



# Value Added Tax (VAT) Returns Guide

June 2021



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## 1. Brief overview of this user guide

This guide will help you navigate the e-Services portal, and is designed to be read in conjunction with the Taxable Person Guide for VAT to file your Value-Added Tax (“VAT”) Tax Return (Form VAT201). It is intended to help you:

- **meet your compliance obligations** in respect of VAT Return filing, payments of tax and obtaining VAT refunds.
- **understand the icons and symbols** included in the forms.

**What is the VAT Return:** The official document to be completed by the Taxable Person and submitted to the Federal Tax Authority (“FTA”) at regular intervals detailing any output tax due and input tax recoverable and including any other information that is required to be provided. In this guide, we will refer to it as the “VAT return”.

All VAT Returns should be submitted online using the FTA portal. The return can be submitted by the Taxable Person, or another person who has the right to do so on the Taxable Person’s behalf (for example, a Tax Agent or a Legal Representative).

## 2. Important notes about the VAT Return

### 2.1. Tax Period

- A Tax Period is a specific period of time for which the Payable Tax shall be calculated and paid.
- The standard Tax Period applicable to a Taxable Person shall be a period of **three calendar months** ending on the date that the FTA determines. The FTA may, at its discretion, assign a different Tax Period, other than the standard one, to a certain group of Taxable Persons (e.g. in some cases businesses may be required to file VAT returns on a monthly basis).
- Where a Taxable Person is assigned the standard Tax Period, he may request that the Tax Period ends with the month as requested by him, and the FTA may accept such a request at its discretion.
- The VAT Return must be received by the FTA no later than the **28th day** following the end of the Tax Period concerned or by such other date as directed by the FTA. Where a payment is due to the FTA, it must be **received** by the FTA by the same deadline.



Where the due date for the submission of the VAT Return and the corresponding payment falls on a weekend or a national holiday, the deadline for filing the VAT Return or making a payment is extended to the first business day thereafter.

- You will be under one of the following four cycles / staggers of Tax Periods (unless otherwise indicated by the FTA), based on your Tax Year end as follows:

Staggers	Tax Periods (following 1 <sup>st</sup> Tax Period)	1 <sup>st</sup> Tax Period in 2018	Due Date of 1 <sup>st</sup> Tax Period
VAT Stagger 1 (Tax Year end: 31 January of every year)	Feb – Apr; May – Jul; Aug – Oct; Nov - Jan	1 Jan 2018 - 30 Apr 2018	28 May or first business day after in case of public holiday / weekend
VAT Stagger 2 (Tax Year end: last day of February of every year)	Mar – May; Jun - Aug; Sep – Nov; Dec – Feb	1 Jan 2018 – 31 May 2018	28 Jun or first business day after in case of public holiday / weekend
VAT Stagger 3 (Tax Year end: 31 March of every year)	Apr – Jun; Jul – Sep; Oct – Dec; Jan – Mar	1 Jan 2018 – 31 Mar 2018	28 Apr or first business day after in case of public holiday / weekend
VAT Stagger 4 (Tax Year end: last day of the calendar year)	Monthly	1 Jan 2018 – 31 Jan 2018	28 Feb or first business day after in case of public holiday / weekend

- If there is no business transaction for the Tax Period, you are required to submit a “nil” VAT Return by the respective due date.

## 2.2. Understanding tax liability

Below are some key terms with respect to the operation of VAT, and how these could impact a Taxable Person’s tax liability.

### Output Tax

“Output tax” is the VAT a Taxable Person calculates and charges on its supplies of goods and services once it is registered for VAT. Output tax must generally be calculated on supplies made to other persons; however, in certain situations VAT might be required to be charged on supplies which were deemed to occur for VAT purposes or on supplies which are subject to the reverse charge provisions.



The obligation to account for output tax arises at the tax point of the supply, i.e. at the date of supply. Once the date of the supply has taken place, the Taxable Person must account for the output tax in the VAT Return covering that Tax Period.



## Input Tax

From the recipient's point of view, "input tax" is the VAT added to the price by the supplier when the recipient purchases goods or services which are subject to VAT. If the recipient is registered for VAT then they may be able to recover this input tax from the FTA, subject to the conditions below:

- the Taxable Person has received and retained a tax invoice or other documentation evidencing the amount of VAT on the supply or import; and
- the amount of VAT has been paid, or is intended to be paid, in whole or in part (in which case the amount of input tax recoverable shall be limited to the equivalent amount).

Once the ability to recover input tax has been confirmed, the person is able to include the amount in the relevant VAT Return as an input tax deduction.

### 2.3. Calculating tax liability

A registered person's tax liability is simply the difference between the output tax payable for a given Tax Period and the input tax which is recoverable for the same Tax Period. Where the output tax exceeds the input tax amount, a payment of the difference must be made to the FTA.

Where the amount of input tax exceeds the amount of output tax, a Taxable Person is entitled to a refund of VAT from the FTA.

### 2.4. Filing VAT Returns

For each Tax Period, a Taxable Person will be required to submit a VAT Return which contains details regarding the supplies made and received by the Taxable Person.

