imports to determine whether he is entitled for registration if the calculation of tax on such imports is the responsibility of the importer.

### **Calculating the Tax Registration Threshold:**

To determine if a person has exceeded the Threshold, the following shall be calculated:

1. Value of taxable Goods and Services.
2. Value of concerned goods and services.
3. The value of the relevant part if he has acquired a business from another person who made the supplies.
4. Value of Taxable supplies made by related parties.

### **Capital Assets:**

Supply of Capital Assets shall not be taken into account to determine the threshold limit.

### **Tax- De-Registration Cases:**

1. If taxable supplies are stopped.
2. Value of taxable supplies over a consecutive twelve month period is less than the threshold.

### **Application of Tax De-Registration:**

A registrant may apply to the Authority for Tax Deregistration if the value of his taxable supplies during the past 12 months was less than the mandatory registration threshold.

### **Voluntary Tax De-Registration:**

A registrant may not apply for tax de-registration within 12 months of the date of Tax Registration.

### **Procedures, Controls and Conditions of Tax Registration and De-Registration**

The Executive Regulation of this Decree-Law shall determine the same.

## **TITLE FIVE**

### **Rules pertaining to supply**

## **CHAPTER ONE**

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### **Date of supply**

Earlier of following:

1. Date of transfer of goods, if supply is under supervision of supplier
2. Date on which recipient took possession, if supply was not supervised by supplier
3. Where goods supply with installation, date on which installation completed
4. Date on which goods imported under custom legislation
5. Date on which recipient of goods accepted the supply not later than 12 months from date on which goods transferred, if supply made on returnable basis
6. Date of completion of service
7. Date of receipt of payment or date of issue of invoice.

### **Date of supply in special cases**

1. For any contract that includes periodic payment, earliest of following:
  - a. Date of invoice
  - b. Date of payment due
  - c. Date of receipt of payment
2. Where payment made through vending machine, date on which funds collected from machine
3. In case of deemed supply of goods or services, date of supply, disposal, date of deregistration as the case may be.
4. Date of supply of voucher is the date of issuance or supply thereafter

## CHAPTER TWO

### Place of supply

### **Place of supply of goods**

1. POS shall be **in the state**, if supply made in state and does not include import into and export from state.
2. POS of assembled or installed goods if exported from and imported into shall be the **place of installation**.
3. POS in case of import or export shall be as follows
  - a. POS shall be **Inside the state** in the following instances
    1. If the supply includes exporting to a place outside the state
    2. If recipient of goods in an implementing state is not registered for tax in destination state and total receipt does not exceed mandatory registration threshold
    3. Recipient of goods does not have tax registration no. and total export from same supplier of implementing state exceeds the mandatory threshold
  - b. POS shall be **outside the state** in the following instances
    1. Export to registered person in implementing state.
    2. Export to unregistered person in implementing state and total export exceeds mandatory registration threshold.
    3. Export by registered person in implementing state to unregistered person and total export do not exceeds mandatory registration threshold.

### **Place of supply of water energy**

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The supply of water and all forms of energy through a distribution system shall be considered as done in **place of residence of taxable person** where distribution was conducted by a taxable person to a taxable person  
 POS shall be **place of actual consumption** where distribution was conducted by a taxable person to a non-taxable person.

### Place of supply of services

POS shall be the place of residence of supplier

### Place of supply of telecommunication and electronic services shall be

**In the state:** To the extent of use and enjoyment of supply in the state

**Outside the state:** To the extent of use and enjoyment of supply outside the state

## CHAPTER THREE

### Place of residence

#### Place of Establishment

Place of residence of supplier / recipient of services

- a. Place of establishment/ fixed establishment is the state in which it is located, provided he is not having any establishment in any other state.
- b. In case of where one has more than one establishment / fixed establishment – the state in which the place of establishment is located where he has a fixed establishment that is mostly closely related to the supply
- c. No place of establishment / fixed establishment – the state in which the usual place of residence is located.

#### The Agent

Place of residence of an agent = place of residence of the principle in these cases:

- a. Agent regularly exercises the right of negotiation and enters into agreements.
- b. Agent maintains stock of goods.

