

# Federal Tax Authority Office, Vat on Transportation Services in UAE

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We are a leading Global Outsourcing Solutions Provider with a team of experienced CA and MBA professionals from Big 4 CA firms and MNCs. assisting clients in Accounts, VAT and its Regulatory Compliance and HR process outsourcing

We are an offshoot of 40 year old Indian CA firm which is experts in legal, professional and financial and Human Resource advisory services and help our clients in setting up their business entities and managing various business functions feasibly and effectively. All our services aim at helping our clients decode the legal and regulatory requirements related to their businesses.



## Get Full Support for VAT Related Services

Our VAT related services ranges from strategic VAT planning to effective VAT implementation. It includes VAT advisory, VAT registration, VAT return filing, VAT compliance and VAT amendment service. Registration procedure, Timely return filing and compliance as per the law laid down by FTA is assured, along with the quick entertainment of amendments in VAT.

Our VAT Services are –

- VAT Registration
- VAT Implementation
- VAT Return Filing
- VAT Advisory
- VAT Compliance
- VAT Amendment
- Tax Agent Service



## Introduction to VAT in UAE

VAT will be introduced in UAE with effect from 1<sup>st</sup> January, 2018 and the registration process already has started from 1<sup>st</sup> October, 2017. Since time is running short, the businesses in UAE need to be ready for the adoption of new VAT policy. VAT rate is 5% of value of supply of goods and services including imports.

More than one-fifty countries have adopted VAT as their main source of tax revenue collection. The businesses of UAE, so far, have very less been exposed to the taxation culture, due to non-existent tax policy in UAE. So, the businesses have no or very less experience in dealing and management of taxes. Introduction of VAT is a step towards reducing the dependency on oil and gas sector for revenue generation. VAT will impact almost every segment of the business operation and economy.

## Who are required to register under VAT?

With the introduction of VAT, it is mandatory for all the businesses in UAE to abide by the rules, as per laid down by law of Federal Tax Authority. All the businesses coming under the ambit of prescribed turnover criteria for the mandatory VAT registration i.e. AED over 375,000 are required to get themselves registered and comply to the rules, as per the guidelines.



The business that do not fall under the mandatory registration criteria, but are eligible for the voluntary registration (if business turnover or taxable expenses is less than mandatory prescribed criteria but more than AED 187,500) may also get themselves registered. The voluntarily registered businesses will be able to claim the VAT incurred on the inputs and will be able to charge VAT of their sales. And the businesses that are not registered will not be in position to reap the benefits of charging VAT on their sale and VAT incurred on the inputs.

## Contact us

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