With respect to sales and other outputs, the Taxable Person will need to report:

1. supplies of goods and services made which are subject to the standard rate of VAT per Emirate;
2. tax refunds you have provided to tourists under the Tax Refunds for Tourists Scheme, if you are a retailer and provide tax refunds to tourists in the UAE under the official tourists refund scheme;
3. supplies of goods and services received by the Taxable Person which are subject to the reverse charge provisions;
4. supplies of goods and services made which are subject to the zero rate of VAT;
5. supplies made which are exempt from VAT;
6. goods imported into the UAE and have been declared through UAE customs; and
7. where applicable, adjustments to goods imported into the UAE and which have been declared through UAE Customs.



With respect to purchases and other inputs, the Taxable Person should report:

1. purchases and expenses that were subject to the standard rate of VAT and for which you would like to recover VAT; and
2. any supplies which were subject to the reverse charge for which you would like to recover input tax.

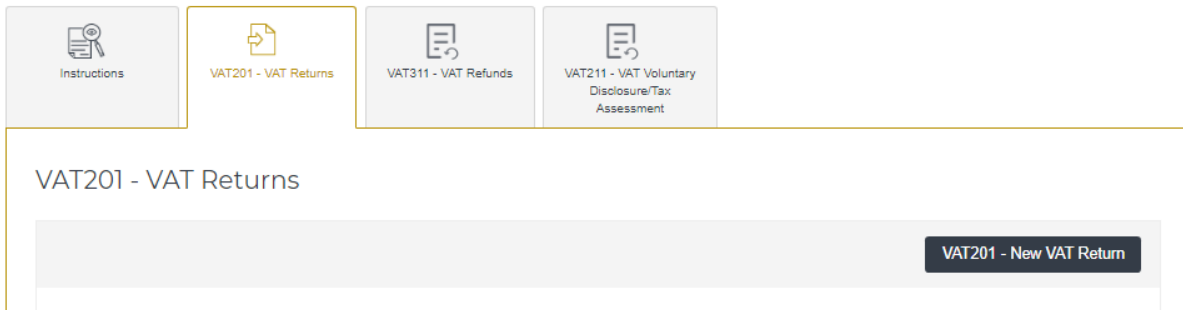
The amounts of VAT charged and input tax recoverable by the Taxable Person would then need to be netted off in the Tax Return. The resulting amount is the net VAT payable to, or to be refunded by, the FTA (i.e. the net VAT position).

### 3. Completing and Submitting the VAT Return Form

As a Taxable Person registered for VAT purposes, you are required to declare and pay the payable due tax in the VAT Return which relates to the Tax Period in which you made and received supplies.


#### 3.1. Initiate the form


To initiate and access the VAT Return, you should login to the FTA e-Services portal using your registered username and password. In order to begin completing your VAT Return, go to the “VAT” tab on the navigation bar and then go to ‘VAT201 – VAT Returns’ tab. From this screen, click on **VAT201 – New VAT Return** to initiate the VAT Return form.





If you have formed a Tax group and you are the representative member of the Tax Group, then you will be able to initiate and access the VAT Return from the ‘VAT201 – VAT Returns for Tax Group’ tab as shown below.



  
 Instructions

  
 VAT201 - VAT Returns for Tax Group

  
 VAT311 - VAT Refunds for Tax Group

  
 VAT 211 - Tax Group Voluntary Disclosure/Tax Assessment

### VAT201 - VAT Returns for Tax Group

VAT201 - New Tax Return

View Detail	Date of Filing	VAT Return Period	Tax Year End	VAT Reference Number	Net VAT position	Action
<span style="background-color: #333; color: white; padding: 2px 5px; border-radius: 3px;">View</span>	19/10/2020	01/05/2020 - 31/07/2020	31 January 2021	02 - 2021	0.00	<span style="background-color: #333; color: white; padding: 2px 5px; border-radius: 3px;">Submit Voluntary Disclosure</span>
<span style="background-color: #333; color: white; padding: 2px 5px; border-radius: 3px;">View</span>	19/10/2020	01/02/2020 - 30/04/2020	31 January 2021	01 - 2021	0.00	

In case you are a member of the Tax Group, you will only be able to view the VAT Returns filed by the representative member of your Tax Group.

### 3.2. Complete the form

The below section is a walkthrough of the form including the information required to be completed in each section:





## Taxable Person Details

Details of the Taxable Person will be pre-populated and your input is not required. If a Taxable Person has appointed a Tax Agency and a Tax Agent, their details will also appear accordingly. This includes information such as the “TRN” or “Tax Registration Number” for the Taxable Person, as well as their name and address. If you are a Tax Agent submitting the VAT return on behalf of a Taxable Person, you will also see your “TAAN” or “Tax Agent Approval Number” and your associated “TAN” or “Tax Agency Number”, along with the Tax Agent and Tax Agency name populated at the top of the VAT Return. You will also be able to see your VAT Return submission due date here. Please check and ensure that all of this information is correct before going any further.

Taxable Person Details

TRN  
100314157700003

Taxable Person Name (English)  
Taxable Person Name (Arabic) ا ب س

Taxable Person Address  
ABC Street  
Dubai, United Arab Emirates,  
12, +971522116682

## VAT Return Period

The form will automatically populate the ‘VAT Return Period’ for which you are currently filing for, the Tax Year end and VAT period reference number.