## CHAPTER FOUR

### Value of supply

#### Value of supply

If entire consideration is monetary	Consideration less tax
If whole or part of consideration is non-monetary:	Monetary value + value of non-monetary consideration and shall not include tax
For service received by taxable person who is liable to pay tax under reverse charge	Market value of the consideration without addition of tax
If consideration related to matters other than supply of goods or services	Part of consideration that is related to supply

#### Value of import

Custom value + value of insurance+ freight + custom fees+ excise tax paid on import

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### Value of supply for related parties

Value of supply shall be market value if the value of supply is less than market value and supply is a taxable supply where recipient of goods or services does not have right to take input.

value of supplies shall be reduced by proportionate discounts or subsidies

Value of supply of vouchers	Difference between consideration received by supplier and advertised monetary value
Value of supply of postage stamps	Amount shown on the map
Value of supply in case of temporary transfer outside the state for repair etc in order to re-import them	Value of services rendered

### CHAPTER FIVE Profit margin

#### Charging tax on profit margin

Registrant may opt to charge tax based on profit margin earned on taxable supplies by notifying the authority.

### TITLE SIX Zero rates and exemptions

#### CHAPTER ONE Zero rate

#### Import taxable at zero rate

Import of goods and services specified in chapter made by taxable person shall be taxable supply subject to zero rate

#### CHAPTER TWO Exemptions

#### Exemptions subject to certain conditions

1. Specified financial services
2. Supply of residential building
3. Supply of bare land
4. Supply of local passenger transport

#### CHAPTER THREE Single and mixed supplies

#### **Supply of more than one component**

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Regulations of this decree law will specify the controls to determine the tax treatment of any supply composed of more than one component for a single price, where each component is subject to a different treatment.

### **CHAPTER FOUR**

#### **Specific obligations to account for tax**

##### **Reverse charge**

1. If taxable person Imports concerned goods or concerned services for business purpose then he shall be treated as making a taxable supply to himself and shall be responsible for tax,
2. In case the final destination of the goods when entering the state is another implementing state, the taxable person shall pay the due tax on import of concerned goods
3. If the registrant makes a taxable supply in the state to another registrant of any crude or refined oil, natural gas for either reselling of purchased good or use these goods than following rules shall apply:
  - a) Supplier shall not charge tax on the value of supply
  - b) The recipient shall calculate the tax on the value of goods supplied and shall be responsible for all applicable tax.
4. Provision of clause (3) of this article shall not apply in following situations:
  - a) Where before the date of supply, the recipient of goods has not provided confirmation that such acquisition is for purpose of resale.
  - b) Where before the date of supply, the recipient has not provided a written registration
  - c) Where the taxable supply would be subject to tax @ 0%
  - d) Where the taxable supply includes a supply of goods or services other than goods referred to in clause (3) of this article
5. Where the recipient of goods of any crude or refined oil, natural gas confirms in writing to the supplier that he is a registrant for the purpose of clause (3) the following shall apply
  - a) The supplier shall not be liable for calculating the tax in relation to the supply unless he was aware or supposed to be aware, that recipient was not a registrant at the date of supply.
  - b) The recipient shall be liable for calculation of any due tax.

### **CHAPTER FIVE**

#### **Designated zones**

##### **Designated zone**

A “designated zone “that meets the conditions specified in the executive regulation of this decree- law shall be treated as being outside the state



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### **Transfer of goods in designated zones**

Transfer of goods from one designated zone to another designated zone may take place without any tax becoming due. Regulations to this decree law shall specify the procedures and conditions for the transfer of goods as well as method for keeping, storing and processing such goods therein.

### **Exception for designated zones**

Regulations of this decree law shall specify the conditions under which business conducted within the designated zones will be regarded as being conducted in the state.

## **TITLE SEVEN**

### **Calculation of Due Tax**

## **CHAPTER ONE**

### **Due Tax for a Tax Period**

The tax payable shall be equal to the output tax payable as reduced by the total recoverable tax.

### **Recoverable Input Tax**

Where goods are imported through another Implementing State for consumption within the state, then the tax paid in the implementing state shall be treated as recoverable tax, subject to conditions.

