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**Federal Decree-Law No. (18) of 2022**  
**Amending Certain Provisions of the Federal Decree-Law No. (8) of 2017**  
**on Value Added Tax**

**We, Mohamed bin Zayed Al Nahyan**  
**President of the United Arab Emirates,**

Having reviewed the Constitution,

And Federal Law No. (1) of 1972 concerning the Competencies of Ministries and Powers of Ministers, and its amendments,

And Federal Law No. (11) of 1981 concerning the Imposition of a Federal Customs Duty on Imports of Tobacco and its Derivatives, and its amendments,

And Federal Law No. (5) of 1985 promulgating the Civil Transactions Law, and its amendments,

And Federal Law No. (18) of 1993 promulgating the Commercial Transactions Law, and its amendments,

And Federal Law No. (8) of 2004 concerning Financial Free Zones,

And Federal Law No. (2) of 2008 concerning Public Benefit Associations and Institutions, and its amendments,

And Federal Decree-Law No. (13) of 2016 concerning the Establishment of the Federal Tax Authority, and its amendments,

And Federal Law No. (7) of 2017 on Tax Procedures, and its amendments,

And Federal Decree-Law No. (8) of 2017 on Value Added Tax,

And Federal Decree-Law No. (32) of 2021 concerning Commercial Companies,

And Federal Decree-Law No. (46) of 2021 concerning Electronic Transactions and Trust Services,

And based on the proposal of the Minister of Finance, and the approval of the Cabinet,

**We have issued the following Decree-Law:**

**Article (1)**

The texts of Articles (1), (5), (7), (13), (15), (21), (26), (27), (30), (33), (36), (45), (46), (48), (55), (57), (61), (62), (65), (67), (74), (76), (77), (80), (83) of Federal Decree-Law No. (8) of 2017 on Value Added Tax shall be replaced by the following texts:

**Article (1)**

## Definitions

In the application of the provisions of this Decree-Law, the following words and expressions shall have the meanings assigned to each of them, unless the context otherwise requires:

**The State:** The United Arab Emirates.

**The Minister:** The Minister of Finance.

**The Authority:** The Federal Tax Authority.

**Value Added Tax:** A tax imposed on the import and supply of Goods and Services at each stage of production and distribution, including Deemed Supplies.

**The Tax:** Value Added Tax.

**GCC States:** All countries that are full members of the Gulf Cooperation Council for the Arab States of the Gulf in accordance with the Charter of the Gulf Cooperation Council.

**Implementing States:** GCC States that implement the Tax law in accordance with an issued legislation, as specified in the Executive Regulation of this Decree-Law.

**Goods:** Physical property that can be supplied, including real estate, water, and all forms of energy as specified in the Executive Regulation of this Decree-Law.

**Services:** Anything that can be supplied other than Goods.

**Import:** The arrival of Goods from abroad into the territory of the State, or the receipt of Services from outside the State.

**Concerned Goods:** Includes Goods that have been imported and would not be exempt from Tax if supplied in the State.

**Concerned Services:** Services that have been imported where the place of supply is considered to be in the State, and would not be exempt from Tax if supplied in the State.

**Person:** A natural or legal person.

**Taxable Person:** Any Person registered or obligated to be registered for Tax purposes under this Decree-Law.

**Taxpayer:** Any person obligated to pay the Tax in the State under this Decree-Law, whether a Taxable Person or an end consumer.

**Tax Registration:** A procedure whereby the Taxable Person or their legal representative registers with the Authority for Tax purposes.

**Tax Registration Number (TRN):** A special number issued by the Authority for each Person registered for Tax purposes.

**Registrant:** The Taxable Person who has been issued a TRN.

**Recipient of Goods:** The Person to whom Goods are supplied or imported.

**Recipient of Services:** The Person to whom Services are supplied or imported.

**Importer:** In relation to importing Goods, it is the Person who appears as the importer of the Goods at the date of import for customs clearance purposes. In relation to importing Services, it means the recipient of those Services.

**Taxable Trader:** A Taxable Person in the Implementing States whose principal activity is the distribution of water and all forms of energy as specified in the Executive Regulation of this Decree-Law.

**Tax Return:** The information and data specified for Tax purposes that the Taxable Person submits in accordance with the form prepared by the Authority.

**Consideration:** All that is received or expected to be received for the supply of Goods or Services, whether in money or other forms of payment.