The Tax Year end is important for businesses which are not able to recover all of their VAT and need to perform an input tax apportionment annual adjustment. This adjustment is due in the first tax period following the Tax Year end. The VAT return period reference number tells you which tax period you are completing within that tax year. So, if the VAT return period reference is 1, those affected businesses should include their input tax apportionment annual adjustment in this VAT return.

Please note that this will only be required after the 1<sup>st</sup> year of VAT, i.e. from 1 January 2019 onwards.

You’ll also be able to see your VAT return submission due date here. Please check and ensure that all of this information is correct before going any further.



VAT Return Period	
VAT Return Period*	VAT Return Due Date
01/01/2018 - 31/01/2018	28/02/2018
Tax Year End*	VAT Return Period Reference Number* <span>?</span>
31 December 2018	01 - 2018

## Common requirements when completing the VAT Return

When completing each box of the VAT Return, you must:

- Insert all amounts in United Arab Emirates Dirhams (AED)
- Insert all amounts to the nearest fils (the form allows for two decimal places)
- Complete all mandatory fields
- Use “0” where necessary and where there are no amounts to be declared

## VAT on Sales and all other Outputs

Insert the amount details on sales and all other outputs as follows:

- **Amount (AED):** Enter all amounts relating to sales and other outputs **net** of VAT and for each Emirate, where applicable, according to the provisions of the VAT legislation.

You should also include reductions in value due to credit notes issued and errors that you are allowed to correct for previous Tax Periods. For any corrections of errors, consider if you are required to make a voluntary disclosure instead, according to the provisions of the Federal Tax Procedures legislation.

If you become aware that a VAT Return that you have submitted previously contains errors that resulted in a calculation of payable tax being less than required by not more than AED 10,000, then you can correct this error in the current VAT Return in which you have discovered the error.

Under the “Amount” column, you should only declare the net amount of the correction excluding the amount of VAT.

If the error has resulted in a calculation of payable tax being less than required by more than AED 10,000, you should make a Voluntary Disclosure.



- **VAT Amount (AED):** Enter the VAT amounts relating to sales and other outputs and for each Emirate where applicable. You should also include reductions in the VAT amount due to credit notes issued and errors that you are allowed to correct from previous Tax Periods. For any corrections of errors, consider if you are required to make a voluntary disclosure instead, according to the provisions of the Federal Tax Procedures legislation.

If you become aware that a VAT Return that you have submitted previously contains errors that resulted in a calculation of payable tax being less than required by not more than AED 10,000, then you can correct this error in the current VAT Return in which you have discovered the error.

Under the “VAT Amount” column, you should only declare the VAT amount of the correction.

If the error has resulted in a calculation of payable tax being less than required by more than AED 10,000, you should make a Voluntary Disclosure.

- **Adjustment (AED):** Use this column for any adjustments required to Output Tax as a result of adjustments for Bad Debts. All amounts entered should be VAT amounts only and can only be negative amounts. These should be reported for each Emirate, where applicable, in accordance with the respective Output Tax amounts being adjusted.

In addition, the “adjustment” column in this section of the VAT return is used to record any adjustments made to the output tax due as a result of sales of commercial property in the UAE. If you are a seller of taxable commercial property in the UAE which has taken place in the tax period and the buyer has already paid for the output tax to the FTA, you must account for the output tax as normal and also include the output tax in the adjustments column. This will prevent accounting for the output tax twice, as the buyer has already made a payment of VAT to the FTA. All amounts entered should be VAT amounts only and can only be negative amounts. Again, these should be reported for each Emirate in relation to the Emirate in which the property is located.

If you are not claiming VAT Bad Debt Relief or making a real estate adjustment, you should not include anything in the “adjustment” column.



VAT on Sales and All Other Outputs

		Amount (AED) ⓘ	VAT Amount (AED) ⓘ	Adjustment (AED) ⓘ
1a	Standard rated supplies in Abu Dhabi *	<input type="text"/>	<input type="text"/>	- 0.00
1b	Standard rated supplies in Dubai *	<input type="text"/>	<input type="text"/>	- 0.00
1c	Standard rated supplies in Sharjah *	<input type="text"/>	<input type="text"/>	- 0.00
1d	Standard rated supplies in Ajman *	<input type="text"/>	<input type="text"/>	- 0.00
1e	Standard rated supplies in Umm Al Quwain *	<input type="text"/>	<input type="text"/>	- 0.00
1f	Standard rated supplies in Ras Al Khaimah *	<input type="text"/>	<input type="text"/>	- 0.00
1g	Standard rated supplies in Fujairah *	<input type="text"/>	<input type="text"/>	- 0.00
2	Tax Refunds provided to Tourists under the Tax Refunds for Tourists Scheme *	- 0.00	- 0.00	
3	Supplies subject to the reverse charge provisions *	<input type="text"/>	<input type="text"/>	
4	Zero rated supplies *	<input type="text"/>		
5	Exempt supplies *	<input type="text"/>		
6	Goods imported into the UAE *	0.00	0.00	<a href="#">View Details</a>
<small>This data has been extracted from the import declarations for this tax period, it is the registrant's responsibility to ensure that the data in this field is accurate and complete.</small>				
7	Adjustments to goods imported into the UAE *	<input type="text"/>	<input type="text"/>	
8	Totals	0.00	0.00	0.00

The below is a description of each box for the boxes 1 to 8:

### Box 1: Standard rated supplies

Box 1 refers to the net value of standard rated supplies made, and the VAT due, on all standard rated supplies made by you. Standard rated supplies are those supplies which are subject to VAT at 5%. The net value means the value of the supplies excluding the VAT charged to the customer. For example, if you have sold goods for AED 100 with AED 5 of VAT, you should account for AED 100 under the “Amount (AED)” column and AED 5 under the “VAT Amount (AED)” column.



