



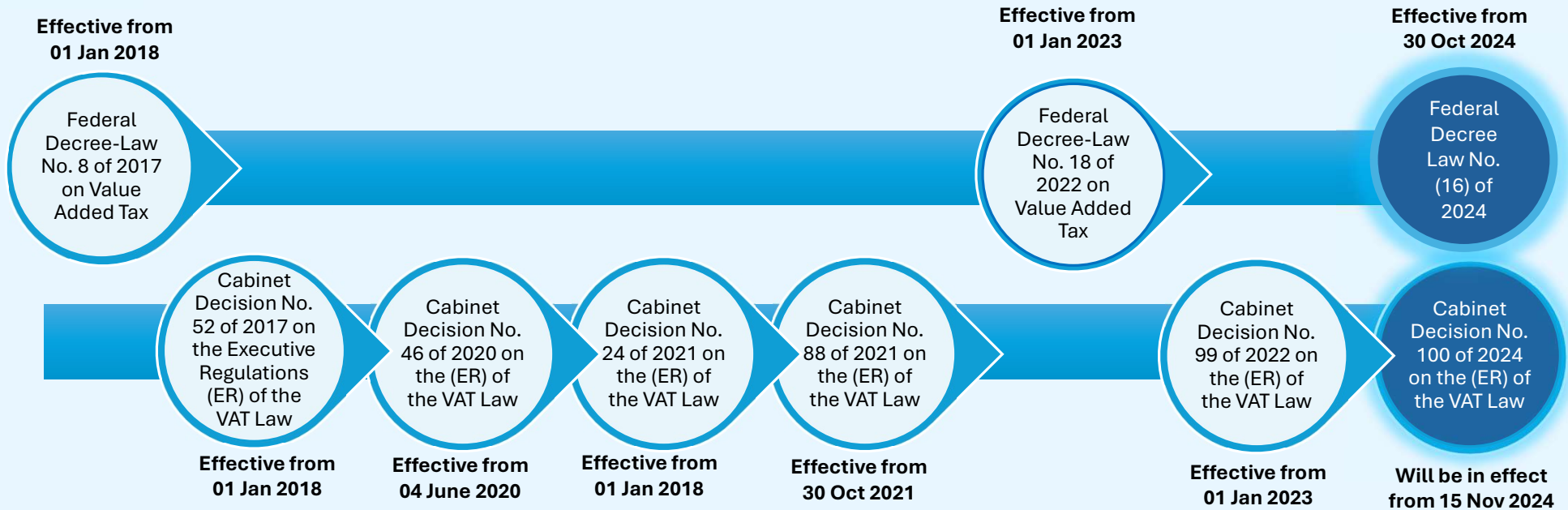
AMENDMENTS AS PER CABINET DECISION NO. 100 OF 2024 AS COMPARED WITH CABINET DECISION NO. 99 OF 2022

AMENDMENTS AS PER FEDERAL DECREE-LAW NO. (16) OF 2024 TO FEDERAL DECREE LAW NO. 8 OF 2017



A member of

Evolution of UAE VAT Law



Cabinet Decision No. 100 of 2024 on the Executive Regulation Should be read with Federal Decree Law No. 8 of 2017 & its amendments

There are total 32 amendments and 2 additions made as per Cabinet Decision No. 100 of 2024 in UAE VAT Executive Regulation in the following Articles:

No.	Article Name	No.	Article Name
1	Definitions	37	Residential buildings
2	Supply of Goods	38	Zero-rating of Buildings Specifically Designed to be Used by Charities
3 (bis)	Exceptions of Supplies	41	Zero-rating Healthcare Services
4	Supply of More Than One Component	42	Tax Treatment of Financial Services
5	Exceptions related to Deemed Supply	46	Tax on Supplies of More Than One Component
7	Mandatory Registration	50	Imports by Unregistered Persons
14	Tax Deregistration	52	Input Tax Recovery in Respect of Exempt Supplies
14 (bis)	Tax Deregistration to Protect the Integrity of the Tax System	53	Non-recoverable Input Tax
15	Deregistration of a Tax Group Registration or Amendment Thereof	55	Apportionment of Input Tax
16	Exception from registration	58	Adjustments under the Capital Assets Scheme
23	Telecommunication and electronic services	59	Tax invoices
29	Accounting for Tax on the Margin	60	Tax Credit Note
30	Zero-rating the export of goods	64	Tax Return and Payment
31	Zero-rating the Export of Services	65	Recovery of Excess Tax
33	Zero-rating international transportation services for Passengers and Goods	68	Tourist visitors
34	Zero-rating certain means of transport	69	Foreign Governments
35	Zero-rating Goods and Services Supplied in Connection with Means of Transport	71	Record-keeping Requirements

Article 30: Zero Rating Export of Goods

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	The Direct Export ^[1] shall be subject to the zero rate if the following two conditions are met:	The Direct Export ^[1] shall be subject to the zero rate if the following conditions are met:
(a)	The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with the GCC Common Customs Law within 90 (ninety) days of the date of the supply.	The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with GCC Common Customs Law within 90 days of the date of the supply.
(b)	The exporter retains any of the following: 1) a customs declaration, and Commercial Evidence that proves the Export, 2) a Shipping Certificate and Official Evidence that prove the Export, or 3) a customs declaration that proves the suspension arrangement of customs duties, in case the Goods are put into customs suspension.	Official and commercial evidence of Export or customs suspension is retained by the exporter.
2	An Indirect Export ^[1] shall be subject to the zero rate if the following conditions are met:	An Indirect Export ^[1] shall be subject to the zero rate if the following conditions are met:
(a)	The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with GCC Common Customs Law, within 90 (ninety) days of the date of the supply under an arrangement agreed by the supplier and the Overseas Customer at, or before, the date of supply.	The Goods are physically exported to a place outside the Implementing States or are put into a customs suspension regime in accordance with GCC Common Customs Law, within 90 days of the date of the supply under an arrangement agreed by the supplier and the Overseas Customer at or before the date of supply
(b)	The Overseas Customer, or its agent, obtains any of the following and provides the supplier with a copy thereof: 1) a customs declaration, and Commercial Evidence that proves the Export, 2) a Shipping Certificate and Official Evidence that prove the Export, or 3) a customs declaration that proves the suspension arrangement of customs duties, in case the Goods are put into customs suspension.	The Overseas Customer obtains official and commercial evidence of Export or customs suspension in accordance with GCC Common Customs Law and provides the supplier with a copy of this.
(c)	The Goods are not used or altered in the time between supply and Export or put under the suspension arrangement of customs duties, except to the extent necessary to prepare the Goods for Export or customs suspension.	The Goods are not used or altered in the time between supply and Export or customs suspension, except to the extent necessary to prepare the Goods for Export or customs suspension.
(d)	The Goods do not leave the State in the possession of a passenger or crew member of an aircraft or ship.	The Goods do not leave the State in the possession of a passenger or crew member of an aircraft or ship.