**Business:** Any activity practiced regularly, continuously, and independently by any Person in any location, such as industrial, commercial, agricultural, professional, service, or excavation activities or anything related to the use of tangible or intangible property.

**Exempt Supply:** A supply of Goods or Services for a Consideration while conducting Business in the State, on which Tax is not imposed and for which related Input Tax is not deductible, except as provided for in this Decree-Law.

**Taxable Supply:** A supply of Goods or Services for a Consideration while conducting Business by any Person in the State, and does not include an Exempt Supply.

**Deemed Supply:** Anything that is considered a supply and treated as a Taxable Supply according to the cases stipulated in this Decree-Law.

**Input Tax:** The Tax paid by a Person or due from them when Goods or Services are supplied to them or when they make an Import.

**Output Tax:** The Tax imposed on a Taxable Supply and on any supply considered a Taxable Supply.

**Recoverable Tax:** The amounts that have been paid and which the Authority may refund to the Taxpayer in accordance with the provisions of this Decree-Law.

**Due Tax:** The Tax that is calculated and imposed pursuant to this Decree-Law.

**Payable Tax:** The Tax that has become due for payment to the Authority.

**Tax Period:** The specified period of time for which the Payable Tax must be calculated and paid.

**Tax Invoice:** A written or electronic document in which the occurrence of any Taxable Supply and its details are recorded.

**Tax Credit Note:** A written or electronic document in which the occurrence of any amendment to a Taxable Supply that reduces or cancels it, and its details, are recorded.

**Government Entities:** Federal and local ministries, government departments, agencies, authorities, and public institutions in the State, or any other entities treated as Government Entities, all in accordance with decisions issued by the Cabinet for the purpose of applying the provisions of this Decree-Law.

**Charities:** Associations and public benefit institutions that are designated by a Cabinet decision based on the Minister's proposal and which do not aim to make a profit.

**Relevant Charitable Activity:** An activity not aimed at achieving profit or benefit for any owner, member, or shareholder of the Charity, and which is carried out by the Charity in the context of its purposes or objectives to conduct or promote a charitable activity in the State as approved by the relevant authorities, or in accordance with the terms of its establishment as a charity based on a federal or local legislation, decree, or decision, or based on its license to conduct a charitable activity through an entity that grants such licenses on behalf of the Federal Government or the government of the Emirate.

**Mandatory Registration Threshold:** An amount specified in the Executive Regulation of this Decree-Law, which if the value of Taxable Supplies exceeds or is expected to exceed, the supplier must register for Tax.

**Voluntary Registration Threshold:** An amount specified in the Executive Regulation of this Decree-Law, which if the value of Taxable Supplies or expenses exceeds or is expected to exceed, the supplier may register for Tax.

**Transport-related Services:** Services of transportation, packaging, securing shipments, preparing customs documents, container management, packing, unloading, storing, and moving goods, or any other closely related or necessary services to complete the transportation services.

**Place of Establishment:** The place where the Business is legally established in a country according to its incorporation decision, and where significant management decisions are taken or central management functions are exercised.

**Fixed Establishment:** Any fixed place of business, other than the Place of Establishment, in which the Person regularly or permanently conducts their business and has sufficient human and technical resources to enable them to make or acquire supplies of Goods or Services, including branches of the Person.

**Place of Residence:** The place where a Person has a Place of Establishment or a Fixed Establishment in accordance with the provisions of this Decree-Law.

**Non-Resident Person:** Any person who does not have a Place of Establishment or a Fixed Establishment in the State and does not usually reside therein.

**Related Parties:** Two or more persons who are not separated from an economic, financial, or organizational perspective, where one can control the others either by law or by ownership of shares or voting rights.

**Customs Legislation:** The federal and local legislations regulating customs in the State.

**Designated Zone:** Any area identified by a Cabinet decision based on the Minister's proposal as a designated zone for the purposes of this Decree-Law.

**Export:** The departure of Goods from the territory of the State, or the provision of Services to a person whose Place of Establishment or Fixed Establishment is outside the State.

**Voucher:** Any instrument that gives the right to receive Goods or Services against the value stated on it or contained within it, or the right to receive a discount on the price of Goods or Services. The Voucher does not include postage stamps issued by the Emirates Post Group.

**Activities Conducted in a Sovereign Capacity:** Activities carried out by Government Entities in their sole capacity as competent authorities, whether for a consideration or not.

