

DP World UAE VAT FAQs

1. What is VAT?

VAT stands for Value Added Tax, it is an indirect tax applicable to taxable goods and services in the UAE.

2. When will VAT be implemented?

VAT will be introduced across the UAE on 1 January 2018.

3. How should I register for VAT?

Registration for VAT is done directly with the UAE Federal Tax Authority (FTA) through their website www.tax.gov.ae.

Each company should verify if it is required to register for VAT in accordance with the conditions set out in the Federal Decree-Law No. (8) of 2017 on Value Added Tax.

4. Is it possible to register for VAT as a tax group?

The conditions for tax grouping are set out in the Federal Decree-Law No. (8) of 2017 on Value Added Tax. This can be accessed through the website of the FTA.

5. If a Company is registered with Customs does it still need to register with the FTA for VAT?

Yes, registration requirements are separate. You will need to check if registration for VAT is also required for your business. The FTA states the mandatory and voluntary registration conditions on their website. Go to <https://www.tax.gov.ae/faq.aspx>

Part of the registration process for VAT requires that you provide a 'to whom it may concern' letter from Customs. You can obtain this letter through an online request using the Dubai Trade Portal at www.dubaitrade.ae.

6. Do the VAT registration requirements apply to JAFZA companies?

Yes, each company should verify if it is required to register for VAT in accordance with the conditions set out in the Federal Decree-Law No. (8) of 2017 on Value Added Tax.

This can be accessed through the website of the FTA.

7. As a customer, do we need to provide our 'Tax Registration Number (TRN)' to DP World?

Yes, once you receive your TRN you are required to provide it to us. This is important for us to update your account details and ensure that your TRN is reflected on our invoice. In order to claim back VAT (if applicable) your TRN needs to be displayed on the invoice.

DP World UAE VAT FAQs

8. How can I share my TRN with you?

If you are a customer, your TRN and VAT certificate copy should be added to the 'VAT Customer Profile' service on Dubai Trade Portal (www.dubaitrade.ae).

9. What is the TRN of DP World UAE Region FZE?

The TRN of DP World UAE Region FZE is 100057605600003.

10. What is a Designated Zone for VAT?

A Designated Zone is a term used in the UAE to describe a specified area that is considered outside the UAE for VAT purposes, in some scenarios. Some of the conditions of Designated Zones include that the zone must be a specific fenced geographic area and have security measures and Customs controls in place to monitor entry and exit of individuals and movements of goods to and from the area. There are other conditions, however, areas that are to be treated as Designated Zones will be specified by a decision of the Cabinet.

11. Will JAFZA be a Designated Zone for VAT?

JAFZA meets the conditions required to be a Designated Zone as set out in Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax, however, the Cabinet Decision will confirm the list of areas treated as Designated Zones.

12. Are there special VAT rules for Designated Zones?

There are some special rules for goods supplied within Designated Zones. Goods for consumption are not included in these special rules.

There are no special rules for services in relation to the Designated Zones.

These rules are contained in Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax. The Executive Regulations are available on the FTA website.

13. What will be the applicable VAT rates on DP World supplies?

VAT is applicable to the services provided by DP World. This could be at the 5% or 0% rate or it could be that the supplies exempt or out of scope of UAE VAT. The relevant VAT treatment for each service will be applied in accordance with the Federal Decree-Law No. (8) of 2017 on Value Added Tax and the Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax.

14. Will VAT apply to the trade subscriptions of Dubai Trade?

Yes, VAT will be applicable and charged in accordance with Federal Decree-Law No. (8) of 2017 on Value Added Tax and the Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax.

15. Will VAT apply to tenancy contracts for commercial property?

In principle, the lease of commercial property in the UAE is subject to VAT at 5%.

There are special rule applying to supply of goods, including commercial tenancy contracts, within a Designated Zone which could result in VAT not being applicable to a commercial property lease within the Designated Zone.

Refer to the answer to the question ‘Will JAFZA be a Designated Zone for VAT?’

16. Which JAFZA services are taxable?

VAT may be applicable to the services provided by JAFZA. This could be at the 5% or 0% rate or it could be that the supplies are exempt or out of scope of UAE VAT. Depending on the nature and location of the service, VAT will be applied in accordance with the Federal Decree-Law No. (8) of 2017 on Value Added Tax and the Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax. For example, VAT will applied at 5% to administrative services provided by JAFZA in the UAE.

17. How will the VAT apply on lease contracts started before Jan 2018 and ending after Jan 2018?

VAT is applicable to the proportion of the lease that will take place in 2018, as such VAT will be applied and charged where taxable in accordance with the Federal Decree-Law No. (8) of 2017 on Value Added Tax and the Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax.

18. Will there be a new tariff published by DPW in lieu of changes to VAT effective 2018?

No, the DP World Tariff shall remain as is. However VAT will be charged in addition to the Tariff rates for taxable services in accordance with the VAT legislation.

Refer to the DP World circular reference DPW/233/2017 dated 5th of November 2017

http://dpworld.ae/uploads/Circular/English/21192017122720AM377-VAT_Circular_English.pdf

19. Which DP World services are taxable?

Many of DP World UAE Region FZE’s services are services related international transport of goods or passengers. As such, these services will be zero rated for VAT (taxable at 0%) in accordance with Article (45) Clause (2) of the Federal Decree-Law No. (8) of 2017 on Value Added Tax. Local transportation services however will be taxable at 5%.

DP World UAE VAT FAQs

Non-transportation services will be treated in accordance with the Federal Decree-Law No. (8) of 2017 on Value Added Tax and could be taxable at 5%.

Please click the link for the list of taxable services as per the federal law - <http://dpworld.ae/en/Download/23>

20. Will DP World Invoice, Credit note and Receipt formats change to incorporate the VAT details?

Yes, from 1 January 2018, DP World invoices, credit notes and receipts will be issued in accordance with the invoicing requirements as per the VAT legislation. Please provide your TRN so that we can include it on the aforementioned documents.

See question 'How can I share my TRN with you?' above.

21. Will the invoice format changes be applied to the EDI INVOICE message?

From 1 January 2018, DP World invoices, credit notes and receipts will be issued in accordance with the invoicing requirements as per the VAT legislation. Please provide your TRN so that we can include it on the invoices available through EDI.

See question 'How can I share my TRN with you?' above.

22. How can I get more information on VAT and how it applies to me?

Please note that DP World / JAFZA can-not provide input on your personal VAT position. You should check the VAT legislation, the website of the FTA or seek advice from a VAT professional services provider.

The website of the UAE Federal Tax Authority (FTA) can be found at www.tax.gov.ae.

23. What is the TRN of Jebel Ali Free Zone FZE?

The TRN of Jebel Ali Free Zone FZE is 100286077100003.