Article 30

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
3	For the purposes of this Article, a movement of Goods into a Designated Zone from a place in the State or a supply of Goods to a Designated Zone shall not be considered an Export of those Goods.	For the purposes of this Article, a movement of Goods into a Designated Zone from a place in the State or a supply of Goods to a Designated Zone shall not be considered an Export of those Goods.
4	For the purposes of Clauses 1 and 2 of this Article:	For the purposes of Clauses 1 and 2 of this Article:
(a)	“Official Evidence” means the export certificate issued by the customs departments in the State or a clearance certificate issued by these departments or the competent authorities in the State regarding the Goods leaving the State after verifying their departure from the State, or a document or clearance certificate certified by the competent authorities in the country of destination stating the entry of the Goods into the country.	“Official evidence” means Export documents issued by the local Emirate Customs Department in respect of Goods leaving the State.
(b)	“Commercial Evidence” means the document issued by sea, air or land transport companies and agents, which proves the transfer and departure of the Goods from the State to outside the State, and includes any of the following documents: 1) Air waybill or air manifest. 2) Sea waybill or sea manifest. 3) Land waybill, or land manifest.	“Commercial evidence” shall include any the following: 1) Airway bill. 2) Bill of lading. 3) Consignment note. 4) Certificate of shipment.
	“Shipping Certificate” means a certificate issued by sea, air or land transport companies and agents as an equivalent of a commercial evidence where it is not available.	
5	The evidence obtained as proof of Export, whether official or commercial, must identify the following: a. The supplier. b. The consignor. c. The Goods. d. The value. e. The Export destination. f. The mode of transport and route of the export movement.	The evidence obtained as proof of Export, whether official or commercial, must identify the following: a. The supplier. b. The consignor. c. The Goods. d. The value. e. The Export destination. f. The mode of transport and route of the export movement.

Article 30

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
6	The Authority may decide not to accept the documents submitted if they do not constitute sufficient evidence of the exit of the Goods from the State, and may specify alternative forms of evidence according to the nature of the Export or the nature of the Goods being exported.	The Authority may specify alternative forms of evidence according to the nature of the Export or the nature of the Goods being exported.
7	The Authority may extend the 90-day period mentioned in Clauses 1 and 2 of this Article, if the Authority has determined, after the supplier has applied in writing, that either of the following apply:	The Authority may extend the 90-day period mentioned in Clauses 1 and 2 of this Article, if the Authority has determined, after the supplier has applied in writing, that either of the following apply:
(a)	Circumstances beyond the control of the Supplier and the Recipient of Goods have prevented, or will prevent, the Export of the Goods within 90 (ninety) days of the date of supply.	Circumstances beyond the control of the Supplier and the Recipient of Goods have prevented, or will prevent, the Export of the Goods within 90 days of the date of supply.
(b)	Due to the nature of the supply, it is not practicable for the supplier to Export the Goods, or a class of the Goods, within 90 (ninety) days of the date of supply.	Due to the nature of the supply, it is not practicable for the supplier to Export the Goods, or a class of the Goods, within 90 days of the date of supply.
8	An Indirect Export would include a supply of Goods in a departure area of an airport or port to a passenger of an aircraft or a vessel if:	An Indirect Export would include a supply of Goods in a departure area of an airport or port to a passenger of an aircraft or a vessel if:
(a)	The Goods are intended to leave the State in the possession of the passenger.	The Goods are intended to leave the State in the possession of the passenger.
(b)	The supplier has obtained and retained evidence, such as the details of the boarding pass of the passenger, that the passenger intends to leave for a destination outside the Implementing States.	The supplier has obtained and retained evidence, such as the details of the boarding pass of the passenger, that the passenger intends to leave for a destination outside the Implementing States.
9	If the Person required to Export the Goods in accordance with this Article does not do so within the period of 90 (ninety) days or a longer period that the Authority has allowed under Clause 7 of this Article, Tax shall be charged on the supply at the rate that would have been due on the supply if it was made in the State.	If the Person required to Export the Goods in accordance with this Article does not do so within the period of 90 days or a longer period that the Authority has allowed under Clause 7 of this Article, Tax shall be charged on the supply at the rate that would have been due on the supply if it was made in the State.
10	For the purposes of this Article, a supply of Goods shall be subject to the zero rate if the Goods that would otherwise have been exported are destroyed or cease to exist in circumstances beyond the control of both the supplier and the Recipient of the Goods.	For the purposes of this Article a supply of Goods shall be subject to the zero rate if Goods that would otherwise have been exported are destroyed or cease to exist in circumstances beyond the control of both the supplier and the Recipient of the Goods.
11	Customs departments shall check to confirm the type and quantity of the exported Goods with the export documents issued, according to the customs procedures, and based on the classification of the tax risk matrix that is specified in coordination with the Authority.	Customs Departments shall check to confirm the type and quantity of the exported goods with its export documents.

Article 30

[1]Definitions

Direct Export: An Export of Goods to a destination outside of the Implementing State, where the supplier is responsible for arranging transport or appointing an agent to do so on his behalf.

Indirect Export: An Export of Goods to a destination outside of the Implementing State, where the overseas customer is responsible for arranging the collection of the Goods from the supplier in the State and who exports the Goods himself or has appointed an agent to do so on his behalf.

Overseas Customers: A Recipient of Goods who does not have a Place of Establishment or Fixed Establishment in the State, does not reside in the State, and does not have a Tax Registration Number.

Our observation:

Problem:

- Currently, exporters must keep "official and commercial evidence" of their exports or customs suspensions. However, many businesses face difficulties obtaining these documents due to their specific operations and export routes.
- These challenges arise because some companies struggle to gather the necessary evidence, such as exit certificates, to support their export activities. This has led to complications in meeting the documentation requirements set out in the VAT Executive Regulations, which in turn prevents them from applying the zero-rate.

