[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.1]

VAT Public Clarification

Concerned Services – Accounting for Output Tax,

issuing Tax Invoices, and Input Tax recovery

Taxable Persons receiving Services from outside

the UAE while the place of supply of such Services

is in the UAE, are required to account for VAT on

these Concerned Services, unless the Services

would be exempt had they been supplied in the

This Public Clarification clarifies the requirement to

account for the Output Tax and issue Tax Invoices

in respect of Concerned Services and the

documentary requirements for recovering Input

Taxable Persons that Import Concerned Services

from outside the UAE, which have a place of supply

in the UAE, are regarded as making Taxable

Supplies to themselves, unless the Services would

be exempt had they been supplied in the UAE.

A Registrant receiving the Concerned Service

("Recipient") is required to account for Output Tax

in respect of the Concerned Service and to issue a

Tax Invoice to itself, unless the Recipient obtained

an administrative exception from the FTA allowing

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.2]

A Recipient may recover the related Input Tax to

the extent the Concerned Service was acquired to

make Taxable Supplies, provided the Recipient is

registered for VAT and obtains and retains the

relevant supporting documents, e.g. the supplier's

In this clarification, Federal Decree-Law No. 8 of

2017 on Value Added Tax and its amendments is

referred to as "Decree-Law" and Cabinet Decision

No. 52 of 2017 on the Executive Regulation of the

Federal Decree-Law No. 8 of 2017 on Value Added

Tax, and its amendments, is referred to as

A Registrant1 making Taxable Supplies is required

to report the VAT imposed on the supply and issue

an original Tax Invoice within 14 days from the date

A Registrant is only entitled to recover the related

Input Tax when all the relevant requirements are

met, including the retention of the relevant [illegible] .

These distinct matters are addressed in more detail

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.3]

Obligation to account for Output Tax

Taxable Persons often receive Services from

outside the UAE. Where the place of supply of

these services is in the UAE, such imported Services

constitute Concerned Services, provided they
would not be exempt from VAT had they been

The Taxable Person is regarded as making a

Taxable Supply to itself when it imports a

Concerned Service.3 Consequently, the Taxable

Person is responsible to account for the Due Tax1

on the Service received, and report the value and

related Output Tax in Box 3 of its VAT return for the

Tax Period during which the date of supply of the

Issuing tax invoices

Registrants are required to issue and deliver an

original Tax Invoice to the Recipient of Services

within 14 days of making a Taxable Supply.2

Since the Registrant is regarded as supplying the

Concerned Service to itself, it is required to issue

and deliver a valid Tax Invoice to itself in respect of

Article 59(7)(b) of the Executive Regulation

provides that, where 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 the issuance

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.4]

and/or delivery of a Tax Invoice by the Registrant,

the FTA may determine that a Tax Invoice is not

Considering the administrative burden to issue Tax

Invoices to itself in the case of Concerned Services,

the FTA accepts that the Recipient is not required

to issue a Tax Invoice to itself in respect of

Concerned Services if it obtains and retains the

invoice issued by the overseas supplier reflecting

the details and the Consideration paid for the

Concerned Service, provided that the Recipient

accounts for the correct VAT amount under the reverse charge mechanism in respect thereof and

retains sufficient information to establish the

In exceptional cases, if the supplier did not issue an

invoice, e.g. in the case of reinsurance services, a

document (or a combination thereof) that reflects

at least the following particulars would be

- the name and address of the supplier of the

Concerned Service, e.g. a foreign entity

supplying the Service from outside the UAE,

- the name and address of the Recipient,

- the date the document was issued,

- description of the Service supplied,

- Consideration for the supply, including the

relevant currency and, where applicable,

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.5]

at least the following particulars would be

- the name and address of the supplier of the Concerned Service, e.g. a foreign entity supplying the Service from outside the UAE,
- the name and address of the Recipient,
- the date the document was issued,
- description of the Service supplied,
- Consideration for the supply, including the relevant currency and, where applicable,

The above administrative exception does not apply in instances where the overseas supplier does not issue an invoice or combination of documents that are collectively regarded to be an invoice. In such instances the Recipient may apply for an

administrative exception if the requirements of
Article 59(7) of the Executive Regulation are met.