**Capital Assets:** Business assets designated for long-term use.

**Capital Assets Scheme:** A system under which the initially recovered Input Tax is adjusted based on actual use over a specified period.

**Administrative Penalties:** Financial amounts imposed on a Person by the Authority for violating the provisions of this Decree-Law and the Tax Procedures Law.

**Administrative Penalties Assessment:** A decision issued by the Authority regarding the due Administrative Penalties.

**Excise Tax:** A tax imposed under law on specific goods.

**Tax Group:** Two or more persons registered for Tax purposes with the Authority as a single Taxable Person in accordance with the provisions of this Decree-Law.

**Pure Hydrocarbons:** Any type of different pure combinations of the chemical formula consisting only of hydrogen and carbon (C<sub>x</sub>H<sub>y</sub>).

**Tax Evasion:** The use by a Person of illegal means resulting in the reduction of the amount of Due Tax, non-payment thereof, or a refund of tax that they did not have the right to recover.

**Tax Audit:** A procedure carried out by the Authority to examine the commercial records or any information, data, or goods related to a Person to verify their compliance with their obligations under the provisions of this Decree-Law or the Tax Procedures Law.

**Tax Assessment:** Means the Tax Assessment as defined in the Tax Procedures Law.

**Voluntary Disclosure:** A form prepared by the Authority by which the Taxpayer notifies the Authority of any error or omission in a Tax Return, Tax Assessment, or Tax refund application in accordance with the provisions of the Tax Procedures Law.

**Tax Procedures Law:** Federal Law No. (7) of 2017 on Tax Procedures, its amendments, and any other federal law that replaces it.

#### **Article (5)**

##### **Supply of Goods**

The following shall be considered a supply of Goods:

1. The transfer of ownership of Goods to another person or the right to dispose of them as specified in the Executive Regulation of this Decree-Law.
2. The conclusion of a contract between two or more parties that entails the transfer of Goods at a later time, in accordance with the conditions specified in the Executive Regulation of this Decree-Law.

#### **Article (7)**

##### **Supply in Special Cases**

Notwithstanding the provisions of Articles (5) and (6) of this Decree-Law, the following shall not be considered a supply:

1. The sale or issuance of any Voucher, unless the Consideration received for it exceeds its stated monetary value, as specified in the Executive Regulation of this Decree-Law.
2. The transfer of a whole or an independent part of a Business from a Person to a Taxable Person for the purpose of continuing the Business that was transferred.
3. Any other supply specified in the Executive Regulation of this Decree-Law.

#### **Article (13)**

##### **Mandatory Tax Registration**

1. Every Person who has a Place of Residence in the State or in one of the Implementing States must register for Tax if:
  - a. The value of supplies stipulated in Article (19) of this Decree-Law during the previous (12) twelve-month period exceeded the Mandatory Registration Threshold.
  - b. It is anticipated that the value of supplies stipulated in Article (19) of this Decree-Law will exceed the Mandatory Registration Threshold within the next (30) thirty-day period.
2. Every Person who does not have a Place of Residence in the State or in one of the Implementing States must register for Tax if they make supplies of Goods or Services and no other person is obligated to pay the Due Tax on these supplies in the State.
3. The Executive Regulation of this Decree-Law shall specify the timeframes within which the Person must notify the Authority of their obligation to register for Tax and the effective date of Tax Registration.

#### **Article (15)**

### **Exception from Registration**

1. The Authority may except a Taxable Person from Tax Registration, whether registered or not, upon their request, if their supplies are subject only to the zero rate.
2. If any changes occur in the business of the Taxable Person excepted from Tax Registration under clause (1) of this Article that have led or would lead to the reason for their exception no longer being applicable, they must notify the Authority of these changes within the time limits and according to the procedures specified in the Executive Regulation of this Decree-Law.

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3. The Authority has the right to collect the due tax and administrative penalties for the period during which the Taxable Person was exempted if it is proven that they were not entitled to such exemption.

### **Article (21)**

#### **Cases of Tax Deregistration**

1. A Registrant must apply to the Authority for tax deregistration in either of the following two cases:
  - a. If he ceases to make taxable supplies.
  - b. If the value of the taxable supplies made by him over a period of (12) twelve consecutive months is less than the voluntary registration threshold, and the case stipulated in Clause (2) of Article (17) of this Decree-Law does not apply to him.
2. The Authority may issue a decision to cancel the tax registration if it becomes evident that maintaining the tax registration would prejudice the integrity of the tax system, in accordance with the controls and conditions specified in the Executive Regulation of this Decree-Law.
3. The cancellation of a tax registration shall not waive the Authority's right to claim any due tax or administrative penalties.