Solution:

- To address this, the proposed amendments aim to clarify these requirements and make it easier for businesses to comply. To apply the zero-rate for the export of goods, exporters should retain any of the following documents:
 - Customs declaration and commercial evidence proving the export.
 - Bill of lading along with official evidence proving the export.
 - Customs declaration demonstrating the status of customs duty suspension if the goods are under a customs suspension regime.

Key Questions:

Till 15 th of November will Exporter required to obtain that previously mentioned documents?	What will happen when FTA audit done for the year 2023-24?	Will they verify different documents for before 15th November and after 15th November?	How should exporters maintain those documents?
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Article 31: Zero Rating Export of Services

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	The Export of Services shall be zero-rated in the following cases.	The Export of Services shall be zero-rated in the following cases.
(a)	If the following conditions are met:	If the following conditions are met:
a.1	The Services are supplied to a Recipient of Services who does not have a Place of Residence in an Implementing State and who is outside the State at the time the Services are performed;	The Services are supplied to a Recipient of Services who does not have a Place of Residence in an Implementing State and who is outside the State at the time the Services are performed;
a.2	The Services are not supplied directly in connection with real estate situated in the State or any improvement to the real estate or directly in connection with moveable assets situated in the State at the time the Services are performed, AND	The Services are not supplied directly in connection with real estate situated in the State or any improvement to the real estate or directly in connection with moveable personal assets situated in the State at the time the Services are performed .
a.3	The Services are not treated as being performed in the State or in a Designated Zone under Clauses 3 to 8 of Article 30 and Article 31^[2] of the Decree-Law.	
(b)	If the services are actually performed outside the Implementing States or are the arranging of services that are actually performed outside the Implementing States.	If the services are actually performed outside the Implementing States or are the arranging of services that are actually performed outside the Implementing States.
(c)	If the supply consists of the facilitation of outbound tour packages, for that part of the service.	If the supply consists of the facilitation of outbound tour packages, for that part of the service.
2	For the purpose of paragraph (a) of Clause 1 of this Article, a Person shall be considered as being “outside the State” if they only have a presence in the State of less than a month 30 (thirty) days and the presence is not effectively connected with the supply.	For the purpose of paragraph (a) of Clause 1 of this Article, a Person shall be considered as being “outside the State” if they only have a short-term presence in the State of less than a month and the presence is not effectively connected with the supply.
3	As an exception to paragraph (a) of Clause 1 of this Article, a supply of Services shall not be zero-rated, if the supply is made under an agreement that is entered into, whether directly or indirectly, with a Recipient of Services who is a Non-Resident, if the following two conditions are met:	As an exception to paragraph (a) of Clause 1 of this Article, a supply of Services shall not be zero-rated, if the supply is made under an agreement that is entered into, whether directly or indirectly, with a Recipient of Services who is a Non-Resident, if all of the following conditions are met:
(a)	The performance of the Services is, or it is reasonably foreseeable that the performance of the Services will be, received in the State by another Person, including but not limited to, an employee or a director of the Non-Resident Recipient of Services.	The performance of the Services is, or it is reasonably foreseeable that the performance of the Services will be, received in the State by another Person, including but not limited to, an employee or a director of the Non-Resident

Article 31

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
(b)	It is reasonably foreseeable, at the time the agreement is entered into, that the other Person in the State will receive Services for which Input Tax is not recoverable in full under Article 54 or Article 57 of the Decree-Law.	It is reasonably foreseeable, at the time the agreement is entered into, that that other Person in the State will receive the Services in the course of making supplies for which Input Tax is not recoverable in full under Article 54 of the Decree-Law.
4	For the purposes of paragraph (c) of Clause 1 of this Article, services that consist of the “facilitation of outbound tour packages” means the services that a Taxable Person provides in packaging one or more tourism products and also services outside the Implementing States, including but not limited to such goods and services as accommodation, meals, transport, and other activities.	For the purposes of paragraph (c) of Clause 1 of this Article, services that consist of the “facilitation of outbound tour packages” means the services that a Taxable Person provides in packaging one or more tourism products and also services outside the Implementing States, including but not limited to such goods and services as accommodation, meals, transport, and other activities.

Our observation:

- Prior to amendment as per C.D 100, services categorized under clauses (3) to (8) of Article 30 and Article 31[2] of the Decree Law could be regarded as zero-rated supplies when delivered to a Recipient of Services who does not have a Place of Residence in an Implementing State and is located outside the State during the performance of those services, provided that they do not relate to real estate or personal movable assets. However, as per C.D. 100 provide clarification, these services will not qualify for zero-rated VAT if they are performed within the State or in a Designated Zone and will be subject to VAT @ 5% Rate.
- Regarding the requirement to be outside the state, the current calculation involves a short-term period of less than one month, but lacks a standardized duration. For instance, December has 31 days, while February may have 28 or 29 days. This inconsistency creates ambiguity. The amendments aim to clarify this by specifying a period of less than 30 days, making the regulations more precise and concise.
- By eliminating the phrase "in the course of making Supplies" in clause 3(b) of C.D. 100, the regulation now allows for the imposition of a 5% VAT on the ultimate consumer. Previously, this provision was limited to individuals receiving services related to making supplies and who were not entitled to claim Input VAT. Starting November 15th, anyone ultimately receiving services on behalf of a non-resident will be responsible for paying the 5% VAT.

Key Questions:

Till 15th of November can we charge 0% rate of VAT if the service is indirectly provided to the ultimate customer?

What will be the bifurcation if services pertain to clause (3) to (8) of Article 30 OR of Article 31 of which invoice is prepared before 15th November and service will be provided after 15th November and vice-a-versa? Is it 0% or 5% Rate?

How FTA will identify the above requirements and bifurcate that?

Article 31

^[2]Article 30 of Federal Decree Law no. 8 of 2017 – Place of Supply in Special Cases

As an exception to what is stipulated in Article (29) of this Decree-Law, the place of supply in special cases shall be as follows:

1. ...
2. ...
3. For the Supply of Services related to Goods, such as installation of Goods supplied by others, the place shall be where said Services were performed.
4. For the Supply of means of transport to a lessee who is not a Taxable Person in the State and does not have a TRN in an Implementing State, the place shall be where such means of transport were placed at the disposal of the lessee.
5. For the Supply of restaurant, hotel, and food and drink catering Services, the place shall be where such Services are actually performed.
6. For the Supply of any cultural, artistic, sporting, educational or any similar services, the place shall be where such Services were performed.
7. For the Supply of Services related to real estate as specified in the Executive Regulation of this Decree-Law, the place of supply shall be where the real estate is located.
8. For the Supply of transportation Services, the place of supply shall be where transportation starts. The Executive Regulation of this Decree-Law shall specify the place of supply for transportation Services if the trip includes more than one stop.