Input Tax recovery

Registrants are eligible to recover Input Tax to the extent the Concerned Services are used (or are intended to be used) to make Taxable Supplies,6 provided the relevant supporting documents are

The Registrant may recover the Input Tax in the first Tax Period (or the immediately following Tax Period) in which the Registrant obtained the relevant supporting document (e.g. Tax Invoice or invoice issued by the overseas supplier) and paid

Hence, the Recipient would be eligible to recover Input Tax even if it did not issue a Tax Invoice to itself, provided that it retains the invoice issued by

the
overseas
supplier
(or
combination
of

documents that are collectively regarded to be

For Input Tax recovery purposes, the Recipient is

regarded as having made payment if it pays or

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.6]

8

the Consideration. 8

Hence, the Recipient would be eligible to recover

Input Tax even if it did not issue a Tax Invoice to

itself, provided that it retains the invoice issued by

(

the
overseas
supplier
(or
combination
of

documents that are collectively regarded to be

.)

such invoice).

For Input Tax recovery purposes, the Recipient is

regarded as having made payment if it pays or

5/9

. 9

intends to pay the Consideration within six months

of the agreed date for payment.9 For more

(
VATP017
.)

information on the timeframe for recovering Input

Tax, please refer to the Public Clarification

(VATP017).

This Public Clarification issued by the FTA is meant to clarify

certain aspects related to the application of Federal Decree-

Law No. 8 of 2017 on Value Added and its Executive

(
8
) 2017

Regulation, and their amendments

This Public Clarification states the position of the FTA and

neither amends nor seeks to amend any provision of the

aforementioned legislation. Therefore, it is effective as of the

date of implementation of the relevant legislation, unless

stated otherwise.

Legislative References:

In this clarification, Federal Decree-Law No. 8 of 2017 on Value Added Tax and its amendments is referred to as "Decree-Law"

and Cabinet Decision No. 52 of 2017 on the Executive Regulation of the Federal Decree-Law No. 8 of 2017 on Value Added Tax, and its amendments, is referred to as "Executive Regulation".

1. Article 1 of the Decree-Law defines the following terms as:

- "State" – United Arab Emirates
- "Concerned Services" – Services that have been imported, where the place of supply is considered to be in the State, and would not be exempt if supplied in the State.

• “Due Tax” – Tax that is calculated and imposed

pursuant to the Decree-Law.

• “Import” – The arrival of Goods from abroad into the

•

territory of the State or receipt of Services from

outside the State.

•

• “Registrant” – The Taxable Person who has been

issued with a TRN.

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.7]

[illegible]

• “Concerned Services” – Services that have been

[illegible]

imported, where the place of supply is considered to

.[illegible]

be in the State, and would not be exempt if supplied

in the State. •

""[illegible]–
[illegible]

• “Due Tax” – Tax that is calculated and imposed

.[illegible]

pursuant to the Decree-Law. • “Import” – The arrival of Goods from abroad into the

•

""[illegible] –

[illegible]

.[illegible]

territory of the State or receipt of Services from

outside the State. •

""[illegible]–

[illegible]

• “Registrant” – The Taxable Person who has been

.[illegible]

issued with a TRN. 6/9

•

""[illegible]–

.[illegible]
• “Services” – Anything that can be supplied other than

Goods.
• “Taxable Supply” – A supply of Goods or Services for

•

""[illegible]–

[illegible]

[illegible]

Consideration during the course of Business by any

Person in the State, and does not include Exempt

.[illegible]

Supply. • “Taxable Person” – Any Person registered or obligated

•

""[illegible]–
[illegible]

.[illegible]

to register for Tax purposes under this Decree-Law.

2.
Article 67(1) of the Decree-Law states that the Registrant

2
.