This information should be identified by the Emirate in which that supply was made. For businesses with fixed establishments in the UAE, the supply should be reported in the Emirate where the fixed establishment 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.

Please refer to the table below for some examples of what to be included and not included into this Box:



**Please include the following:**

- The supply of goods and services subject to VAT at 5%
- Supplies of goods and services at a discounted rate (after deducting the discount value)
- Deposits received as part payment
- Sales through vending machines
- Supplies of commercial property
- Inter-company sales (where you don't have a Tax Group registration in place)
- Supplies made to staff, for example canteen takings, private use charges
- The sale of business assets
- Deemed supplies, such as gifts of business assets which are above the relevant limits provided in the VAT legislation or business assets put to private use. Goods and services that you own at the date of tax deregistration must also be reported here
- Reimbursements of expenses from customers where you have recovered the VAT on the expenses as a separate supply and made a recharge of the cost to your customer
- The full value of goods sold under the profit margin scheme (less any VAT calculated on the margin), even though the VAT due is only calculated on the profit achieved
- Sales from non-resident persons who are registered for VAT purposes in the UAE, where the importer is not responsible for the calculation and settlement of the tax
- Supplies of goods located within Designated Zones where the goods are consumed within the Designated Zone
- Reductions in value due to credit notes issued; or
- Errors that you are allowed to correct for previous Tax Periods. This will apply where you have discovered an error where the payable tax is more or less than required by AED 10,000 or less, and you discovered the error in this tax period. If the tax value of the error you have discovered is more than AED 10,000 you should submit a voluntary disclosure in the Tax Period in which the error was found.



• **Please exclude the following:**

- **sales of goods located within Designated Zones which are not consumed within the Designated Zone**
- **out of scope supplies**
- **zero-rated supplies, such as exports of goods or services outside the UAE, zero-rated educational services and zero-rated healthcare services; or**
- **disbursements.**

**You should use the Adjustments column only to:**

- **record any adjustments made to the output tax due as a result of any claims for VAT Bad Debt Relief, as noted above in this guide**
- **record any adjustments made to the output tax due as a result of sales of taxable commercial property in the UAE, as noted above in this guide.**

**Box 2: Tax Refunds provided to Tourists under the Tax Refunds for Tourists Scheme**

If you are a retailer and you are registered to provide tax refunds to tourists in the UAE under the official Tourists Refund Scheme, the values of tax refunds provided will be prepopulated in this box. The amounts reported in this box, if negative, will reduce your total output tax liability. The values in this box are no longer editable.

**Note:** Only businesses registered and enrolled under the tax refunds for Tourists Refund Scheme will see values in this box, otherwise nil values are already pre-populated and will be included within this box.

**Box 3: Supplies subject to the reverse charge provisions**



You should declare in Box 3 the value of supplies of goods and services received which are subject to VAT under the reverse charge mechanism. This includes imports of services where the customer is required to account for the VAT. Please disregard any imports of goods that have been declared to UAE customs during this Tax Period which are subject to the reverse charge and for which the import VAT is reported separately in Box 6. As a result, in most cases the values declared within this box will relate only to purchased services which are subject to the reverse charge mechanism. The **only** circumstance where a purchase of imported goods should be reported in this box would be where the movement was not declared via UAE Customs for some reason. The value to be included in these boxes include only the net value and VAT value of the output tax due on these supplies. If the taxable person is entitled to recover the VAT on the supply as input tax, that will be recovered in Box 10 of the VAT return.

Please refer to the table below for some examples of what to be included and not included into this Box:

<b>Please include the following:</b>
<ul style="list-style-type: none"><li>• <b>Services received from foreign suppliers which are subject to the standard rate of VAT</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Services received from foreign suppliers which are subject to the zero rate of VAT</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Goods received which are subject to the reverse charge provisions and have not been declared to UAE customs (e.g. through an import declaration)</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Local supplies subject to the reverse charge provisions (e.g. specific supplies within the oil and gas industry)</b></li></ul>
<b>Please exclude the following:</b>
<ul style="list-style-type: none"><li>• <b>Imports of goods into the UAE which are subject to the reverse charge provisions but which have been declared to UAE customs and therefore will be reported in Box 6 of the VAT Return.</b></li></ul>





#### Box 4: Zero-rated supplies

In Box 4, you should declare the value of supplies of goods and services which are subject to VAT at 0% (“zero-rated supplies”). Only the net value of the supply is required to be declared in this Box, since VAT on the supply is calculated as nil.

