

Below are the latest developments in Value Added Tax (VAT) in the GCC:

## **UAE**

The United Arab Emirates (UAE) Federal Tax Authority (FTA) has published a press release announcing the highlights of the 10<sup>th</sup> Board of Directors meeting of the Federal Tax Authority. Below are the key updates of the announcement :

- The FTA announced updated VAT refund procedures for UAE nationals building a new residence and for overseas tourists claiming refunds on VAT incurred in the UAE. FTA has stated that, in coordination with housing finance authorities the FTA will minimize auditing requirements on applications approved by these authorities. Refund procedures for UAE nationals building a new residence have been streamlined and expedited, while tourists who incur VAT on eligible purchases in the UAE may recover the VAT up to a year after their departure if they validated their tags but could not collect the cash immediately upon exiting the UAE.
- According to the statistics announced in the press meet, FTA has processed more than 1,100 refund requests from UAE citizens by November 2019. A sharp 116.33% rise was registered in the total amount of tax refunded in 2019, as well as a 95.38% increase in the number of applications submitted, which was reported at 563 in July. In the less than four months from the end of July to November, an additional 537 applications were processed with a total monetary value of AED29.35 million.
- FTA revealed that, for the Tax Refunds for Tourists Scheme the number of retail outlets linked to the system exceeded 10,800 stores across the country, with the average daily number of applications processed by the FTA surpassing 3,740 requests per day.
- The FTA has also announced that tax compliance has increased significantly, with 311,400 taxable persons registered with the FTA. There are 754 businesses registered for Excise Tax and 305 authorized tax agents.

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## **BAHRAIN**

The National Bureau for Revenue (NBR) held an interactive workshop for professionals working in the wholesale and retail sectors, recapping general and sector specific VAT concepts, including invoicing and filing.

This workshop was a continuation of the series of workshops organized by the NBR to provide an inclusive platform for all stakeholders from the public and private sector to increase businesses' awareness of VAT return filing procedures ahead of deadlines.

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Bahrain business with annual taxable turnover exceeding BHD 37,500 are required to register for VAT by 20 December 2019, with an effective date of 1 January 2020. Penalties will be imposed for late registration.

The Kingdom of Saudi Arabia (KSA) General Authority for Zakat and Tax (GAZT) has published a new Value Added Tax (VAT) VAT guide on investment funds, trusts, and estates. The guide clarifies the VAT treatment of common investment structures administered by agents, such as investment funds and trusts, as well as the VAT treatment of estates of deceased natural persons.

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The Kingdom of Saudi Arabia (KSA) General Authority of Zakat and Tax (GAZT) held a wide-ranging and comprehensive conference in Riyadh on 13 and 14 November 2019, including many eminent speakers from the international world of taxation. In addition to this, there were a number of facilitated break-out sessions covering discrete areas of the various taxes that are in play within the KSA.

### Who We Are

Nishe is a boutique professional services firm based in the UAE specialising in the provision of accounting, Value Added Tax (VAT) and other related services to clientele in GCC.

Nishe aspires to work towards uplifting underprivileged women by providing them with the support they require to grow. Nishe is exclusively made up of women professionals who are fiercely determined to make a positive impact on everyone they work with – be it our clients, women who seek our support or anyone else.

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