

VAT Registration

VAT — 2022



VAT Registration - Mandatory

A person resident in the UAE is required to register for VAT if:

- The person's total value of taxable supplies and imports made within the UAE exceeded the mandatory registration threshold of AED 375,000 over the previous 12 month period; or
- The person anticipates that the total value of their taxable supplies and imports in the UAE are expected to exceed AED 375,000 in the next 30 days



VAT Registration - Voluntary

A person resident in the UAE may register voluntarily if:

- At the end of the month, the total value of taxable supplies and imports or expenses subject to VAT exceeded the voluntary registration threshold of AED 187,500 over the previous 12 month period; or
- The total value of the person's taxable supplies and imports, or expenses subject to VAT are expected to exceed AED 187,500 in the next 30 days



VAT Registration

12 Months

Total taxable supplies and imports = AED 375,000
Mandatory registration requirement

Total taxable supplies and imports = AED 187,500
Voluntary registration is possible

Total taxable expenses = AED 187,500
Voluntary registration is possible

30 Days

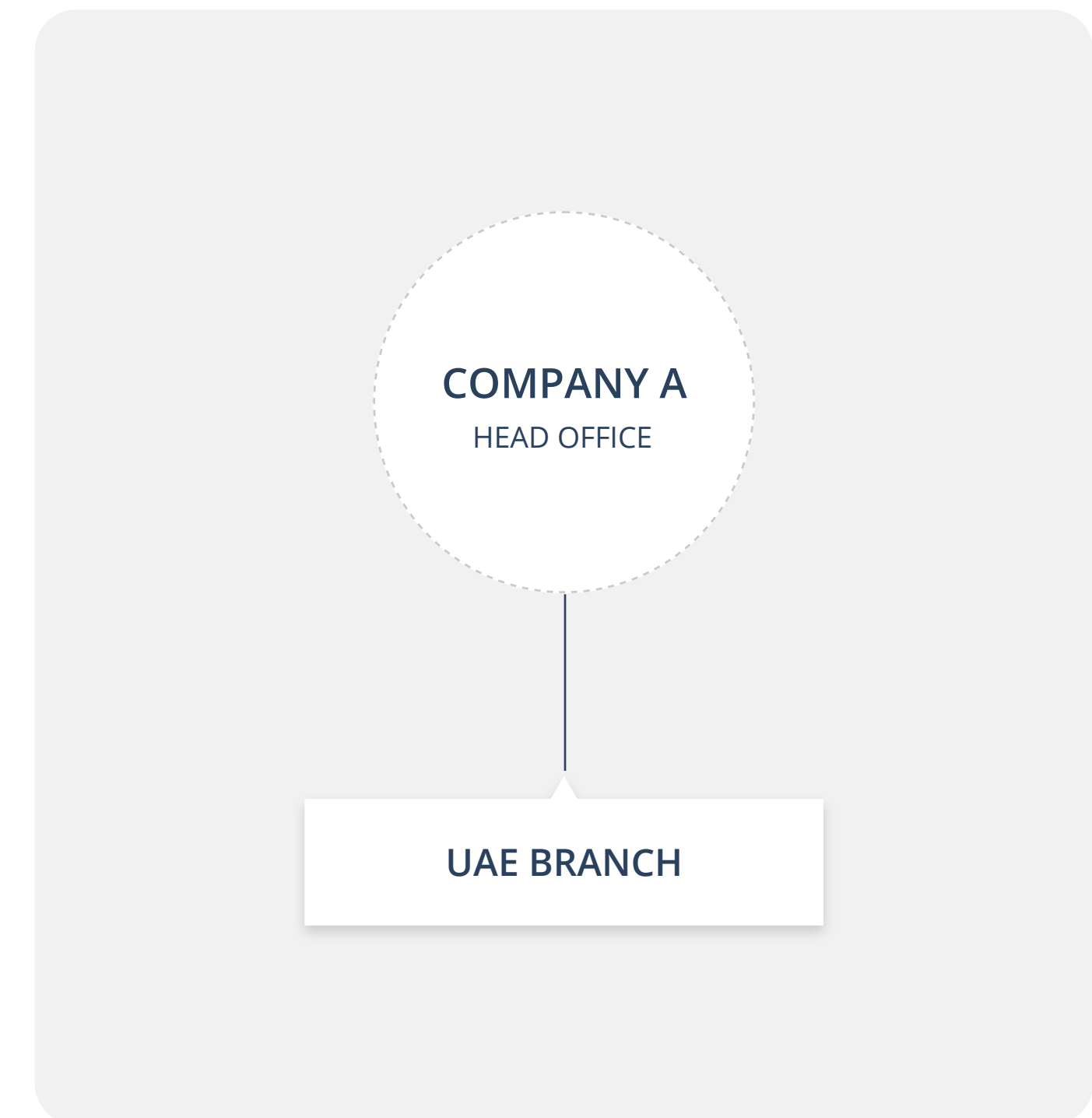
Total taxable supplies and imports expected = AED 375,000
Mandatory registration

