



# FTA Tax Business Advisory Group VAT BAG Meeting

## Meeting Details:

Meeting Subject	FTA Tax Business Advisory Group- VAT BAG Meeting
Meeting No.	11
Date	11 September 2024
Time	10:00 am - 11:00 am
Location	Federal Tax Authority

## Details of the Attendees:

### Attendees from the Federal Tax Authority

Name	Job Title
1 H.E Khalid Al Bustani	Director General of the Federal Tax Authority
2 Saida Kaddoumi Osman	Policy Advisor
3 Dr. Ibrahim Ali Abdulla Mohammed	Director of Tax Operations Department
4 Ahmed Al-Ali	Director of Digital Business Alignment Department
5 Abdulla AlBastaki	Chief Executive Officer of Information Technology Sector
6 Philippe Norre	Taxpayer Services Senior Expert
7 Engela Francina Wiid	Tax Policies Expert
8 Ahmad Saleh Alshehhi	Head of SME Services Section
9 Abdulkarim Koori	Tax Registration Supervisor
10 Armin Fathy	Lead Support
11 Maryam Rajab	Government Sector and LTP Services Specialist
12 Khadija Allengawi	Government Sector and LTP Services Specialist



## Details of the Attendees:

### Attendees from Other Entities

	Name	Job Title	Entity Name
1	Vipin Kumar	Senior Manager - Corporate Finance	EMAAR
2	Puja Gujral	International Tax Director	Amazon
3	Aparna Sharma	Tax Manager	AW Rostamani
4	Khushboo Jain	Tax Manager	AW Rostamani
5	Nitin Agarwal	Director of Tax	Majid AL-Futtaim Group
6	Rashmi Kapoor	Deputy General Manager-Taxation	Landmark Retail Investment Co LLC
7	Swathy Suresh	Senior Financial Analyst	Al Fahim Group
8	Harish Harikumar	Director VAT and Tax	Al Habtoor Group
9	Umang Shah	Group Tax Director	Al Futtaim Group
10	Jesus Ricart	Group head of indirect tax	Al Tayer
11	Evert Goudriaan	head of Tax Motors	Al Tayer
12	Nabil Mestiri	Group Tax Director	Al Tayer
13	Karim Baksh	Tax Manager	Al Tayer
14	Biju V. George	Managing Finance Business Partner	Al Masood
15	Shamchand Ramachandran	Finance Business Partner	Al Masood

## Meeting Agenda:

Topic No.	Topics of the Agenda
1	Opening Statement
2	FTA's zero-bureaucracy initiative (Topic No 1) Amendments to the VAT Legislation and new Public Clarifications and Guides (Topic No 2) Public Clarification on SWIFT Messages and Requirements for Tax Invoice in case of Concerned Services (Topic No 3)
3	Responses to Member Queries submitted.
4	Other Queries.
5	Closing Statement.



## Discussions, Recommendations & Meeting Outcomes:

### Topic No. 1

<p><b>Discussions</b></p>	<ul style="list-style-type: none"> <li>• HE mentioned that the FTA is aware that the Tax registration can be a lengthy process. In this respect the FTA is interacting with licensing authorities to improve the process. There are also initiatives under review around automation and auto-completion whereby the FTA is reviewing the options with ERP providers.</li> <li>• The member from Emaar commented that the Registration process in their case went well, but raised a point on facing difficulties with deregistration after a registration, specifically on when the 3-months period starts. It was acknowledged but a discussion was deferred as the BAG meeting is for VAT and this is a CT topic.</li> <li>• The member from Emaar raised a concern on the registration for VAT. The concern is specifically on the conditions applied by the relevant FTA Department to approve a registration application. According to the member, proof of payment from a third party is requested to support meeting the registration threshold.</li> <li>• The member from Amazon commended the FTA on the progress that was made over the past years, and continues to be made, with respect to the taxpayer services and interactions.</li> </ul> <p>The member from Amazon proceeded to raise a question on the application of the UAE pass access process, also if the UAE pass would become the standard for non-residents and if every user would need to register separately for the UAE pass option.</p> <p>It was clarified that the FTA shall implement a single UAE pass registration (“main user”) with then the option to link “sub-users”.</p>
<p><b>Decisions &amp; Recommendations</b></p>	<ul style="list-style-type: none"> <li>• The FTA wants to hear from taxpayers on what are the pain points so it can review how to reduce unnecessary requirements, achieve a reduction in the time needed to avail services, improve the user experience overall etc. All within the applicable legislation, rules and regulations.</li> <li>• HE and Mr Abdulla Al Bastaki reiterated the request to the members to share any input and feedback to assist the FTA in further achieving the goals of the zero-bureaucracy strategy.</li> <li>• On the point raised by the member from Emaar, it was agreed that the concerned FTA Department will look into this matter and clarify overall the requirements.</li> </ul>
<p><b>Person in Charge</b></p>	<ul style="list-style-type: none"> <li>• VAT BAG Members</li> <li>• Registration Department</li> </ul>
<p><b>Due Date</b></p>	<p>Upon receiving additional information from the concerned VAT BAG Member</p>



