



VAT Refund on UAE Nationals New Residence

Efficient and Transparent Procedures

What is the VAT refund on UAE Nationals New Residence?

It is a service provided to the UAE nationals whereby they have the right to apply for a VAT Refund Request for expenses incurred on certain expenses related to the construction of a private residence, subject to certain conditions stated in Article (66) of the UAE Cabinet Decision (52) of the year 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax and FTA's procedures.



What are the conditions to be eligible for a Refund Request?

1. The Refund Request will only be accepted from UAE nationals who hold a Family Book.
2. The Refund Request must be submitted by a UAE national within 12 months from the issuing date of the Building Completion Certificate.

Note: To ensure that all expenses related to the construction of a private residence are recoverable, the applicant must make sure that all expenses related to a newly constructed building are completed before submitting the Refund Request to the FTA, as well as ensure that the date of the invoices do not exceed the date of refund submission to the FTA. The request must be submitted within a period that does not exceed 12 months.



What is the definition of 'residence' to be eligible for a Refund Request?

The term 'residence' refers to any building (including townhouses and villas) used predominantly as a private home of a natural person, including fixtures and fittings belonging to the residence and used within, which comprise at least of cooking and washroom/bathroom facilities in addition to sleeping quarters.

Important Note: Any subsequent attachment to the residence or detached structures subsequently built on the same plot would not be regarded as a 'residence' for the purposes of the New Residences Refund Scheme, unless that attachment/detached structure meets the definition of 'residence' which comprise at least the followings:

- Cooking facilities
- Washroom/bathroom facilities
- Sleeping quarters








The criteria of recoverable expenses





The UAE National is entitled to submit a subsequent claim to the FTA to recover VAT related to the retention payment.

The claim should be made within 6 months from the date of making the payment.

Examples of goods which are considered to be incorporated into the building and would be **ELIGIBLE** for a refund of VAT include:

SERVICES 	BUILDING MATERIALS 	HOME APPLIANCES 
<p>Services provided by:</p> <ul style="list-style-type: none"> Contractors Builders Architects Engineers Other similar services 	<ul style="list-style-type: none"> Window frames and glazing Electrical wires when embedded inside the structure of the building Flooring (excluding carpets) 	<ul style="list-style-type: none"> Doors Central air conditioning and split units Kitchen sinks, work surfaces and fitted cupboards Sanitary units Fire alarms

Examples of goods which are not considered to be incorporated into the building and would be **not ELIGIBLE** for a refund of VAT include:

FURNITURE 	LANDSCAPING 	CONSTRUCTIONS 	HOME APPLIANCES 
<ul style="list-style-type: none"> Sofas Tables Chairs 	<ul style="list-style-type: none"> Trees Grass Plants 	<ul style="list-style-type: none"> Swimming pools 	<p>Removable appliances such as:</p> <ul style="list-style-type: none"> Fridge Oven Washing machine

What Are the Documents Required When Completing the Refund Form?

1) At the first stage, applicants are required to submit all the documents through the FTA e-services system, specifying the refund amount with the following documents:

- Copy of the applicant's Emirates ID.
- Copy of the applicant's Family Book.
- Copy of the property Completion / Occupancy Certificate, issued by the municipality.
- Copy of the building permit.
- IBAN confirmation letter.
- Other documentations related to the exceptional cases mentioned below.



2) In the second stage, applicants are required to submit the following the documents to the Verification Body after receiving the eligibility approval:

- The first architectural plan approved by the municipality (layout.PDF) showing all the surrounding buildings built on the land
- The first building permit
- Copy of the contractor's contract
- Copy of the consultant's contract
- Copy of the bill of quantities
- Copy of the table of materials
- All relevant tax invoices stating the requested refund amount
- Proof of payment of the tax invoices (including payment stamp or payment receipts)

Criteria For Accurate " Tax Invoice " Refundable:

1. The word "tax invoice" should appear in the invoice.
Tax invoices should include the full name of the owner or the name of the applicant (In case the application was submitted by an attorney) and attach the Power of Attorney as per the below template in case the name of the applicant is not included in the invoice
- 2.
3. The plot number
4. The name of the supplier and his valid Tax Registration Number (TRN)
5. The invoice should have a serial number
6. The issuing date of the invoice
7. A clear explanation of the goods and services should be mentioned in the invoice



Exceptions and specific cases relevant to the VAT Refund Procedure for Newly Built Residences for UAE Nationals:

Case	Cases where a refund is submitted to a non-owner's bank account:	<p>A power of attorney must be provided which states the following:</p> <ul style="list-style-type: none">- Representation of the landlord before the Federal Tax Authority regarding the recovery of VAT for the UAE National residences.- Receipt and collection of all tax refunds for the cost of building the residence including the address/plot number.- Deposit of refunds into the authorized person's account or transfer of funds from the Federal Tax Authority account to the authorized person's account. <p>Please refer to the Link to use the recommended format for the Power of Attorney form. Please note that the document must be completed and signed in the presence of a notary.</p>
	Cases where one of the owners is of a non-labile category (Interdicted Cases):	Provide a Court Permission to assign a legal representative for the interdicted cases.
	Cases of refund to a non-owner's bank account due to the fact that the actual owner is underage (Heirs):	Court permission must be provided if the owners are under the legal age (heirs).
	Cases where the residence is built on a non-residential plot	A "To whom it may concern" letter from all relevant authorities certifying that the built residence was established in a non-residential area or if the description of the building in the completion certificate is non-residential.

How to apply?

- Create an account through FTA's eServices portal – eservices.tax.gov.ae
- Click on 'Apply for New Residence VAT refund'



For more details on the procedure and steps you can refer back to the VAT Refunds on Building New Residences User Guide which you can easily **access by visiting the link.**