Where goods were acquired by a Taxable Person in another implementing state and then moved into the state, the taxable person shall be entitled to treat the tax paid in respect of the goods in the implementing state as recoverable tax, subject to conditions.

The Executive Regulation of this Decree-Law shall specify the instances where Input Tax is excepted from being recovered.

### **Recovery of Recoverable Input Tax in the Tax Period**

The recoverable input tax may be deducted through the Tax Return relating to the first Tax Period in which the following conditions have been satisfied:

- a. The taxable person receives and keeps the Tax Invoice as per the provisions of this Decree-Law, in relation to the Supply or Import on which Input Tax was paid.
- b. The taxable person pays the consideration for the supply or any part thereof, as specified in the Executive Regulation of his Decree-Law.

### **Input Tax Paid before Tax Registration**

A registrant may recover recoverable tax incurred before tax registration for the following:

- a. Supply of goods and services made to him prior to the date of Tax Registration
  - b. Import of Goods by him prior to the date of Tax Registration.
- may be recovered before tax registration.

Input Tax may not be recovered in any of the following instances:

- a. The receipt of Goods and Services for purposes other than making Taxable Supplies.
- b. Input Tax related to the part of the Capital Assets that depreciated before the date of Tax Registration.
- c. If the services were received more than five years prior to the date of Tax Registration.
- d. Where a person has moved the goods to another implementing state prior to the tax registration in the state.

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### **Recovery of Tax by Government Entities and Charities**

A Cabinet decision shall be issued at the suggestion of the Minister determining the Government Entities and Charities entitled to recover the full amount of Input Tax paid by them.

## **CHAPTER TWO**

### **Apportionment and Adjustment of Input Tax**

#### **Calculating the Input Tax that may be Recovered**

The Executive Regulation of this Decree-Law shall specify the details with regards to this.

#### **Conditions and Mechanism of Input Tax Adjustment**

The Executive Regulation of this Decree-Law shall specify the conditions and mechanism for adjusting Input Tax in the following cases:

1. If the taxable person attributes the input tax, either fully or partially, to make taxable supplies, but changes the use, prior to making the taxable supplies.
2. If the taxable person attributes the input tax, either fully or partially, to make exempt supplies, or for activities that do not fall within the conduct of business, but changes the use, prior to making exempt supplies.

## **CHAPTER THREE**

### **Capital Assets Scheme**

#### **Capital Assets Scheme**

1. For capital assets supplied or imported by a taxable person, he has to assess the period of use of such asset and make the necessary adjustments to the Input Tax paid pursuant to the Capital Assets Scheme.
2. Records are to be kept for at least ten years.
3. The Executive Regulation of this Decree-Law shall specify the following:
  - a. Estimated Useful Life
  - b. The method of adjusting Capital Assets and the periods for which adjustments should be made.
  - c. Instances where the period for keeping records of Capital Asset records is extended.

## **CHAPTER FOUR**

### **Adjustment of Tax after the Supply Date**

#### **Instances and Conditions for Output Tax Adjustments**

A Registrant shall adjust output tax after the date of supply in any of the following instances:

- a. When supply is cancelled
- b. If the tax treatment of the supply has changed due to a change in the nature of supply.
- c. If the previously agreed consideration for the supply was altered for any reason.
- d. If the recipient of goods or recipient of services returned them to the registrant in full or in part and the consideration was returned in full or in part.
- e. If the tax was charged in error.

#### **Mechanism for Output Tax Adjustment**

The output tax shall be adjusted according to the following:

- If the output tax due for the supply exceeds the output tax calculated by the registrant, the registrant shall issue a new tax invoice for the additional amount of tax.
- If the output tax calculated by the registrant exceeds the output tax which should have been charged on the supply, the registrant shall issue a Tax Credit Note.

#### **Adjustment due to the issuance of Tax Credit Notes**

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Where the registrant issues a Tax Credit Note to correct output tax charged to the recipient of goods/services, the tax stated in the tax credit note shall be considered as:

1. Reduction of the output tax for the registrant of this tax credit note.
2. Reduction of the Input Tax by the recipient of goods/services for the tax period during which the tax credit note was received.