Article 31 of Federal Decree Law no. 8 of 2017 – Place of Supply of Telecommunication and Electronic Services

1. For telecommunications and electronic Services specified in the Executive Regulation of the Decree-Law, the place of supply shall be:
 - a. In the State, to the extent of the use and enjoyment of the supply in the State.
 - b. Outside the State, to the extent of the use and enjoyment of the supply outside the State.
2. The actual use and enjoyment of all telecommunications and electronic Services shall be where these Services were used regardless of the place of contract or payment.

Article 33: Zero-rating international transportation services for Passengers and Goods

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	The supply of international transportation Services for passengers and Goods and Transport-related Services shall be subject to the zero rate in the following cases:	The supply of international transportation Services for Passengers and Goods and Transport-related Services shall be subject to the zero rate in the following cases:
(a)	Transporting passengers or Goods from a place in the State to a place outside the State.	Transporting passengers or Goods from a place in the State to a place outside the State.
(b)	Transporting passengers or Goods from a place outside the State to a place in the State.	Transporting passengers or Goods from a place outside the State to a place in the State.
(c)	Transporting passengers from a place in the State to another place in the State by sea or air or land as part of a supply of an international transport of those passengers if either or both the first place of departure, or the final place of destination, is outside the State.	Transporting passengers from a place in the State to another place in the State by sea or air or land as part of a supply of an international transport of those passengers if either or both the first place of departure, or the final place of destination, is outside the State.
(d)	Transporting Goods from a place in the State to another place in the State if the Services are supplied by the same supplier as part of the supply of Services of transporting these Goods either from a place in the State to a place outside the State or from a place outside the State to a place in the State.	Transporting Goods from a place in the State to another place in the State if the Services are supplied as part, or for the purpose, of the supply of Services of transporting Goods either from a place in the State to a place outside the State or from a place outside the State to a place in the State.
2	The following Goods and Services shall be zero-rated if they are supplied in respect of the transportation Services of passengers or Goods to which Clause 1 of this Article applies :	The following Goods and Services shall be zero-rated if they are supplied in respect of the transportation services of passengers or Goods to which either Clause 1 of this Article applies or which are treated as taking place outside the State :
(a)	The Goods which are supplied for use or consumption or sale by or on an aircraft or a ship.	The Goods which are supplied for use or consumption or sale by or on an aircraft or a ship.

Article 33

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
(b)	The Services supplied to the recipient of transportation services during the supply of transportation services.	The Services supplied during the supply of transportation services.
(c)	The Service of insuring, or the arranging of the insurance, or the arranging of the transport of passengers or Goods.	The Service of insuring, or the arranging of the insurance, or the arranging of the transport of passengers or Goods.
3	A supply of a postage stamp issued by Emirates Post Group Company shall be zero-rated where the postage stamp may only be used or redeemed for transportation of Goods to a place outside the State.	A supply of a postage stamp issued by Emirates Post Group shall be zero-rated where the postage stamp may only be redeemed for transportation of Goods to a place outside the State.

Our observation:

- FTA has given explicit clarification vide clause 1(d) of this article where supply of international transport services will be zero rated only when the domestic transportation is provided by the same supplier who is providing the international transportation service.
- As per clause 2, Services supplied to the recipient of transportation service and goods supplied for use or consumption on an aircraft or ship for international transportation will be out of scope for UAE VAT if the place of supply is outside UAE.

Article 37: Residential Buildings

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	The phrase “residential building” means a building intended and designed for human occupation, including:	The phrase “residential building” means a building intended and designed for human occupation, including:
(a)	Any building or part of a building that the person occupies, or that it can be foreseen that a person will occupy, as their principal place of residence.	Any building or part of a building that the person occupies, or that it can be foreseen that a person will occupy, as their principal place of residence.
(b)	Residential accommodation for students or school pupils.	Residential accommodation for students or school pupils.
(c)	Residential accommodation for armed forces and police.	Residential accommodation for armed forces and police.
(d)	Orphanages, nursing homes, and rest homes.	Orphanages, nursing homes, and rest homes.
2	A “Residential building” does not include any of the following:	A “Residential building” does not include any of the following:
(a)	Any place that is not a building fixed to the ground and can be moved without being damaged.	Any place that is not a building fixed to the ground and can be moved without being damaged.
(b)	Any building that is used as a hotel, motel, bed and breakfast establishment, or hospital or the like.	Any building that is used as a hotel, motel, bed and breakfast establishment, or hospital or the like.
(c)	A hotel apartment or serviced apartment or the like.	A serviced apartment for which services in addition to the supply of accommodation are provided.
(d)	Any building constructed or converted without lawful authority.	Any building constructed or converted without lawful authority.
3	A building shall be considered as a residential building if a small proportion of it is used as an office or workspace by the occupants, if it includes garages and gardens used in conjunction with it, or it includes any other features that may be considered to comprise part of the residential building.	A building shall be considered as a residential building if a small proportion of it is used as an office or workspace by the occupants, if it includes garages and gardens used in conjunction with it, or it includes any other features that may be said to comprise part of the residential building.

Our observation:

- Hotel apartments and serviced apartments are not considered residential buildings.