### **Article (26)**

#### **Date of Supply in Special Cases**

1. The date of supply of Goods or Services for any contract that includes periodic payments or consecutive invoices shall be the earliest of any of the following dates:
  - a. The date of issuance of any tax invoice.
  - b. The date on which the payment specified in the tax invoice is due.
  - c. The date of receipt of the payment.
  - d. The date one year after the date the Goods or Services were provided.

2. The date of supply in cases where payment is made through vending machines shall be the date on which the funds are collected from the machines.
3. The date of a deemed supply of Goods or Services shall be the date of their supply, disposal, change of use, or the date of tax deregistration, as the case may be.
4. The date of supply of vouchers shall be the date of their issuance or subsequent supply.

## **Article (27)**

### **Place of Supply of Goods**

1. The place of supply of Goods shall be in the State if the supply was made in the State and does not involve exporting them from or importing them into the State.
2. The place of supply of assembled or installed Goods, if exported from or imported into the State, shall be considered as:
  - a. In the State, if the Goods were assembled or installed therein.
  - b. Outside the State, if they were assembled or installed outside it.
3. The place of supply of Goods that involves exporting or importing shall be as follows:
  - a. Inside the State in the following cases:
    - (1) If the supply involves exporting to a place outside the Implementing States.
    - (2) If the recipient of the Goods in one of the Implementing States is not registered for tax in the State to which the export is made, and the total exports from the same supplier to that State do not exceed the mandatory registration threshold in that State.
    - (3) If the recipient of the Goods in the State does not have a tax registration number, and the total exports from a supplier in one of the Implementing States to the State exceeds the mandatory registration threshold.
    - (4) If Clause (1) of Article (26) of this Decree-Law applies and the ownership of the Goods was transferred inside the State.
  - b. Outside the State in the following cases:
    - (1) If the supply involves exporting to a customer registered for tax purposes in one of the Implementing States.
    - (2) If the recipient of the Goods is not registered for tax purposes in one of the Implementing States to which the export is made, and the total exports from the same supplier to that State exceed the mandatory registration threshold in that State.
    - (3) If the recipient of the Goods does not have a tax registration number and imports Goods from a supplier registered for tax in one of the Implementing States from



which the import is made, and the total value of Goods imported into the State from the same supplier does not exceed the mandatory registration threshold.

(4) Goods shall not be treated as exported from the State and re-imported into it if the Goods were supplied in the State and the supply process required the Goods to be taken out of the State and re-entered, in accordance with the cases specified by the Executive Regulation of this Decree-Law.

### **Article (30)**

#### **Place of Supply in Special Cases**

Notwithstanding the provisions of Article (29) of this Decree-Law, the place of supply in special cases shall be as follows:

1. If the recipient has a place of residence in one of the Implementing States and is registered for tax purposes therein, the place of supply shall be the recipient's place of residence.
2. If the recipient is a person conducting Business and has a place of residence in the State and the supplier does not have a place of residence in the State, the place shall be in the State.
3. If the supply of services is performed on Goods, such as installation services related to Goods supplied by a third party, the place shall be where those services were performed.
4. If the supply is the leasing of means of transport to a lessee not subject to tax in the State and who does not have a tax registration number in one of the Implementing States, the place shall be where the means of transport were placed at the disposal of the lessee.
5. If the supply is of restaurant, hotel, and food and beverage catering services, the place shall be where these services are actually performed.
6. If the supply is of any cultural, artistic, sporting, educational, or similar services, the place shall be where these services are performed.
7. If the supply of services relates to real estate as specified by the Executive Regulation of this Decree-Law, the place shall be where the real estate is located.
8. If the supply is of transport services or services related to transport, the place shall be where the transport begins. The Executive Regulation of this Decree-Law shall determine the place of supply of transport services and services related to transport if the journey includes more than one stop.

### **Article (33)**

#### **The Agent**

The place of residence of the Principal shall be considered the place of residence of the Agent if either of the following two conditions is met:

1. The Agent regularly exercises the right to negotiate and conclude agreements on behalf of the Principal.
2. The Agent maintains a stock of Goods to regularly fulfill agreements for their supply on behalf of the Principal.