Please refer to the table below for some examples of what should be included in this Box:

<b>Please include the following:</b>
<ul style="list-style-type: none"><li>• <b>Exports of goods and services outside the UAE.</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Local supplies of certain educational services and related goods and services</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Local supplies of certain healthcare services (e.g. preventive and basic healthcare services and related goods and services)</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Supplies or imports of investment precious metals</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Supplies of crude oil and natural gas</b></li></ul>

#### Box 5: Exempt supplies

All exempt supplies should be indicated in this Box. Only the net value of the supply is required to be declared in this Box, since there is no VAT on the supply.

Please refer to the table below for some examples of what should be included in this Box:

<b>Please include the following:</b>
<ul style="list-style-type: none"><li>• <b>Local supplies of certain financial services</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Supplies of residential buildings through sale or lease, other than the ones subject to the zero rate of VAT</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Supplies of bare land</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Supplies of local passenger transport</b></li></ul>

#### Box 6: Goods imported into the UAE



Box 6 will include the net value and the output tax (i.e. VAT amount) due on goods which have been imported into the UAE. This will include all imports which have been declared through UAE Customs where payment of the VAT on import is to be made on the VAT return. The value of this box (“Amount (AED)”) should be auto-populated based on imports you have declared under your customs registration number, which should be linked to your TRN. Please note that this amount will also include any customs duties and any Excise Tax that you have paid on the goods imported within this Tax Period. The respective output tax amount (“VAT Amount (AED)”) will also be auto-populated by applying a 5% VAT to the net value amount. You should check that the values which have been included in this box match the values you expected to declare, based on the import declarations you have submitted during the tax period.

If you are an agent who imports goods into the UAE on behalf of non-registered persons, it is your responsibility to pay the tax in respect of the import of goods. Therefore, such imports should also appear in this box.

Please refer to the table below for some examples of what should be included in this Box:

**Please include the following:**

- **Imports of goods into the UAE through UAE customs that have already been reported in your customs declarations**
- **Imports of goods from agents on behalf of an unregistered persons**

**Box 7: Adjustments to goods imported into the UAE**

You should use this box **only** if the information that is prepopulated in Box 6 regarding goods imported into the UAE is incomplete or incorrect. If this is the case, you can use this box to make adjustments accordingly. The amounts of adjustments included into this box could be positive or negative, and you should be able to justify them, if asked to by the FTA. Please adjust accordingly, the net amount field and/or the VAT amount field depending on the adjustment to be made.

As noted above, VAT at the point of import is imposed on the Value of the import which comprises of the customs value as defined in the Customs legislation, including the value of insurance, freight and any customs fees and any Excise Tax paid on the import of the goods into the UAE. Therefore, import VAT will be imposed on top of your customs duties and Excise Tax inclusive value.



If any imports appear to have been excluded from Box 6 or appear to be incorrect, when comparing them to the amounts reported in your customs and (if applicable Excise Tax) import declarations, you can use Box 7 to make adjustments accordingly. For example, if you have imported goods worth 1 million AED plus VAT, and this import does not appear to be included within Box 6, you can manually include this within Box 7 (i.e. 1 million) and the respective VAT amount (if any). Furthermore, if you have imported any goods which are not subject to the standard rate of VAT of 5% (for example goods subject to the 0% VAT rate), please use Box 7 to adjust the VAT amount accordingly, as by default all of your imports have been assumed to be subject to a 5% VAT rate. Please note that it is your responsibility to identify such adjustments that are required to be made and adjust them through your VAT Return using Box 7. In order to be able to identify such adjustments which may be required, you may use the “View Details” option available on your screen in order to see how both the net amount of your total imports under “Amount (AED)” and the respective output tax or import VAT under “VAT Amount (AED)” in Box 6 are comprised.

If you are an agent who imports goods into the UAE on behalf of non-registered persons, it is your responsibility to pay the tax in respect of the import of goods. Therefore, if any such imports have been excluded from Box 6 or appear to be incorrect, you can use Box 7 to make adjustments accordingly for such amounts and/or the respective output tax as well.

### **Box 8: Totals**

Box 8 automatically calculates the totals of all of the above boxes, arriving at the total output tax due to the FTA and total adjustments applicable to that value, for the tax period.

### **VAT on Expenses and all other Inputs**

Fill in the VAT amount details on expenses and all other inputs as follows:

- **Amount (AED):** Enter all amounts relating to all expenses and inputs **net** of VAT, for which you would like to recover input tax.

You should also include reductions in value due to credit notes issued by supplies and errors that you are allowed to correct for previous Tax Periods. For any corrections of errors, consider if you are required to make a voluntary disclosure instead, according to the provisions of the Federal Tax Procedures legislation.



If you become aware that a VAT Return that you have submitted previously contains errors that resulted in a calculation of payable tax being more or less than required and it is not more than AED 10,000, then you can correct this error in the current VAT Return in which you have discovered the error.

Under the “Amount” column, you should only declare the net amount of the correction excluding the amount of VAT.

If the error has resulted in a calculation of payable tax being less than required by more than AED 10,000, you should make a Voluntary Disclosure as provided by the FTA.

- **Recoverable VAT amount (AED):** Enter the amounts of recoverable VAT only (not total incurred VAT, in case your ability to recover input tax is restricted). You should also include changes in the VAT amount due to credit notes and errors that you are allowed to correct from previous Tax Periods. For any corrections of errors, please consider if you are required to make a voluntary disclosure instead, according to the provisions of the Federal Tax Procedures legislation.