Article 41: Zero-rating Healthcare Services

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	The phrase “ Healthcare Services ” means any Service supplied that is generally accepted in the medical profession as being necessary for the treatment of the Recipient of the supply, including preventive treatment.	The phrase “healthcare services” means any Service supplied that is generally accepted in the medical profession as being necessary for the treatment of the Recipient of the supply including preventive treatment.
2	A supply of healthcare services shall be zero rated on the condition that the supply shall:	A supply of healthcare services shall be zero rated on the condition that the supply shall:
(a)	Be made by a healthcare body or institution, doctor, nurse, technician, dentist, or pharmacy, licensed by the Ministry of Health and Prevention or by any other competent authority concerned with healthcare .	Be made by a healthcare body or institution, doctor, nurse, technician, dentist, or pharmacy, licensed by the Ministry of Health or by any other competent authority.
(b)	Relate to the wellbeing of a human being.	Relate to the wellbeing of a human being.
3	"Healthcare services" do not include any of the following:	"Healthcare services" do not include any of the following:
(a)	Any part of a supply that relates to staying in or attending an establishment the principal purpose of which is to provide holiday accommodation or entertainment such that any Healthcare Service is incidental to the provision of the accommodation or entertainment.	Any part of a supply that relates to staying in or attending an establishment the principal purpose of which is to provide holiday accommodation or entertainment such that any healthcare service is incidental to the provision of the accommodation or entertainment.
(b)	Elective treatment for cosmetic reasons other than prescribed by a doctor or medical professional for treating or prevention of a medical condition.	Elective treatment for cosmetic reasons other than prescribed by a doctor or medical professional for treating or prevention of a medical condition.
4	A supply of Goods or an Import of Concerned Goods is zero-rated if it is a supply or an Import of:	A supply of Goods is zero-rated if it is a supply of:
(a)	Any pharmaceutical products as specified in a decision issued by the Cabinet.	Any pharmaceutical products identified in a decision issued by the Cabinet.
(b)	Any medical equipment as specified in a decision issued by the Cabinet.	Any medical equipment identified in a decision issued by the Cabinet.
(c)	Any other Goods not covered by paragraphs (a) and (b) of this Clause which are supplied in the course of supplying a Person with zero-rated Healthcare Services that are necessary for the supply of such Healthcare Services .	Any other Goods not covered by paragraphs (a) and (b) of this Clause which are supplied in the course of supplying a Person with zero-rated healthcare services that are necessary for the supply of such healthcare services.

Our observation:

- As Ministry of Health renamed as Ministry of Health and Prevention, this amendment incorporate this change.
- Earlier it included supply of goods as zero rated, now import of concerned goods are also made zero rated.

Article 42: Tax Treatment of Financial Services

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	For the purposes of this Article:	For the purposes of this Article:
(a)	The phrase “debt security” means any interest in or right to be paid money that is, or is to be, owing by any Person, or any option to acquire any such interest or right	The phrase “debt security” means any interest in or right to be paid money that is, or is to be, owing by any Person, or any option to acquire any such interest or right;
(b)	The phrase “equity security” means any interest in or right to a share in the capital of a legal person, or any option to acquire any such interest or right.	The phrase “equity security” means any interest in or right to a share in the capital of a legal person, or any option to acquire any such interest or right;
(c)	The phrase “life insurance contract” means a contract lawfully entered into to the extent that it places a sum or sums at risk upon the contingency of the termination or continuance of human life, marriage, similar relationships permitted under applicable law, or the birth of a child.	The phrase “life insurance contract” means a contract lawfully entered into to the extent that it places a sum or sums at risk upon the contingency of the termination or continuance of human life, marriage, similar relationships permitted under applicable law, or the birth of a child.
(d)	The phrase “Islamic financial arrangement” means a written contract which relates to a supply of financing in accordance with the principles of Shariah and relevant laws.	The phrase “Islamic financial arrangement” means a written contract which relates to a supply of financing in accordance with the principles of Shariah.
2	Financial Services are Services connected to dealings in money (or its equivalent) and the provision of credit and include for instance the following:	Financial services are services connected to dealings in money (or its equivalent) and the provision of credit and include for instance the following:
(a)	The exchange of currency, whether effected by the exchange of bank notes or coin, by crediting or debiting accounts, or the like.	The exchange of currency, whether effected by the exchange of bank notes or coin, by crediting or debiting accounts, or otherwise.
(b)	The issue, payment, collection, or transfer of ownership of a cheque or letter of credit.	The issue, payment, collection, or transfer of ownership of a cheque or letter of credit.
(c)	The issue, allotment, drawing, acceptance, endorsement, or transfer of ownership of a debt security.	The issue, allotment, drawing, acceptance, endorsement, or transfer of ownership of a debt security.
(d)	The provision of any loan, advance or credit.	The provision of any loan, advance or credit.
(e)	The renewal or variation of a debt security, equity security, or credit contract.	The renewal or variation of a debt security, equity security, or credit contract.
(f)	The provision, taking, variation, or release of a guarantee, indemnity, security, or bond in respect of the performance of obligations under a cheque, credit, equity security, debt security, or in respect of the activities specified in paragraphs (b) to (e) of this Clause.	The provision, taking, variation, or release of a guarantee, indemnity, security, or bond in respect of the performance of obligations under a cheque, credit, equity security, debt security, or in respect of the activities specified in paragraphs (b) to (e) of this Article.
(g)	The operation of any current, deposit or savings account.	The operation of any current, deposit or savings account.

Article 42

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
(h)	The provision or transfer of ownership of financial instruments such as derivatives, options, swaps, credit default swaps, and futures.	The provision or transfer of ownership of financial instruments such as derivatives, options, swaps, credit default swaps, and futures.
(i)	The provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract.	The payment or collection of any amount of interest, principal, dividend, or other amount whatever in respect of any debt security, equity security, credit, and contract of life insurance.
(j)	The management of investment funds, which means “services provided by the fund manager independently for a consideration, to funds licensed by a competent authority in the State, including but not limited to, management of the fund’s operations, management of investments for or on behalf of the fund, monitoring and improvement of the fund’s performance”.	
(k)	The transfer of ownership of Virtual Assets, including virtual currencies.	
(l)	The conversion of Virtual Assets.	
(m)	Keeping and managing Virtual Assets and enabling control thereof.	
(n)	Agreeing to do or arranging any of the activities specified in paragraphs (a) to (m) of this Clause, other than advising thereon.	Agreeing to do, or arranging, any of the activities specified in paragraphs (a) to (i) of this Clause, other than advising thereon.
3	The following financial services shall be exempted:	The following financial services shall be exempted:
(a)	Activities under Clause 2 of this Article where they are not conducted in return for an explicit fee, discount, commission, and rebate or similar.	Activities under Clause 2 of this Article where they are not conducted in return for an explicit fee, discount, commission, and rebate or similar.
(b)	The issue, allotment, or transfer of ownership of an equity security or a debt security;	The issue, allotment, or transfer of ownership of an equity security or a debt security;
(c)	The provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract.	The provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract.
(d)	Fund management services described in paragraph (j) of Clause 2 of this Article.	
(e)	Services specified in paragraphs (k) and (l) of Clause 2 of this Article, including services supplied on or after 1 January 2018.	