### **Article (36)**

#### **Value of Supply and Deemed Supply for Related Parties**

Notwithstanding the provisions of Articles (34), (35), and (37) of this Decree-Law, the value of a supply or import of Goods or Services between Related Parties shall be considered equal to the market price if all of the following are met:

1. The value of the supply is less than the market price.
2. The supply was taxable and the recipient was not entitled to recover the full tax that would have been charged on this supply as input tax.

### **Article (45)**

#### **Goods and Services Subject to the Zero Rate**

The zero rate shall apply to the following:

1. The direct or indirect export of Goods and Services to outside the Implementing States as specified by the Executive Regulation of this Decree-Law.
2. International transport services for passengers and Goods which starts in, ends in, or passes through the State, including services related to this transport.
3. The air transport of passengers within the State if it is considered "international carriage" according to Article (1) of the Warsaw Convention for the Unification of Certain Rules Relating to International Carriage by Air of 1929.
4. The supply or import of air, sea, and land means of transport used for the transportation of passengers and Goods, in accordance with the classification and conditions specified by the Executive Regulation of this Decree-Law.
5. The supply of Goods or Services, or import of concerned Goods, related to the means of transport mentioned in Clause (4) of this Article and designated for their operation, repair, maintenance, or conversion.
6. The supply or import of rescue aircraft and vessels by air or sea.
7. The supply of Goods and Services related to the transport of Goods or passengers on board air, sea, and land means of transport in accordance with the provisions of Clauses (2) and (3) of this Article and designated for consumption on board, or anything consumed by any means of transport, or any installation or introduction thereon, or any other use during the transport process.
8. The supply or import of investment-grade precious metals. The Executive Regulation of this Decree-Law shall specify the precious metals and the criteria for considering them as investment-grade.

9. The first supply of residential buildings within (3) three years of the completion of their construction, through sale or lease, in whole or in part, in accordance with the controls specified by the Executive Regulation of this Decree-Law.
10. The first supply of buildings specifically designed to be used by charities, through sale or lease, in accordance with the controls specified by the Executive Regulation of this Decree-Law.
11. The first supply of buildings converted from non-residential to residential buildings, through sale or lease, in accordance with the conditions specified by the Executive Regulation of this Decree-Law.
12. The supply or import of crude oil and natural gas.
13. The supply of educational services and related Goods and Services for nurseries, preschool, and basic education, as well as higher education institutions owned or funded by the Federal or local government, as specified by the Executive Regulation of this Decree-Law.
14. The supply of preventive and basic healthcare services and related Goods and Services, and the import of related concerned Goods, as specified by the Executive Regulation of this Decree-Law.

#### **Article (46)**

##### **Supply Exempt from Tax**

The following shall be exempt from tax:

1. The supply of financial services specified by the Executive Regulation of this Decree-Law.
2. The supply of residential buildings through sale or lease, except for that which is zero-rated according to Clauses (9) and (11) of Article (45) of this Decree-Law.
3. The supply of bare land.
4. The supply of local passenger transport services.

The Executive Regulation of this Decree-Law shall specify the conditions and controls for the tax exemption on the supplies mentioned in the preceding clauses.

#### **Article (48)**

##### **Reverse Charge**

1. If a Taxable Person imports Concerned Goods or Concerned Services for the purposes of his Business, he shall be deemed to have made a taxable supply to himself and shall be responsible for all applicable tax obligations and for the calculation of the due tax thereon.
2. Notwithstanding Clause (1) of this Article, in the case where the final destination of the Goods upon entry into the State is one of the other Implementing States, the

Taxable Person must pay the due tax on the import of the Concerned Goods according to the mechanism specified in the Executive Regulation of this Decree-Law.

3. If a Registrant makes a taxable supply in the State of any crude or refined oil, processed or unprocessed natural gas, or pure hydrocarbons to another Registrant, and the recipient's intention is either to resell it as crude or refined oil, processed or unprocessed gas, or pure hydrocarbons, or to use these goods to produce and distribute any form of energy, the following rules shall apply:

a. The Registrant who made the supply shall not calculate tax on the value of the supply of the goods mentioned in this clause.

b. The recipient of the goods must calculate the tax on the value of the goods supplied to him and shall be responsible for all resulting tax obligations and for calculating the due tax thereon.