([illegible]1
( ) [illegible]67
) [illegible]

([illegible]14
)
[illegible]

shall issue a Tax Invoice within 14 days from the date of

supply as stated in Article 25 or Article 26 of this Decree-

([illegible]25
( ) [illegible]26
)

Law.

[illegible] .
3.
Article 48(1) of the Decree-Law states that, if the Taxable

3
.

([illegible]1
( ) [illegible]48
) [illegible]

Person imports Concerned Goods or Concerned Services

[illegible]

for the purposes of his Business, then he shall be treated

[illegible]

as making a Taxable Supply to himself, and shall be

[illegible]

responsible for all applicable Tax obligations and accounting for Due Tax in respect of these supplies.

4. Article 65(1) of the Decree-Law states that, a Registrant making a Taxable Supply shall issue an original Tax Invoice and deliver it to the Recipient of Goods or Recipient of Services.

5. Article 59(7) of the Executive Regulation states that, 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:

.[illegible]

a.
...

b.
A Tax Invoice is not required to be issued or

delivered in certain cases.

6.
Article 54(1)(a) of the Decree-Law states that the Input

6
.

([illegible] [illegible] ([illegible]) [illegible] [illegible]1
( ) [illegible] [illegible]54
) [illegible] [illegible] [illegible]

Tax that is recoverable by a Taxable Person for any Tax

[illegible]

Period is the total of Input Tax paid for Goods and Services

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.8]

[illegible]

which are used or intended to be used for making Taxable

[illegible]

Supplies.

[illegible]
[illegible] .
7.
Article 48(5) of the Executive Regulation states that,

7
.

([illegible]5
( ) [illegible]48
) [illegible]

([illegible]1
)

where a Taxable Person accounts for Due Tax in

accordance Clause 1 of Article 48 of the Decree-Law, the

([illegible]48
) [illegible]

Taxable Person shall keep the following documents

:[illegible]

relating to the supply:

[illegible].

[illegible]

a.
The supplier's invoice showing details and the

.[illegible]

Consideration paid for the Concerned Goods or

[illegible] .

...

Concerned Services

b.
...
8. Article 55(1) of the Decree-Law states that, taking into

8
. ([illegible]1
( ) [illegible]55
) [illegible]

consideration the provisions of Article 56 of this Decree-

Law, the recoverable Input Tax may be deducted through

the Tax Return relating to the first Tax Period in which the

following two conditions have been satisfied:

a.
If any of the following cases has occurred:

1)
The Taxable Person receives and retains the Tax

Invoice as per the provisions of this Decree-Law,

provided that the Tax Invoice includes the

details of the supply related to such Input Tax,

or keeps any other document pursuant to

Clause 3 of Article 65 of this Decree-Law in

.... relation to the Supply on which Input Tax was

paid.

2)

...

3)
The Taxable Person imports the Services, and

[illegible]

.[illegible]

receives and retains invoices in accordance with

[illegible] .
[illegible]

the provisions of this Decree-Law and its

Executive Regulation in relation to the Import

[illegible]. on which Input Tax was declared. b. The Taxable Person pays the Consideration or any

part thereof, as specified in the Executive Regulation

of this Decree-Law. 9
. ([illegible] 2
( ) [illegible] 54
) [illegible] 9. Article 54(2) of the Executive Regulation states that, for

[recovered from the vector store — VATP044_Tax_Invoices_Input_Tax_May2025.pdf p.9]

3)
The Taxable Person imports the Services, and

receives and retains invoices in accordance with

the provisions of this Decree-Law and its

Executive Regulation in relation to the Import

b.
The Taxable Person pays the Consideration or any

part thereof, as specified in the Executive Regulation

(2
( ) 54
) 9.
Article 54(2) of the Executive Regulation states that, for

(() 1
( ) 55
)

the purposes of paragraph (b) of Clause 1 of Article 55 of

the Decree-Law, a Taxable Person shall be treated as

having made a payment of Consideration for a supply to

the extent that the Taxable Person intends to make the