

# United Arab Emirates

## VAT Standard rate

The standard VAT rate in the United Arab Emirates in 2023 is 5%.

## Threshold

There is no threshold for registration for sellers of digital software. If you sell your digital software (games, e-books, etc.) to B2C you need to register for VAT from the first sale.

## E-services list

- Domain name provision service, web hosting, and remote maintenance of programs and equipment;
- Supply and updating of software;
- Provide access to images, text, and information provided electronically, such as photos, screensavers, electronic books, and other electronic documents and files;
- Supply of music, movies, and games on demand;
- Supply of e-magazines;
- Supply of advertising space on a website and any rights associated with such advertising;
- Provide access to political, cultural, artistic, sporting, scientific, educational, or entertainment broadcasts, including broadcasts of events;
- Live streaming via the Internet;
- Distance learning service;
- Services of an equivalent type that have a similar purpose and function.

## Pieces of evidence

To determine the location of the recipient, some of the factors which may be indicative of the recipient's location are:

- The internet protocol ("IP") address of the device used by the recipient to receive the electronic service;
- The country code stored on the SIM card used by the recipient to receive the electronic service;
- The place of residence of the recipient;
- The billing address of the recipient and/or;

The bank details used by the recipient for the payment.

## **Registration procedure**

The registration application must be submitted online. To do this, you need to create an account on the portal, fill out a questionnaire and attach the necessary documents.

## **VAT returns filing date**

After VAT registration in the UAE, you need to file a VAT declaration and make the appropriate VAT payments within 28 days from the end of the tax period. The standard period is a month.

## **VAT payment date**

Pay the VAT due before the deadline for submitting declarations.

## **Penalties**

A 2% penalty on the amount of unsettled tax;

A 4% monthly penalty is due after one month from the original due date of payment, then on the same date monthly thereafter.

## **Keeping records**

There is a strict requirement to maintain all the records for a minimum of 5 years. Annual accounts and any additional information necessary to verify entries should be kept. General ledgers, purchase day books, invoices and credit notes issued and received, VAT ledgers, VAT calculations, adjustments, records of supplies, exports, and imports, etc. should all be maintained and readily available to be presented to the FTA if the case of any VAT audit.



[www.vatcompliance.co](http://www.vatcompliance.co)