If you become aware that a VAT Return that you have submitted previously contains errors that resulted in a calculation of payable tax being more or less than required and by not more than AED 10,000, then you can correct this error in the current VAT Return in which you have discovered the error.

Under the “VAT Amount” column, you should only declare the VAT amount of the correction.

If the error has resulted in a calculation of payable tax being less than required by more than AED 10,000, you should make a Voluntary Disclosure as provided by the FTA.

- **Adjustment (AED):** Use this column for any adjustments relating to Input Tax for previously reported amounts which arise as a result of adjustments for bad debts, end of year adjustments to the recoverable Tax and/or adjustments under the Capital Assets Scheme.

All amounts provided should be VAT amounts and can be positive or negative amounts.



The first type of adjustment would be any adjustment relating to input tax previously recovered on purchases where you haven't paid the supplier of those goods or services for more than 6 months after the due date for payment. In such cases, the supplier is likely to claim VAT bad debt relief for the output tax he should have already paid to the FTA on the supply to you. Given that you haven't paid the supplier, and the FTA will be required to repay the VAT to the supplier, you are no longer entitled to the VAT you recovered on the supply and should repay it to the FTA in the adjustment box. If you later pay the expense in a subsequent tax period, you will be able to reclaim the input tax on the VAT Return for that tax period.

The second type of adjustment which could be included within this box would be an input tax apportionment annual adjustment, in cases where you are a business which can't recover all of the input tax it incurs. The input tax apportionment annual adjustment is due to be made in the first tax period following the end of the tax year. So, you would be expected to include the annual adjustment on this return if the VAT Return period reference number at the top of the VAT return is Period 1 for any tax year after 2018, i.e. from the beginning of 2019 onwards. The adjustment should relate to the tax year which has just ended. The values included within the adjustments column may either be positive or negative values. For more information on completing your input tax apportionment annual adjustment, please see the FTA website for guidance.

The third type of adjustment which could be included within this box would be adjustments under the Capital Assets Scheme. If any of your capital assets are eligible for the Capital Assets Scheme then the input tax incurred in relation to that capital asset should be adjusted in each tax year, according to the provisions of the VAT legislation and over a period of either five or ten consecutive years depending on the type of capital asset it is.

Depending on the result of your adjustment calculation every year, input tax amount should be adjusted accordingly upwards or downwards by using this box of the VAT return.

If you are not performing any of the above adjustments, you should not include anything in the "adjustment" column.



VAT on Expenses and All Other Inputs			
	Amount (AED) ⓘ	Recoverable VAT amount (AED) ⓘ	Adjustment (AED) ⓘ
9 Standard rated expenses *	<input type="text"/>	<input type="text"/>	0.00
10 Supplies subject to the reverse charge provisions *	<input type="text"/>	<input type="text"/>	
11 Totals	0.00	0.00	0.00

### Box 9: Standard rated expenses

Enter all expenses subject to the standard rate of VAT for which you would like to recover Input Tax. The total net value of the standard rated purchases on which you're seeking to recover VAT should be reported in the "Amount (AED)" column. The VAT amounts relating to the net value of expenses and inputs previously included within the "Amount (AED)" column, should be included within the "Recoverable VAT Amount (AED)" column. This should only include the VAT you are entitled to recover, **not** the total value of VAT you have incurred on all costs.

For example, if you have incurred 1,000 AED of input tax which directly relates to the making of exempt supplies this input tax is not recoverable by you and therefore, you should not include any amounts in your VAT Return.

You should also include any required adjustments to the Recoverable Tax under the "Adjustment (AED)" column, as indicated above.

Please refer to the table below for some examples of what to be included and not included into this Box:



**Please include the following:**

- goods or services purchased for business purposes from VAT registered suppliers that were subject to VAT at 5%
- goods or services which were purchased at a discount
- the total price that you have paid for the goods purchased, which you are selling under the profit margin scheme
- goods or services purchased before your tax registration and for which you wish and are able to claim the tax incurred. The claim must be made in your first VAT return
- reductions in value due to credit notes received from suppliers; and
- errors that you are allowed to correct for previous Tax Periods. This will apply where you have discovered an error where the payable tax is more or less than required by AED 10,000 or less, and you discovered the error in this tax period. If the tax value of the error you have discovered is more than AED 10,000 you should submit a voluntary disclosure in the Tax Period in which the error was found

**Please exclude the following:**

- wages and salaries
- money put into and taken out of the business by you
- purchases that were purely for private or personal use
- expenses where the input tax is specifically disallowed, such as entertainment costs, motor vehicles which are available for private use and any other costs which are put to private use
- expenses which were incurred to make exempt or non-business supplies
- exempt or zero-rated purchases – note that purchases which were subject to VAT under the reverse charge mechanism should be recovered in Box 10, not Box 9
- purchases of goods located within Designated Zones which were not consumed in the Designated Zone or subsequently imported into the UAE mainland
- gifts or donations of money freely given for nothing in return
- purchases from members of the same tax group
- fines and penalty charges received e.g. traffic fines
- record any adjustments made to the input tax due as a result of any claims for VAT Bad Debt Relief made by your supplier, as noted above in this guide
- record any input tax apportionment annual adjustments
- record any Capital Assets Scheme adjustments



## Box 10: Supplies subject to the reverse charge provisions

Box 10 allows you to recover any VAT you have paid as output tax under the reverse charge mechanism which was declared in Boxes 3, 6 and 7 of the VAT return. If you are entitled to recover some or all of the VAT declared under the reverse charge mechanism, you should include the full net value of the expenses and the recoverable VAT applicable on those expenses. Any element of the VAT incurred on expenses which were subject to the reverse charge mechanism and which is not recoverable, should not be reported in any of these boxes.