4. The provisions of Clause (3) of this Article shall not apply in any of the following cases:

a. If the recipient of those goods, prior to the date of supply, did not declare in writing to the supplier that he is acquiring the goods for the purpose of reselling them or using them to produce and distribute any form of energy.

b. If the recipient of those goods, prior to the date of supply, did not declare in writing to the supplier that he is a Registrant, and the supplier did not verify, through means approved by the Authority, the tax registration of the recipient of those goods according to the data provided in the declaration.

c. If the taxable supply is subject to the zero rate according to Clause (1) of Article (45) of this Decree-Law.

d. If the taxable supply includes a supply of goods or services other than those mentioned in Clause (3) of this Article.

5. If the recipient of any crude or refined oil, processed or unprocessed natural gas, or pure hydrocarbons declares to the supplier that he is a Registrant for the purpose of applying Clause (3) of this Article, the following shall apply:

a. The supplier shall not be liable for calculating the tax related to the supply, unless he knew or should have known that the recipient was not a Registrant on the date of supply.

b. The recipient is obligated to calculate the due tax related to the supply.

6. If the supplier mentioned in paragraph (a) of Clause (5) of this Article should have known that the recipient was not registered for tax purposes on the date of supply, then the supplier and the recipient shall be jointly and severally liable for the due tax and associated penalties with respect to the supply.

7. The Executive Regulation of this Decree-Law shall specify the following:

- a. The conditions and cases for applying the mechanism provided for in Clause (1) of this Article.
  - b. The additional obligations related to record-keeping for the calculation of tax according to the mechanism provided for in Clause (1) of this Article.
8. The Cabinet may issue a resolution specifying other Goods or Services that are subject to the reverse charge mechanism and defining the related terms and conditions.

## **Article (55)**

### **Recovery of Recoverable Input Tax in the Tax Period**

1. Subject to the provisions of Article (56) of this Decree-Law, recoverable input tax may be deducted in the tax return for the first tax period in which the following two conditions are met:
- a. Any of the following situations occurs:
    - (1) The Taxable Person receives and retains the tax invoice in accordance with the provisions of this Decree-Law, which includes the details of the supply related to the input tax, or retains any other document, in accordance with Clause (3) of Article (65) of this Decree-Law, regarding the supply for which the input tax was paid.
    - (2) The Taxable Person imports Goods and receives and retains the invoices and import documents in accordance with the provisions of this Decree-Law and its Executive Regulation, for the import for which the input tax was paid or declared.
    - (3) The Taxable Person imports Services and receives and retains the invoices in accordance with the provisions of this Decree-Law and its Executive Regulation, for the import for which the input tax was declared.
  - b. The Taxable Person pays the consideration or any part thereof, as specified by the Executive Regulation of this Decree-Law.
2. If a Taxable Person who is entitled to recover input tax fails to do so during the tax period in which the conditions stipulated in Clause (1) of this Article were met, he is entitled to include the recoverable input tax in the tax return for the subsequent period.

## **Article (57)**

### **Recovery of Tax by Government Entities and Charities**

1. Without prejudice to the general provisions for input tax recovery, a Cabinet decision, based on the Minister's proposal, shall specify the Government Entities and Charities that may recover the full input tax as follows:
- a. Input tax paid by the Government Entity for the purposes of its sovereign activities.
  - b. Input tax paid by the Charity for the purposes of its relevant charitable activities.

2. Notwithstanding the provisions of Clause (1) of this Article, the following shall be excluded from recovery:

a. Tax excluded from recovery in accordance with the provisions of the Executive Regulation of this Decree-Law.

b. Tax paid on goods and services used to make exempt supplies.

### **Article (61)**

#### **Cases and Conditions for Output Tax Adjustment**

1. The Registrant must adjust the Output Tax after the date of supply in any of the following cases:

a. If the supply is cancelled.

b. If the tax treatment of the supply has been changed due to a change in the nature of the supply.

c. If the consideration for the supply previously agreed upon has been modified for any reason.

d. If the recipient of the goods or services returned them in whole or in part to the Registrant and the consideration was returned in whole or in part.

e. If the tax was imposed or the tax treatment was applied incorrectly.

2. Paragraph (e) of Clause (1) of this Article shall not apply in the case where the place of supply was considered by the supplier in accordance with Clause (1) of Article (27) of this Decree-Law on the date of supply, but based on a transfer of goods it became clear that the place of supply should have been considered in accordance with sub-clause (1) of paragraph (b) of Clause (3) of the same Article.

