

# Tax group registration

VAT — 2022



# Tax Groups

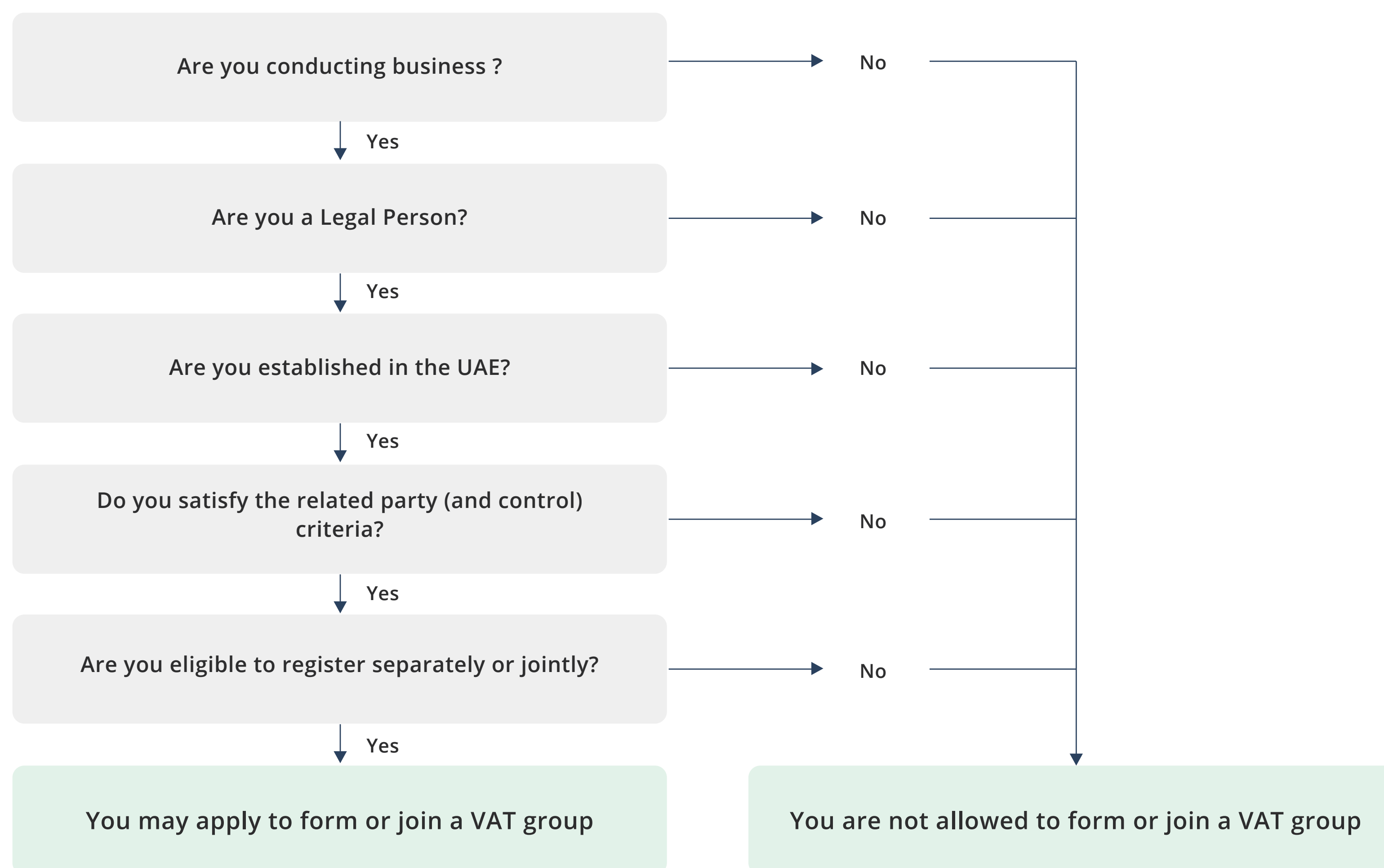
Two or more persons conducting business may apply for registration as a tax group if:

- Each person is a legal person (i.e. not a natural person)
- Each person has a place of establishment or fixed establishment in the UAE
- The persons are related parties
- One or more persons conducting business control the others



# Eligibility to form a tax group

Deciding whether you may form or join a tax group



# General grounds for refusing a tax grouping request

A request for tax grouping is generally refused in the following instances:

- The persons do not qualify for tax grouping
- The proposed tax group will be difficult for the FTA to audit because its structure results in no internal commonality of audit
- The only benefit to the proposed tax group will be a cash offset benefit.
- The proposed tax group would place an additional administrative burden on the FTA, including but not limited to the reasons outlined above.

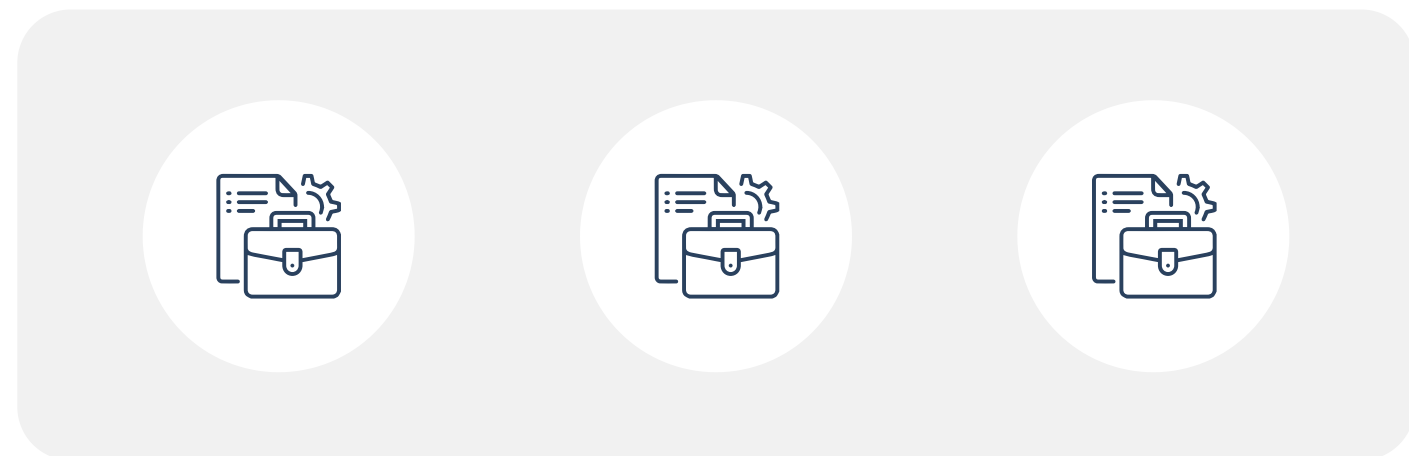


## Effect of tax group registration

- Once a person joins a tax group they will all be registered under one TRN and the representative member will file all returns for the tax group.
- The effect of tax group registration is that the entities within the tax group are treated as one entity for VAT purposes. As a result, supplies made between members of a tax group are disregarded for tax purposes i.e. no VAT is due on the supplies.
- If related parties do not apply for registration as a tax group, the FTA may assess their relationship and register them as a tax group.



# Tax Groups



Two or more persons carrying on a business (subject to grouping conditions)



VAT group – for VAT purposes the persons are now treated as a single taxable person



## Further guidance

- Taxable person guide for Value Added Tax
- Tax Groups VAT Guide – VATGGR101