For example, if you previously declared supplies of 1 million AED which were subject to VAT under the reverse charge mechanism in Box 3 of the VAT return, you should also have declared 50,000 AED of output tax due on that supply. If you are entitled to recover all of the VAT incurred under the reverse charge mechanism, you should declare the same value of supplies in Box 10 and recover the same value of VAT. If, however, you are only entitled to recover half of the VAT incurred under the reverse charge mechanism then in Box 10 you should declare 1 million AED in the “amount” column and 25,000 AED in the “recoverable VAT amount” column. Even where you can’t recover all of the VAT incurred on the supply, it is important that the full value of the supply and the output tax due to the FTA has been included within Box 3 above.

Please refer to the table below for some examples of what to be included and not included into this Box:





**Please include the following:**

- **Services received from foreign suppliers which are subject to the standard rate of VAT and for which you are eligible to recover any VAT (these should have also been reported in Box 3)**
- **Services received from foreign suppliers which are subject to the zero rate of VAT (these should have also been reported in Box 3)**
- **Goods received which are subject to the reverse charge provisions and have not been declared to UAE customs (e.g. through an import declaration) and for which you are eligible to recover any VAT (these should have also been reported in Box 3)**
- **Local supplies subject to the reverse charge provisions (e.g. specific supplies within the oil and gas industry) and for which you are eligible to recover any VAT (these should have also been reported in Box 3)**
- **Imports of goods into the UAE through UAE customs that have already been reported in your customs declarations and for which you are eligible to recover any VAT (these should have also been reported in Box 6 and/or Box 7)**
- **Imports of goods from agents on behalf of an unregistered persons (these should have also been reported in Box 6 and/or Box 7)**

**Box 11: Totals**

Box 11 then automatically calculates the total of the values declared in Box 9 and Box 10. These totals represent the total value of VAT you are entitled to recover, as well as any adjustments made to those values.

**Net VAT Due**

The following fields will indicate your payable tax for the Tax Period.

Net VAT Due	
12 Total value of due tax for the period	1,000.00
13 Total value of recoverable tax for the period	0.00
14 Payable tax for the period	1,000.00



### **Box 12: Total value of due tax for the period**

The total value of Output Tax that is due for the Tax Period will be calculated based on the above information. This will be the sum of the VAT and Adjustments columns in the Outputs section.

### **Box 13: Total value of recoverable tax for the period**

The total value of Input Tax that is recoverable for the Tax Period will be calculated based on the above information. This will be the sum of the VAT and Adjustments columns in the Inputs section.

### **Box 14: Payable tax for the period**

This will be the total due tax for the period less the total recoverable tax for the period and will indicate your net payable or recoverable tax for the current Tax Period.

If the figure in Box 12 is more than the figure in Box 13, the difference is the amount of VAT that you must pay. If the figure in Box 12 is less than the figure in Box 13, then you will be eligible to request a refund for the net amount of recoverable tax.

If you do not wish to request for a refund of the excess recoverable tax, your excess recoverable tax will be carried forward to subsequent Tax Periods and can be used to offset against payable tax and/or penalties, or you can apply for a refund later at any point in time.

### **Box 15: Do you wish to request a refund for the above amount of excess recoverable tax.**

If you are in a net recoverable position, an option will be available on the VAT Return to request a refund of the excess recoverable tax.

If 'Yes' is selected, you will be required to complete the VAT refund application (Form VAT311) after the VAT Return Form is submitted.

If you select 'No', your excess recoverable tax will be carried forward to subsequent Tax Periods and can be used to offset against payable tax and/or penalties.

### **Additional Reporting Requirements**



Please note that the additional reporting requirements section requires the provision of additional reporting only for specific taxable persons to whom this specific section applies. If the below section does not apply to you for the specific Tax Period you are filing for, please indicate 'No' as your answer.

The additional reporting requirements section does not have any financial implications on your VAT payable or recoverable amounts as it does not impact the VAT Return totals.

### Profit Margin Scheme

You will be required to indicate whether you have used and applied the provisions of the Profit Margin Scheme during this period. Please select 'Yes' only if you have used the Profit Margin Scheme during the current Tax Period for which you are filing the current VAT Return.

Additional Reporting Requirements

Profit Margin Scheme

Did you apply the profit margin scheme in respect of any supplies made during the tax period? ⓘ

Yes  No

### Declaration and Authorised Signatory

Once you have finished filling in the VAT Return form, tick the box next to the declaration section.

Please note that all of the relevant Authorised Signatory details and information will be prepopulated based on the information that has already been provided upon the completion of your Taxable Person records.