3. For the adjustment of Output Tax, one of the following two conditions must be met:

a. If the Output Tax imposed on the supply as stated in the Tax Invoice does not correspond to the tax that should have actually been imposed on the same supply as a result of the occurrence of any of the cases stipulated in Clause (1) of this Article.

b. If the Registrant has submitted a Tax Return for the Tax Period during which the supply occurred and an incorrect amount was calculated as Output Tax due on this supply as a result of the occurrence of any of the cases stipulated in Clause (1) of this Article.

### **Article (62)**

#### **Mechanism for Output Tax Adjustment**

The Output Tax shall be adjusted as follows:

1. If the Output Tax that should be imposed on the supply exceeds the Output Tax calculated by the Registrant, he must issue a new Tax Invoice and calculate the

additional value of the tax due during the period in which the increase was discovered.

2. If the Output Tax calculated by the Registrant exceeds the Output Tax that should have been imposed on the supply, he must issue a Tax Credit Note in accordance with the provisions of this Decree-Law within a period not exceeding (14) fourteen days from the date of the occurrence of any of the cases stipulated in Clause (1) of Article (61) of this Decree-Law.

#### **Article (65)**

##### **Conditions and Requirements for Issuing a Tax Invoice**

1. When making a taxable supply, the Registrant must issue an original copy of the Tax Invoice and deliver it to the recipient.
2. When making a deemed supply, the Registrant must issue an original copy of the Tax Invoice and deliver it if there is a recipient, or keep it in his records if there is no recipient.
3. The Executive Regulation of this Decree-Law shall specify each of the following:
  - a. The data that must be included in the Tax Invoice.
  - b. The conditions and procedures necessary for issuing the Tax Invoice electronically.
  - c. The cases in which the Registrant is not required to issue and deliver the Tax Invoice to the recipient.
  - d. The cases in which other documents may be issued instead of the Tax Invoice, their conditions, and the data to be mentioned therein.
  - e. The cases in which a person may issue a Tax Invoice on behalf of the registered supplier.
4. Any person who receives any amount as tax or for whom a Tax Invoice is issued must pay it to the Authority, and it shall be treated in the same manner as the tax due under the provisions of this Decree-Law.

#### **Article (67)**

##### **Date of Issuance of the Tax Invoice**

1. The Registrant must issue the Tax Invoice within (14) fourteen days from the date of supply as stipulated in Article (25) or Article (26) of this Decree-Law.
2. The Executive Regulation of this Decree-Law shall specify the cases that are subject to periods other than the period mentioned in Clause (1) of this Article, or the cases in which the Tax Invoice must be issued immediately in accordance with the controls specified therein.

#### **Article (74)**

##### **Excess Refundable Tax**

1. Subject to the provisions of the Tax Procedures Law and its Executive Regulation, and without prejudice to the Authority's right to make a set-off in accordance with the provisions of Clause (2) of this Article, the Taxable Person has the right to submit a request to the Authority to recover the excess refundable tax or a part thereof, in accordance with the periods and procedures specified by the Executive Regulation of this Decree-Law, in the following cases:

a. If the recoverable Input Tax by the Taxable Person in accordance with the provisions of this Decree-Law exceeds the Output Tax payable for the same Tax Period.

b. If the tax paid by the Taxable Person to the Authority exceeds the tax payable in accordance with the provisions of this Decree-Law, in cases other than that stipulated in paragraph (a) of Clause (1) of this Article.

2. The Authority shall set-off the excess refundable tax against the tax payable or any administrative penalty imposed in accordance with the provisions of this Decree-Law or the Tax Procedures Law.

3. If no request is submitted to recover the excess after the set-off has been made, the excess refundable tax shall be carried forward to subsequent Tax Periods.

#### **Article (76)**

##### **Assessment of Administrative Penalties**

Without prejudice to the provisions of the Tax Procedures Law, the Authority shall issue an assessment of administrative penalties to the person and notify them thereof within (5) five working days from the date of issuance, in any of the following cases:

1. The Taxable Person's failure to display prices inclusive of tax in accordance with the provisions of Article (38) of this Decree-Law.

2. The Taxable Person's failure to notify the Authority of their application of tax on a margin basis in accordance with the provisions of Article (43) of this Decree-Law.

3. Failure to comply with the conditions and procedures required for keeping goods in a designated zone or moving them to another designated zone.