Article 42

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
4	Activities under Clause 2 of this Article shall be subject to tax where the consideration payable in respect of a supply of Services is an explicit fee, commission, discount, and rebate or similar.	Activities under Clause 2 of this Article shall be subject to tax where the consideration payable in respect of a supply of Services is an explicit fee, commission, discount, and rebate or similar.
5	Islamic finance products, being financial products under contract which are certified as Islamic Shariah compliant, which simulate the intention and achieve effectively the same result as a non-Shariah compliant financial product, will be treated in a similar manner as the equivalent non-Shariah financial product for the purpose of applying exemption from Tax.	Islamic finance products, being financial products under contract which are certified as Islamic Shariah compliant, which simulate the intention and achieve effectively the same result as a non-Shariah compliant financial product, will be treated in a similar manner as the equivalent non-Shariah financial product for the purpose of applying exemption from Tax.
6	Any supply made under an Islamic financial arrangement shall be treated in such a way as to give an outcome for the purposes of the Decree-Law and the decisions issued by the Authority, comparable to that which would be the case for their non Islamic counterparts.	Any supply made under an Islamic financial arrangement shall be treated in such a way as to give an outcome for the purposes of the Decree-Law and the decisions issued by the Authority, comparable to that which would be the case for their non Islamic counterparts.
7	Where Article 31 of this Decision applies in respect of a supply of financial services, this supply should be treated as zero-rated.	Where Article 31 of this Decision applies in respect of a supply of financial services, this supply should be treated as zero-rated.

Our observation:

- In Clause 1(d), “and relevant Laws” has been inserted. Based on this Islamic financial arrangement will now include Shariah and other relevant laws as well.
- Summary of changes in definition of Financial Services:

Clause	Following Services are added in the definition of Financial Services	Tax Implication
j	Services provided by the fund manager independently for a consideration	Exempt
k	Transfer of ownership	Exempt
l	Conversion of virtual Asset	Exempt
m	Keeping and managing Virtual Assets and enabling control thereof	Taxable Supply

Article 46: Tax on Supplies of More Than One Component

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
	For the purposes of the supply consisting of more than one component:	For the purposes of the supply consisting of more than one component:
1	Where a supply is a single composite supply as provided in Article 4 of this Decision	Where a supply is a single composite supply as provided in Article 4 of this Decision, the Tax treatment of the supply shall follow the Tax treatment of the principal component of the supply.
(a)	The Tax treatment of the supply shall follow the Tax treatment of the principal component of the supply.	
(b)	If a single composite supply does not contain a principal component, the Tax treatment shall, generally, be applied based on the nature of the supply as a whole.	
2	Where a supply consisting of multiple components is not a single composite supply, the supply of each component is to be treated as a separate supply.	Where a supply consisting of multiple components is not a single composite supply, the supply of each component is to be treated as a separate supply.

Our observation:

- By inserting clause 1(b), in case there is no principal supply in single composite supply, tax treatment of that supply will be done on the basis of nature of supply as a whole.

Article 53: Non-recoverable Input Tax

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	Input Tax shall be non-recoverable if it is incurred by a Person in the following cases:	Input Tax shall be non-recoverable if it is incurred by a Person in respect of the following Taxable Supplies:
(a)	Where the Person is not a Government Entity as specified in a Cabinet Decision in accordance with Article 10 and 57 of the Decree-Law, and there is provision of entertainment services to anyone not employed by the Person, including customers, potential customers, officials, or shareholder or other owners or investors.	Where the Person is not a Government Entity as specified in a Cabinet Decision in accordance with Article 10 and 57 of the Decree-Law, and there is provision of entertainment services to anyone not employed by the Person, including customers, potential customers, officials, or shareholder or other owners or investors.
(b)	Where motor vehicles were purchased, rented or leased for use in the Business and are available for personal use by any Person.	Where a motor vehicle was purchased, rented or leased for use in the Business and is available for personal use by any Person.
(c)	Where Goods or Services were purchased to be used by employees for no charge to them and for their personal benefit including the provision of entertainment services, except in the following cases:	Where Goods or Services were purchased to be used by employees for no charge to them and for their personal benefit including the provision of entertainment services, except in the following cases:
c.1	Where it is a legal obligation to provide those Services or Goods to those employees under any applicable labour law in the State or Designated Zone.	where it is a legal obligation to provide those Services or Goods to those employees under any applicable labour law in the State or Designated Zone.
c.2	Where it is a contractual obligation or documented policy to provide those services or goods to those employees in order that they may perform their role and it can be proven to be normal business practice in the course of employing those people;	it is a contractual obligation or documented policy to provide those services or goods to those employees in order that they may perform their role and it can be proven to be normal business practice in the course of employing those people;
c.3	Without prejudice to Clause 1 of this paragraph, where the Taxable Person provides health insurance, including enhanced health insurance, to its employees and their family members (as applicable) up to a husband or one wife, and three children younger than eighteen years.	where the provision of goods or services is a deemed supply under the provisions of the Decree-Law.
c.4	Where the provision of goods or services is a deemed supply under the provisions of the Decree-Law.	

Article 53

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
2	For the purposes of this Article:	For the purposes of this Article:
(a)	The phrase “entertainment services” shall mean hospitality of any kind, including the provision of accommodation, food and drinks which are not provided in a normal course of a meeting, access to shows or events, or trips provided for the purposes of pleasure or entertainment.	The phrase “entertainment services” shall mean hospitality of any kind, including the provision of accommodation, food and drinks which are not provided in a normal course of a meeting, access to shows or events, or trips provided for the purposes of pleasure or entertainment.
(b)	The phrase “motor vehicle” shall mean a road vehicle which is designed or adapted for the conveyance of no more than 10 <u>(ten)</u> people including the driver. A motor vehicle shall exclude a truck, forklift, hoist or other similar vehicle.	The phrase “motor vehicle” shall mean a road vehicle which is designed or adapted for the conveyance of no more than 10 people including the driver. A motor vehicle shall exclude a truck, forklift, hoist or other similar vehicle.
3	Provision of catering and accommodation services shall not be treated as entertainment services where it is provided by a transportation service operator, such as an airline, to passengers who have been delayed.	Provision of catering and accommodation services shall not be treated as entertainment services where it is provided by a transportation service operator, such as an airline, to passengers who have been delayed.
4	A motor vehicle shall not be treated as being available for private use if it is within any of the following categories:	A motor vehicle shall not be treated as being available for private use if it is within any of the following categories:
(a)	a taxi licensed by the competent authority within the State;	a taxi licensed by the competent authority within the State;
(b)	a motor vehicle registered as, and used for purposes of an emergency vehicle, including by police, fire, ambulance, or similar emergency service;	a motor vehicle registered as, and used for purposes of an emergency vehicle, including by police, fire, ambulance, or similar emergency service;
(c)	a vehicle which is used in a vehicle rental business where it is rented to a customer.	a vehicle which is used in a vehicle rental business where it is rented to a customer.

Our observation:

- After 15th November 2024, we can claim input tax on health insurance paid towards dependents of the employee. Earlier in certain emirates input tax was allowed on health insurance only to the employees.

Article 59: Tax invoices

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
1	A Tax Invoice shall contain all of the following particulars:	A Tax Invoice shall contain all of the following particulars:
(a)	The words “Tax Invoice” clearly displayed on the invoice.	The words “Tax Invoice” clearly displayed on the invoice.
(b)	The name, address, and Tax Registration Number of the Registrant making the supply.	The name, address, and Tax Registration Number of the Registrant making the supply.
(c)	The name, address, and Tax Registration Number of the Recipient where he is a Registrant.	The name, address, and Tax Registration Number of the Recipient where he is a Registrant.
(d)	A sequential Tax Invoice number or a unique number which enables identification of the Tax Invoice and the order of the Tax Invoice in any sequence of invoices.	A sequential Tax Invoice number or a unique number which enables identification of the Tax Invoice and the order of the Tax Invoice in any sequence of invoices.
(e)	The date of issuing the Tax Invoice.	The date of issuing the Tax Invoice.
(f)	The date of supply if different from the date the Tax Invoice was issued.	The date of supply if different from the date the Tax Invoice was issued.
(g)	A description of the Goods or Services supplied.	A description of the Goods or Services supplied.
(h)	For each Good or Service, the unit price, the quantity or volume supplied, the rate of Tax and the amount payable expressed in AED.	For each Good or Service, the unit price, the quantity or volume supplied, the rate of Tax and the amount payable expressed in AED.
(i)	The amount of any discount offered.	The amount of any discount offered.
(j)	The amount of any discount offered. The gross amount payable expressed in AED.	The amount of any discount offered. The gross amount payable expressed in AED.
(k)	The Tax amount charged under the provisions of the Decree-Law expressed in AED, together with the rate of exchange applied where the currency is converted from a currency other than the UAE dirham.	The Tax amount payable expressed in AED together with the rate of exchange applied where the currency is converted from a currency other than the UAE dirham.
(l)	Where the invoice relates to a supply under which the Recipient of Goods or Recipient of Services is required to account for Tax, a statement that the Recipient is required to account for Tax, and a reference to the relevant provision of the Decree-Law.	Where the invoice relates to a supply under which the Recipient of Goods or Recipient of Services is required to account for Tax, a statement that the Recipient is required to account for Tax, and a reference to the relevant provision of the Decree-Law.

Article 59

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
2	A simplified Tax Invoice shall contain all of the following particulars:	A simplified Tax Invoice shall contain all of the following particulars:
(a)	The words “Tax Invoice” clearly displayed on the invoice.	The words “Tax Invoice” clearly displayed on the invoice.
(b)	The name, address, and Tax Registration Number of the Registrant making the supply.	The name, address, and Tax Registration Number of the Registrant making the supply.
(c)	The date of issuing the Tax Invoice.	The date of issuing the Tax Invoice.
(d)	A description of the Goods or Services supplied.	A description of the Goods or Services supplied.
(e)	The total Consideration and the Tax amount charged expressed in AED.	The total Consideration and the Tax amount charged.
3	If there are or will be sufficient records available to establish the particulars of a supply, a Registrant is not required to issue a Tax Invoice for the supply where the supply is a wholly zero-rated supply.	If there are or will be sufficient records available to establish the particulars of a supply, a Taxable Person is not required to issue a Tax Invoice for the supply where the supply is a wholly zero-rated supply.
4	Where a Registrant is required to issue a Tax Invoice, the Tax Invoice must meet the requirements of Clause 1 of this Article.	Where a Taxable Person is required to issue a Tax Invoice, the Tax Invoice must meet the requirements of Clause 1 of this Article.
5	As an exception to Clause 4 of this Article, and in cases other than where the reverse charge mechanism applies in accordance with Article 48 of the Decree-Law, the Registrant may issue a simplified Tax Invoice that meets the requirements of Clause 2 of this Article in either of the following two situations:	As an exception to Clause 4 of this Article, the Taxable Person may issue a Tax Invoice that meets the requirements of Clause 2 of this Article in either of the following situations:
(a)	Where the Recipient of Goods or Recipient of Services is not a Registrant.	Where the Recipient of Goods or Recipient of Services is not a Registrant.
(b)	Where the Recipient of Goods or Recipient of Services is a Registrant and the Consideration for the supply does not exceed AED 10,000 (ten thousand dirhams).	Where the Recipient of Goods or Recipient of Services is a Registrant and the Consideration for the supply does not exceed AED 10,000
6	A Registrant shall not issue separate Tax Invoices in respect of supplies where he makes more than one supply of Goods or Services to the same Person and those supplies are included on a summary Tax Invoice issued and delivered to the Recipient of Goods or Recipient of Services	A Taxable Person shall not issue separate Tax Invoices in respect of supplies where he makes more than one supply of Goods or Services to the same Person and those supplies are included on a summary Tax Invoice issued to the Recipient of Goods or Recipient of Services in the same calendar month as the Date of Supply of those supplies.