### **Adjustment for Bad Debts**

Subject to the conditions laid down, a registrant supplier may reduce the output tax in a current tax period to adjust the output tax paid for any previous tax period.

Where the recipient has not paid the consideration and the registered supplier reduces his output tax, the registered recipient of goods/services shall reduce the recoverable input tax.

## **CHAPTER FIVE**

### **Tax Invoices**

#### **Conditions and requirements for Issuing Tax Invoices**

- Along with taxable supplies, an original tax invoice shall be issued and delivered to the recipient of goods/services.
- In case of deemed supply, where the recipient is not available, the supplier shall keep such original tax invoice with himself in his records.
- The Executive Regulation of this Decree-Law shall specify the details with regards to this.

#### **Document of supplies to an implementing state**

Each registrant who supplies goods or services considered as supplies in any of the implementing states, shall provide the recipient of goods/services with a document that includes all the information that must be included in the tax invoice and any other information as specified in the Executive Regulation of this Decree-Law, provided that this document is not labelled "Tax Invoice" and does not include any tax charged.

#### **Date of Issuance of Tax Invoice**

To be issued within 14 days of the date of supply.

#### **Rounding on Tax Invoices**

If the Tax is less than one file of a UAE Dirham, the Executive Regulation of this Decree-Law shall specify the method of calculation and stating the total amount to be paid as tax.

#### **Currency used in Tax Invoices**

If supply is in currency other than the UAE Dirham, then the amount stated in the Tax Invoice shall be converted according to the exchange rate approved by the Central Bank at the date of supply.

## **CHAPTER SIX**

### **Tax Credit Notes**

#### **Conditions and Requirements for issuing Tax Credit Note**

An original tax credit note shall be issued by the supplier to the recipient when a reduction of output tax occurs in relation to any supply made by him.

In case of deemed supply also an original tax credit note shall be issued when a reduction occurs to the output tax and shall keep the same in his records.

The Executive Regulation of this Decree-Law shall specify the details with regards to this.

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### **TITLE EIGHT**

#### **Tax Period, Tax Returns, Payment and Reclaiming of Tax**

#### **CHAPTER ONE**

##### **Tax Period**

##### **Duration of Tax Period**

The Executive Regulation of this Decree-Law shall specify the details with regards to this.

#### **CHAPTER TWO**

##### **Tax Returns and Tax Payment**

##### **Submission of Tax Returns**

- Taxable Person to submit the Tax Return to the Authority at the end of each Tax Period.
- The time limit and the procedures to be specified by the Executive Regulation of this Decree-Law.
- Government Authorities to submit simplified Tax Returns, after a Cabinet decision is issued, on recommendation of the Minister.

##### **Payment of Tax**

The Executive Regulation of this Decree-Law shall specify the details with regards to this.

#### **CHAPTER THREE**

##### **Carrying forward the Excess of Recoverable Tax and Tax Recovery**

##### **Excess Recoverable Tax**

The taxable person shall carry forward any excess of Recoverable Tax to the subsequent tax periods and offset such excess against payable tax or any administrative penalties imposed under this Decree-law, under the following two cases: -

- a. If the Recoverable Input Tax exceeds the Output Tax payable for the same tax period.
- b. If the tax paid exceeds the tax payable as provided under this Decree-Law.

If there remains any excess tax paid, the taxable person may apply to the Authority to reclaim the remaining excess.

The Executive Regulation of this Decree-Law shall specify the details with regards to this.

#### **CHAPTER FOUR**

##### **Other Provisions on Recovery of Tax**

##### **Tax Recovery in Special Cases**

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Tax paid can be returned in accordance with the conditions laid down, for any supply received by or imported carried out by any of the following:

- a.) For a Citizen: Goods and services in relation to the construction of a new residence which is not a part of the business.
- b) For a Non-Resident: who is not a Resident of an implementing state and conducts a business and is not a taxable person.
- c) For a Non-Resident: Goods supplied to him that would be exported.
- d) Foreign Governments, international organizations, diplomatic bodies and missions according to treaties that the State is a party to.
- e) Any persons or classes listed in a Cabinet decision issued at the suggestion of the Minister.