4. The Taxable Person's failure to issue a Tax Invoice or alternative document when making any supply.

5. The Taxable Person's failure to issue a Tax Credit Note or alternative document.

6. The Taxable Person's non-compliance with the conditions and procedures related to the electronic issuance of the Tax Invoice and Tax Credit Note.

#### **Article (77)**

##### **Tax Evasion**



Without prejudice to the cases of tax evasion stipulated in the Tax Procedures Law, if it is proven that an unregistered person has obtained goods in accordance with Clause (3) of Article (48) of this Decree-Law, claiming to be registered, they shall be considered to have committed tax evasion and shall be penalized in accordance with the Tax Procedures Law.

### **Article (80)**

#### **Transitional Provisions**

1. If the supplier has received the consideration or any part thereof or issued an invoice for goods or services before the date of entry into force of the provisions of this Decree-Law, the date of supply shall be considered the date of entry into force of the provisions of this Decree-Law in the cases shown below, if it occurs after the date of entry into force of the provisions of the Decree-Law:

- a. Transfer of goods under the supplier's supervision.
- b. Placing the goods at the recipient's disposal.
- c. Completion of the assembly or installation of the goods.
- d. Issuance of the customs declaration.
- e. Acceptance of the supply by the recipient.

2. If a contract was concluded before the provisions of this Decree-Law came into effect concerning a supply in whole or in part after the date of entry into force of the provisions of this Decree-Law, and the contract did not include a provision regarding the tax on this supply, it shall be treated as follows:

- a. The consideration shall be deemed to be inclusive of tax if it is imposed under this Decree-Law.
- b. The tax on the supply must be calculated regardless of whether it was taken into account when determining the consideration for the supply.

3. The Executive Regulation of this Decree-Law shall specify the special provisions for the application of the Decree-Law in the case where a contract was concluded before the provisions of this Decree-Law came into effect, but the goods and services were supplied in whole or in part after the date of entry into force of the provisions of this Decree-Law.

### **Article (83)**

Where no special provision is made in this Decree-Law, the provisions of the Tax Procedures Law shall apply.

### **Article Two**

A new article, numbered (79) bis, is added to Federal Decree-Law No. (8) of 2017 on Value Added Tax, which shall read as follows:

#### **Article (79) bis**

## **Statute of Limitations**

1. Except for the cases mentioned in Clauses (2), (3), (6), and (7) of this Article, the Authority may not conduct a tax audit or issue a tax assessment to the Taxable Person after the expiry of (5) five years from the end of the relevant Tax Period.
2. The Authority may conduct a tax audit or issue a tax assessment to the Taxable Person after (5) five years from the end of the relevant Tax Period if it has notified him of the commencement of such tax audit procedures before the expiry of the (5) five-year period, provided that the tax audit or the issuance of the tax assessment, as the case may be, is completed within (4) four years from the date of notification of the tax audit.
3. The Authority may conduct a tax audit or issue a tax assessment after the expiry of (5) five years from the end of the relevant Tax Period if that tax audit or issuance of the tax assessment relates to a voluntary disclosure submitted in the fifth year from the end of the Tax Period, provided that the tax audit or the issuance of the tax assessment, as the case may be, is completed within one year from the date of submission of the voluntary disclosure.
4. The Cabinet, upon the proposal of the Minister, may issue a decision to amend the period specified for completing the tax audit or for issuing the tax assessment in accordance with Clauses (2) or (3) of this Article.
5. No voluntary disclosure may be submitted after the expiry of (5) five years from the end date of the relevant Tax Period.
6. In the case of tax evasion, the Authority may conduct a tax audit or issue a tax assessment within (15) fifteen years from the end of the Tax Period in which the tax evasion occurred.
7. In the case of failure to register for tax, the Authority may conduct a tax audit or issue a tax assessment within (15) fifteen years from the date on which the Taxable Person should have registered for tax.
8. The statute of limitations mentioned in this Article shall be interrupted for any of the reasons stipulated in Federal Law No. (5) of 1985 on the issuance of the Civil Transactions Law, or any other federal law that replaces it.

## **Article Three**

Any provision that violates or contradicts the provisions of this Decree-Law shall be repealed.

## **Article Four**

This Decree-Law shall be published in the Official Gazette and shall come into effect as of January 1, 2023.

Mohammed bin Zayed Al Nahyan  
President of the United Arab Emirates

Issued by us at the Presidential Palace  
- Abu Dhabi: