



VAT Refunds for Business Visitors

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1. Background to VAT Refunds for Business Visitors

A foreign business may be entitled to VAT relief (by way of a refund of tax paid) in certain instances.

1.1. Who can claim a refund?

Only foreign businesses that carry on a Business and meet the following conditions (hereinafter referred to as “Foreign Business”) are eligible to apply for a refund:

- They have no place of establishment¹ or fixed establishment² in the UAE or the Implementing State³;
- They are not a Taxable Person⁴ in the UAE;
- They are registered as an establishment with a competent authority in the jurisdiction in which they are established;
- They are from a country that has a value added tax and which also provides refunds of VAT to UAE entities in similar circumstances.

Please note:

- Businesses resident in any GCC State that is not considered to be an Implementing State may submit a VAT refund application to claim back VAT incurred in the UAE under this scheme.

A refund is not available if any of the following applies:

- the Foreign Business makes supplies in the UAE (unless the recipient is obliged to account for VAT under reverse charge mechanism);
- the input tax in respect of any goods or services is subject to a statutory ‘block’ and so would not be recoverable by a taxable person in the UAE (please refer to Article (53) of Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No(8) of 2017 on Value Added Tax); or

¹ The place where a Business is legally established in a country pursuant to the decision of its establishment, in which significant management decisions are taken and central management functions are conducted.

² Any fixed place of business, other than the Place of Establishment, in which the Person conducts his business regularly or permanently and where sufficient human and technology resources exist to enable the Person to supply or acquire Goods or Services, including the Person’s branches.

³ The GCC States that have implemented VAT in full compliance with the Common VAT Agreement of the States of the Gulf Cooperation Council and which is recognising the UAE as an Implementing State.

⁴ Any Person registered or obliged to register for Tax purposes under the VAT Law



- the Foreign Business is a non-resident tour operator.

1.2. Key procedural points

- The period of each refund claim shall be a calendar year (e.g. 1st January 2018 – 31st December 2018). For claims in respect of the 2018 calendar year, refund applications can be made from 1st April 2019. The opening date for refund applications in subsequent calendar years will be 1st March (i.e. for the period 1st January 2019 – 31st December 2019, applications will be accepted from 1st March 2020).
- The minimum claim amount of each VAT claim that may be submitted shall be AED 2,000. This may comprise of a single purchase or multiple purchases.

1.3. Claiming the refund

- The Federal Tax Authority will issue more detailed guidance with regards to the application process at a later date. However, please note that you may be expected to provide the original Tax Invoices for which you are reclaiming the VAT as part of the application, therefore please ensure that these are retained.