### **TITLE NINE**

#### **Violations and Penalties**

#### **Administrative Penalties Assessment**

Under the following failures, the Authority shall issue an Administrative Penalty Assessment, and notify the person within five business days:

1. Prices to be displayed inclusive of Tax.
2. Person fails to notify the Authority of applying tax based on the margin.
3. Failure in compliance with the conditions and procedures in dealing with Goods in the Designated Zone.
4. Failure to issue the Tax Invoice/ alternative document when making any supply.
5. Failure to issue the Tax Credit Note/ alternative document.
6. Failure in compliance regarding the issuance of Electronic Tax Invoices/ Electronic Tax Credit Notes.

#### **Tax Evasion**

Where non-registered person, claims to be registered in respect of goods referred to in Clause (3) of Article 48 of this Decree-Law, he shall be considered to have committed Tax Evasion, and therefore, shall be subject to penalties.

### **TITLE TEN**

#### **General Provisions**

#### **Record Keeping**

1. The following records are to be maintained:-
  - a) Records of all supplies and imports.
  - b) All Tax Invoices/ Credit Notes/ Alternative documents.
  - c) Goods and Services consumed/disposed off not for matters not related to business, showing taxes paid.
  - d) Goods and Services purchased and for which the Input Tax was not deducted.\
  - e) Records for Export.
  - f) Adjustments, if any, made to accounts or Tax Invoice.
  - g) Records including declarations received of any taxable supplies made or received in accordance with Clause (3) of Article 48 of this Decree-Law.
  - h) Tax Record showing the due tax and recoverable tax.
2. The Executive Regulation of this Decree-Law shall specify the following:
  - Time Limits for keeping the records.
  - Restrictions regarding the maintenance of the confidentiality of the records.

#### **Stating the Tax Registration Number**

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The Tax Registration Number shall be stated on every tax related document or correspondence by the taxable person or any other person authorised in writing by him.

### **TITLE ELEVEN**

#### **Closing Provisions**

#### **Transitional Rules**

1. If the supplier receives consideration or part thereof or issues an invoice for Goods or Services before the Decree-Law comes into effect, the date of supply shall be the same as the effective date of the Decree-Law in the following instances if they occur after the effective date of the Decree Law:

- a) Transfer of Goods under the supervision of the supplier.
- b) Placing of goods at the recipient's disposal.
- c) The completion of assembly or installation of the Goods.
- d) The issuance of the customs declaration.
- e) The acceptance by the recipient of goods of the supply.

2. If a contract has been concluded prior to the enforcement of this Decree-Law, regarding a supply to be wholly or partly made after the effective date of this Decree-Law, but such contract does not contain clauses related to Tax on the supply, it shall be treated as per the following:

- a) The consideration shall be considered inclusive of Tax if chargeable according to this Decree-Law.
- b) Tax shall be calculated on the supply regardless of whether it has been taken into account when determining the consideration for the supply.

3. The Executive Regulation of this Decree-Law shall set forth special provisions related to the implementation of this Decree-Law where a contract has been concluded before the effective date of the Decree-Law but the supply under the contract is wholly or partly made after the effective date of this Decree-Law.

#### **Revenue Sharing**

The taxes collected shall be shared between the Federal Government and the Emirates Government.

#### **Executive Regulation**

The Cabinet shall issue the Executive Regulation of this Decree-Law at the suggestion of the Minister.

#### **Article(83)**

In case of absence of a special provision in this Decree-Law, the provisions of Federal Law No. (7) of 2017 on Tax Procedures shall be applied.

#### **Cancellation of Conflicting Provisions**

Any text or provisions contrary to or inconsistent with the provisions of this Decree-Law shall be abrogated.

#### **Effective date of this Decree-Law and its Application**

January 1, 2018.

Feedback & Comments on the same may be sent at [gst@icai.in](mailto:gst@icai.in) or to Dubai Chapter at [rdme@icaidubai.org](mailto:rdme@icaidubai.org)