Total taxable supplies and imports = AED 187,500
Voluntary registration

Total taxable expenses expected = AED 187,500
Voluntary registration

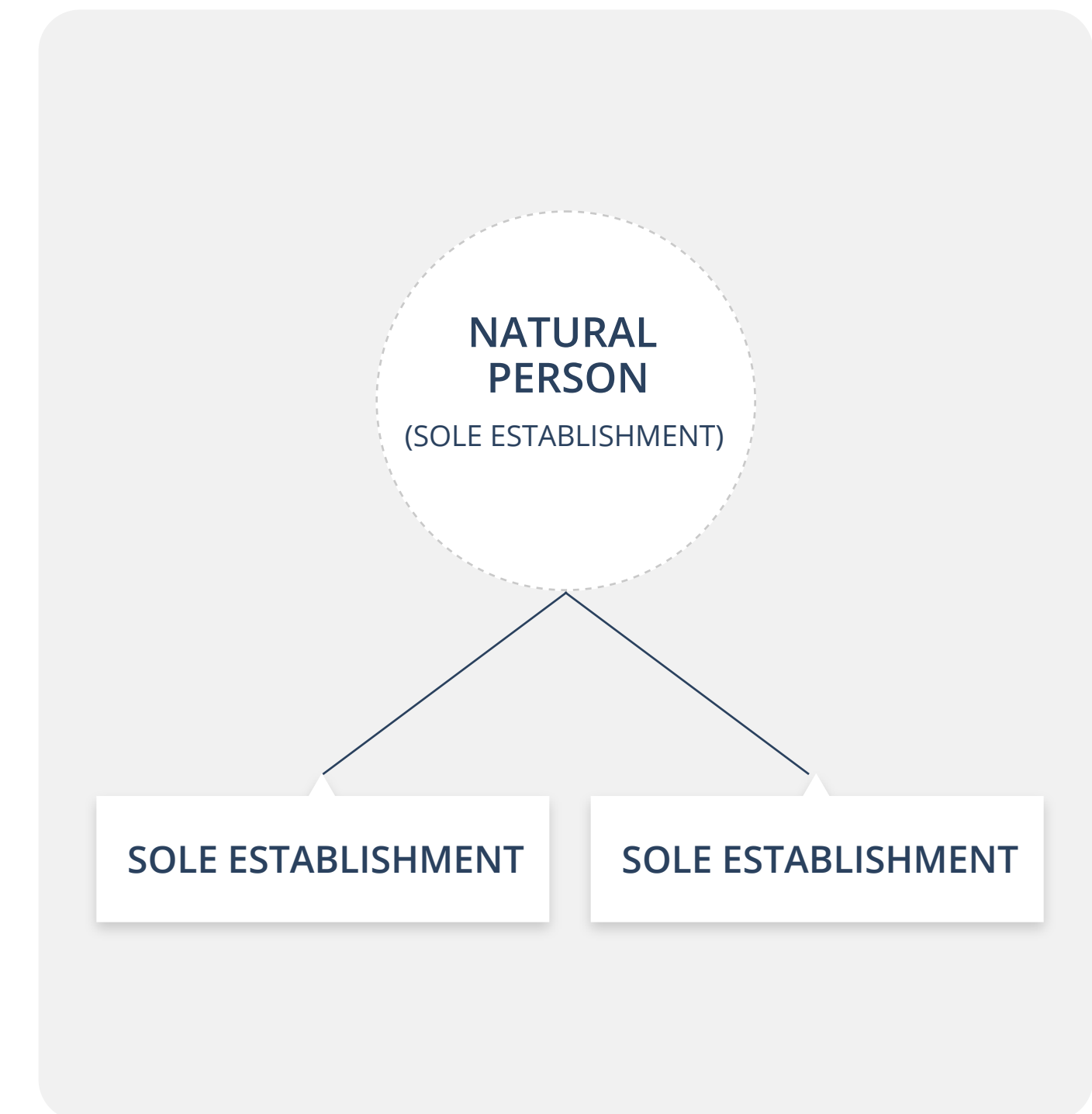
Registration - branches

- A branch is not a separate legal entity from its head office or other branches and therefore should not register separately.
- This applies whether the branches / head office are in the same Emirate, different Emirates or outside the UAE.
- One VAT registration application should be completed in the name of Company A.
- NOTE: branches of the same legal entity may have multiple trade licenses, but this does not mean that separate VAT registrations are required.



Registration – Sole establishments

- A natural person and all his unincorporated sole establishments are regarded as a single person for VAT purposes.
- Since they are all part of the same person, only one VAT registration should be completed where the person is required to, or may, register for VAT.
- This applies regardless of whether the sole establishments are in the same or different Emirates.
- One VAT registration application should be completed in the name of the natural person or in the name of one of the sole establishments.
- NOTE: Even though there may be multiple trade licenses, it does not mean that separate VAT registrations are required.



Calculating the tax registration threshold

- The following should be taken into account to determine whether a resident exceeded (or is expected to exceed) the mandatory registration threshold:
 - Value of taxable goods and services
 - Value of imported goods and services
 - In the case a business is acquired from another person, the value of the whole (or relevant part) of the taxable supplies made by the seller in the 12 months preceding the acquisition of the business.
- Exempt supplies and supplies outside the scope of VAT are not used in calculating the VAT registration thresholds.
- For the purposes of voluntary VAT registration, a person may take into account either
 - Taxable supplies and imported goods and service; or
 - Taxable expenses which were subject to VAT.



Exception from registration

- If the business is required to register but only make zero-rated supplies, the person may apply to be excepted from VAT registration.
- The business is required to notify the FTA if it starts to make standard rated supplies
- If the business no longer qualify for the exception, it is required to register if the mandatory registration is exceeded (or expected to be exceeded).



Further guidance

- Taxable person guide for Value Added Tax
- VAT Public Clarification – VAT registration of “Sole Establishments” – VATP026