Article 59

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
7	Where the Authority considers that there are or will be sufficient records available to establish the particulars of any supply or class of supplies, and that it would be impractical to require that a Tax Invoice be issued by the Registrant, the Authority may determine that, subject to any conditions that the Authority may consider necessary:	Where the Authority considers that there are or will be sufficient records available to establish the particulars of any supply or class of supplies, and that it would be impractical to require that a Tax Invoice be issued by the Taxable Person, the Authority may determine that, subject to any conditions that the Authority may consider necessary:
(a)	Any of the particulars specified in Clauses 1 or 2 of this Article shall not be contained in a Tax Invoice.	Any of the particulars specified in Clauses 1 or 2 of this Article shall not be contained on a Tax Invoice.
(b)	A Tax Invoice is not required to be issued or delivered in certain cases.	A Tax Invoice is not required to be issued in certain cases.
8	The Registrant may issue a Tax Invoice by electronic means provided that:	The Taxable Person may issue a Tax Invoice by electronic means provided that:
(a)	the Registrant must be capable of securely storing a copy of the electronic Tax Invoice in compliance with the record keeping requirements.	The Taxable Person must be capable of securely storing a copy of the electronic Tax Invoice in compliance with the record keeping requirements.
(b)	the authenticity of origin and integrity of content of the electronic Tax Invoice should be guaranteed.	The authenticity of origin and integrity of content of the electronic Tax Invoice should be guaranteed.
9	Where a Recipient agrees to raise a Tax Invoice on behalf of a Registrant Supplier in respect of a supply of Goods or Services, that document shall be treated as if it had been issued by the supplier if the following conditions are met:	Where a Recipient agrees to raise a Tax Invoice on behalf of a Registrant Supplier in respect of a supply of Goods or Services, that document shall be treated as if it had been issued by the supplier if the following conditions are met:
(a)	The Recipient of the Goods or Services is a Registrant.	The Recipient of the Goods or Services is a Registrant.
(b)	The supplier and the Recipient agree in writing that the supplier shall not issue a Tax Invoice in respect of any supply to which this Clause applies.	The supplier and the Recipient agree in writing that the supplier shall not issue a Tax Invoice in respect of any supply to which this Clause applies.
(c)	The Tax Invoice shall contain the particulars required under Clause 1 of this Article.	The Tax Invoice shall contain the particulars required under Clause 1 of this Article.
(d)	The words "Tax Invoice raised by buyer" are clearly displayed on the Tax Invoice.	The words "Tax Invoice raised by buyer" are clearly displayed on the Tax Invoice.
10	Where a Tax Invoice is issued pursuant to Clause 9 of this Article, any invoice issued by the Supplier in respect of that supply shall be deemed not to be a Tax Invoice.	Where a Tax Invoice is issued pursuant to Clause 9 of this Article, any invoice issued by the Supplier in respect of that supply shall be deemed not to be a Tax Invoice.

Article 59

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
11	Where an agent who is a Registrant makes a supply of Goods or Services for and on behalf of the principal of that agent, that agent may issue a Tax Invoice in relation to that supply as if that agent had made the supply, provided that the principal shall not issue a Tax Invoice, subject to:	Where an agent who is a Registrant makes a supply of Goods and Services for and on behalf of the principal of that agent, that agent may issue a Tax Invoice in relation to that supply as if that agent had made the supply, and provided that the principal shall not issue a Tax Invoice.
(a)	the agent retaining sufficient records in such a manner as to determine the name, address and Tax Registration Number of the principal supplier, and	
(b)	the principal supplier retaining sufficient records in such a manner as to determine the name, address and Tax Registration Number of the agent.	
12	Where the Supply of Goods or Services is considered as supplied in an Implementing State, the Registrant must include the following additional particulars in the document issued:	Where the Supply of Goods or Services is considered as supplied in an Implementing State, the Taxable Person must include the following additional particulars in the document issued:
(a)	the tax registration number of the Recipient of Goods or Recipient of Services issued to him by the competent authority of the Implementing State in which the supply is treated as taking place	The tax registration number of the Recipient of Goods or Services issued to him by the competent authority of the Implementing State in which the supply is treated as taking place.
(b)	a statement identifying the supply as between a supplier in the State and a Recipient of Goods or Recipient of Services in an Implementing State, and	A statement identifying the supply as between the State and an Implementing State.
(c)	any other information specified by the Authority.	Any other information specified by the Authority.
13	For the purposes of Clause 2 of Article 67 of the Decree-Law, the Registrant shall issue the Tax Invoice within 14 (fourteen) days from the date of the supply provided for in Article 25 or 26 of the Decree-Law, except in the following cases:	
(1)	where the Tax Invoice is issued in accordance with Clause 2 of this Article, the Registrant shall issue the Tax Invoice on the date of supply,	

Article 59

Clause No.	As per Cabinet decision No.100 of 2024 (Effective from 15 th November 2024)	As per Cabinet decision No. 99 of 2022 (Effective from 1 st January 2023)
(2)	for the purposes of Clause 6 of this Article, the Registrant shall issue a summary of the Tax Invoice and deliver it to the Recipient of Goods or Recipient of Services within 14 (fourteen) days of the end of the calendar month within which the date of supply occurs for such supplies.	
(3)	any other cases specified by the Authority.	
14	Where the Authority grants approval under Clause 7 of this Article, such approval may be withdrawn at any time where the Authority considers that the conditions of approval are no longer met.	
15	As an exception to Clause 5 of this Article, the Authority may specify the cases in which a Tax Invoice that meets the requirements of Clause 1 of this Article must be issued, even if one of the cases provided for in Clause 5 of this Article applies.	

Our observation:

- As per Clause 11 for an agent to raise a Tax Invoice, both the agent and principal will have to maintain proper records in relation to names, address and TRNs of each other in addition to the existing requirement of principal not raising a tax invoice.
- As per Clause 2 of Article 67 of the Decree-Law, Tax invoice should be issued within 14 days from the date of supply. Now there are some exceptional cases where timeline for issuance of tax invoice changes as follows:

Particulars

Simplified Tax Invoice

Summary Tax Invoice

Issuance of Tax Invoice

On the date of Supply

Within 14 days of the end of calendar month within which the date of supply occurs

- As per Clause 14 and 15 of this Article, Authority has power to withdraw approval as per Clause 7 or specify any cases where Tax invoice asper Clause 1 must be issued even if it falls under Clause 5.

Federal Decree Law No. (16) of 2024

- Definitions of Tax Invoice and Tax Credit note have been replaced as below as per the new Federal Decree Law No. 16 of 2024 :
 - **INVOICE:** A written or electronic document in which any tax payable is recorded, including the details of the tax invoice, as applicable.
 - **CREDIT NOTE:** A written or electronic document recording any tax adjustment, reduction, or cancellation, including the details of the tax notification, as applicable.
 - **NON RESIDENT PERSON:** Any person who does not have a permanent establishment or fixed place in the country and does not usually reside in it.
- Following definitions are Added in the Article 1 of new Federal Decree Law No. 16 of 2024:
 - **ELECTRONIC INVOICE SYSTEM:** An electronic system specialized in issuing, sending, exchanging, and sharing tax invoice and tax notification data according to the relevant tax procedures legislation.
 - **ELECTRONIC INVOICE:** An invoice issued, received, and exchanged in an organized electronic format that allows processing through the electronic invoice system.
 - **ELECTRONIC TAX CREDIT NOTES:** A tax notification issued, received, and exchanged in an organized electronic format that allows processing through the electronic invoice system.
- Certain clauses of following articles are replaced because of change in the definition of Tax invoice and Tax credit Note:
 - Article 55
 - Article 65
 - Article 70
 - Clause (4) and (5) of Article 76



Feel free to reach out to us anytime you need any information. We will be glad to connect with you at your convenient time



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