Declaration and Authorised Signatory

Name in English Abbas	Name in Arabic عباس
Phone/Mobile country code United Arab Emirates (+971)	Phone/Mobile number 564914215
Date of submission (dd/mm/yyyy) 22/01/2018	E-mail address

I declare that all information provided is true, accurate and complete to the best of my knowledge and belief.

Cancel × Save as draft ↕ Submit →



### 3.3. Save the progress

It is recommended that you save your progress as you complete the form. Click on the **Save as draft** button at the bottom of the screen. **You will be logged out of the system after 10 minutes of inactivity.**

Your form will not be submitted at this point; you will have an opportunity to edit your answers before submission.

### 3.4. Submit the VAT Return Form

In order to submit any form, all mandatory elements must be completed. Any field that is marked with a red asterisk (\*) is **mandatory**, and must be filled out in order to submit a form. Furthermore, carefully review all of the information entered on the form after completing the mandatory fields and confirming the declaration.

Once you are certain that all of the information is correct, click on the **Submit** button at the bottom right hand corner of the screen.

If you attempt to submit a form without completing the mandatory information in certain fields, you will receive a pop-up message under the relevant field indicating that additional details are required.

After you have submitted the form you will receive an e-mail to confirm the submission (Please look in your spam folder if you have not received it within 5 minutes).



## 4. Paying VAT

For details on VAT payment, please refer to the payment guide online.

## 5. VAT Return Penalties

- VAT Returns must be submitted within the specified deadline, otherwise a penalty of AED 1,000 will be imposed for the first time of occurrence of a delay. In case of repetitive non-compliance within 24 months, the penalty will be increased to AED 2,000 for each offence.
- If you do not submit a VAT Return by the specified due date, the FTA may issue a tax assessment to you with an estimate of the payable tax. In such a case, you may be required to pay any payable tax assessed, penalty on non-submission of tax return and/or late payment penalty upon the issuance of the tax assessment (as applicable).
- The Taxable Person shall be obligated to pay the penalty applicable to late payment of payable tax up to a maximum of (300%), pursuant to the following:
  - (2%) of the unpaid tax is due on the day following the due date of payment, once the payment of payable tax is late.
  - (4%) as monthly penalty to be after one month from the due date of payment, then on the same date every month thereafter, on the unpaid amount to date.

### 5.1. Make payment for VAT Penalties (Late VAT Return and late VAT Payment)

If you fail to file your VAT return on time or to pay your VAT return on time, a penalty will apply. To check the penalties amount and complete the payment, go to “My Payment Tab” where you can find the total penalty amount under the VAT & Penalty Payment box.

Please refer to the payment guide online for details on completing the payment.

For details on the specific penalty type and amount, scroll down to “Transaction History” box under “My Payment” tab and check the relevant line.

VAT & Penalty Payment

Please note that the amount does not include the Tax Payable as per Voluntary Disclosure(s) under “Received” / “Resubmit” status which should be taken into consideration while calculating the outstanding payable tax.

Tax Payable 16,600.00 AED
Penalties Payable 17,943.00 AED
Net Payable Amount 34,543.00 AED
Total Credit 0.00 AED

Enter amount you want to pay \*

Make Payment

## 6. Final VAT Return



When your application to cancel your VAT registration is approved, you will be notified of the effective date of deregistration and your final VAT Return will also become available. In general:

- You are required to file your final VAT Return for the last Tax Period for which you will be registered for VAT purposes;
- The Tax Period and the submission due date of the final VAT Return will be based on the Effective date of De-registration;
- The final VAT Return has to be completed for the respective Tax Period and submitted to the FTA according to the same provisions and procedures as any other VAT Return and as indicated above in this guide;
- As part of your final VAT Return, you are required to calculate and account for output tax on any goods and services forming part of your business assets (including capital assets and inventories) that you have held on hand as at the last day of your VAT registration and for which you have recovered input tax. You are deemed to have supplied these goods and services although you have not actually sold them.



## Appendix A: Important on-screen tools and other tips

You can change the language of the forms from English to Arabic. Click on the icon at the top right hand side of the screen to do so.



For some fields you will see a small icon with an “i” next to the field. Hover the cursor over the icon to read additional information relevant to the field completion.

A trade name is a name under which a person conducts a business, other than its legal name. Sometimes, a trade name is called an “Operating Name”.




Upload a scanned copy of the Certificate of incorporation \*

Choose files to upload

Choose Files

Select Trade License expiry date (dd/mm/yyyy) \*



To upload a file, click the *Choose Files* button, select the file on your desktop and click the *Open* button to upload the file. To upload multiple files, repeat this process. To delete a file that has already been uploaded click the small red **x**.

To complete a field with a drop-down menu, click the downwards pointing arrow to the right of the field and select the option that applies. You will only be able to select one option in most cases.

On what basis are you applying for registration? \*

Select business type

- Select business type
- Legal person - Public Joint Stock Company (PJSC)
- Legal person - Incorporated (LLC, LLP, Partnership etc)
- Legal person - Club, Charity or Association
- Legal person - Federal UAE Government entity

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Su	Mo	Tu	We	Th	Fr	Sa
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

To complete a field that requires a date, click the Calendar icon to the right of the field and enter the date from the calendar. The date will then appear in the field in dd/mm/yyyy form.