### Topic No. 2 and Topic No. 3

<b>Discussions</b>	<ul style="list-style-type: none"> <li>The representative of the FTA's Tax Policy and International Relationship Department gave an overview of the developments and publications that happened for VAT since the last VAT BAG meeting took place. It was also mentioned that the VAT Executive Regulation would be updated.</li> <li>The representative of the FTA's Tax Policy and International Relationship Department proceeded with sharing a few important points on the Public Clarification on SWIFT Messages <ul style="list-style-type: none"> <li>The document is merely a clarification on the UAE VAT legislation as this applies from 1 January 2018. Hence the principles clarified are applicable from that date.</li> <li>Article (1)48 of the VAT Decree-Law states that the taxable person importing concerned goods or concerned services is treated as making a taxable supply to himself. Hence, the taxable person is responsible for all applicable tax obligations in respect of these supplies, including the obligation to issue a valid tax invoice (under Article (1)67 of the VAT Decree-Law)</li> <li>The obligation to issue a valid tax invoice is separate from the right to exercise the VAT refund.</li> </ul> </li> </ul>
<b>Decisions &amp; Recommendations</b>	N/A
<b>Person in Charge</b>	N/A
<b>Due Date</b>	N/A

### Member Queries

<b>Discussions</b>	<ul style="list-style-type: none"> <li>The query raised by the member from Amazon on issues in accessing the FTA website was addressed. This was a temporary security measure in place and resolved.</li> <li>The representative of the FTA's Tax Policy and International Relationship Department addressed the query raised by the member of the Al Tayer Group regarding the VAT Public Clarification on Manpower &amp; Visa Facilitation Services. <ul style="list-style-type: none"> <li>As for the earlier discussed Public Clarification, the principles clarified apply from 1 January 2018</li> <li>A taxpayer would be required to correct any VAT returns in accordance with Article 10 of the Decree-Law on Tax Procedures</li> <li>VAT should be imposed on the value of the supply and reference is made to the Public Clarification in regard of the determination of the value of the supply</li> </ul> </li> <li>The queries of the member of Majid Al Futtaim with respect to Voluntary Disclosures and the approach in the System of the FTA were addressed separately.</li> </ul>
<b>Decisions &amp; Recommendations</b>	N/A
<b>Person in Charge</b>	N/A
<b>Due Date</b>	N/A



### Final Queries

<b>Discussions</b>	<ul style="list-style-type: none"> <li>A final query was raised on the requirement of having exit certificates as export evidence to support the zero-rating of the transaction. The concern was specifically for cases of low-value exports. The member mentioned that Dubai Customs has a block-chain technology in use and asked if the FTA would accept evidence of export through this technology.</li> <li>HE explained that the matter of exit certificates as evidence for export is being reviewed. But currently, and as supported by a Circular from Federal Customs, the exit certificate is the only accepted official evidence, issued by the local Emirate Customs Departments in respect of goods leaving the UAE. Specifically, with respect to the block-chain technology used by Dubai Customs, alignment and consistency across all Emirates and with all Customs departments is important and no specific approach can be taken.</li> </ul>
<b>Decisions &amp; Recommendations</b>	N/A
<b>Person in Charge</b>	N/A
<b>Due Date</b>	N/A

### Closing Statement

<b>Discussions</b>	HE concluded the meeting & thanked the members who attended physically and virtually for their attendance and feedback.
<b>Decisions &amp; Recommendations</b>	In addition to that HE has advised the members to share with us any areas in the compliance scope where it causes the errors so the FTA could arrange for an awareness and workshop to achieve an adequate level of compliance.
<b>Person in Charge</b>	N/A
<b>Due Date</b>	As for the next meeting FTA will consult with the respective members and share the meeting date accordingly.

### Approved By:

Details	Meeting Head - FTA	Meeting Head - Other Entity	Meeting Organizer
<b>Name</b>	H.E Khalid Al Bustani	N/A	Khadija Allengawi
<b>Job Title</b>	Director General of the Federal Tax Authority	N/A	Government Sector and LTP Services Specialist
<b>Date</b>		N/A	13 September 2024
<b>Signature</b>		N/A	