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Documentation for Zero Rating Export of goods

As per the UAE Federal Decree-Law No.8 of 2017, A Direct or Indirect Export of goods is categorized as one of the supplies which is subject to Zero tax rate. Although to avail such exemption, it is crucial that supporting documentation as mentioned in Article 30 "Zero rating Export of goods" Executive Regulations ('ER") of the Federal Decree-Law.

Retaining all the requested documents is essential as it is one of the main conditions which are required to be met by the taxable person if their supplies to be categorized as Zero-rated supplies. It is important to note that the below terminology in order to understand what all documentation is included in the below terms:

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Commercial Evidence

- Airway bill.
- Bill of lading.
- Consignment note.
- Certificate of shipment.

Official Evidence

- Export documents issued by the local Emirate Customs Department such as Customs declaration.
- Customs Exit Certificate.

In all the above-mentioned documentation, the official / Commercial evidence needs to specify:

- The supplier
- The consignor
- The Goods
- The value
- The Export destination
- The mode of transport and route of the export movement.

Note 1: Refer appendix section for illustration of the various official / commercial documentation as mentioned above.



Types of Export

1. Direct Export

Direct exports are the export of goods to a location outside of the Implementing States, where the supplier is responsible for arranging transport or appointing an agent to do so on his behalf.

Direct export Exports by tax payers shall be categorized as zero-rated supplies if the supporting **official** and **commercial evidence** are retained by the exporter.

2. Indirect Export

Indirect export applies where there is an arrangement between the local seller and its overseas customer whereby the overseas customer will ensure export of goods outside UAE.

In this scenario, 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.



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Appendix

Commercial Evidence

Air way Bill

Service Used with Date of Creation of Shipment, Sender Address, Customer Address, Weight of Package, Waybill Number, Sender Location, Contact Detail of Sender and Receiver, Day & Time of Delivery, Number of pieces, Content Details, Terms of service, Instructions

Bill of Lading

BILL OF LADING Page 1 of 1. Includes fields for Name, Address, City/State/Zip, CARRIER NAME, Trailer number, SCAC, Pro number, SPECIAL INSTRUCTIONS, CUSTOMER ORDER NUMBER, # PKGS, WEIGHT, PALLET(S), ADDITIONAL SHIPPER INFO, GRAND TOTAL, HANDLING UNIT, PACKAGE, COMMODITY DESCRIPTION, LTL ONLY, RECEIVING STAMP SPACE, COD Amount, Fee Terms, Prepaid, Customer check acceptable, SHIPPER SIGNATURE / DATE, Carrier Location, Freight Charges, CARRIER SIGNATURE / PICKUP DATE.

Consignment / Delivery note

My Company name, My company slogan, Insert Your Logo, Delivery Note, Order Date, Order #, Delivery Note #, Customer ID, Despatch Date, Delivery Method, Shipping Address, Invoice Address, Table with columns: Item #, Description, Ordered, Delivered, Outstanding

Certificate of shipment / origin

CERTIFICATE OF ORIGIN. Includes fields for Exporter (BETULVAR LTD), Import Invoice Number & Date, Letter of Credit No, Consignee (Bayer (Frost Consignee)), Method of Dispatch, Type of Shipment, Date of Departure, Date of Arrival, Final Destination, Declaration By The Chamber, Declaration By The Exporter, Place and Date of Issue, Signatory Company, Name of Authorized Signatory, Signature.

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Official Evidence

Customs Exit Certificate

The image shows a 'CUSTOMS EXIT / ENTRY CERTIFICATE' form from the Government of Dubai, Dubai Customs. The form is in Arabic and English. It includes fields for Exporter, Date, Export bill No., Country of origin, Point of exit, Destination, and Description of goods. There are also sections for 'For Customs use' and a signature area for the exporter. The form is partially filled out with handwritten information.

Customs Declaration

The image shows a 'CUSTOMS DECLARATION' form from the Federal Customs Authority, United Arab Emirates. The form is in Arabic and English. It includes a barcode, a date stamp (7 NOV 2023), and various fields for goods description, quantity, and value. The form is partially filled out with handwritten information.



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Points to be considered

1. Apart from retaining supporting documentation, another condition for categorizing export of goods as zero-rated supplies is if the Goods are physically exported to a place outside the UAE or are put into a customs suspension regime in accordance with GCC Common Customs Law within 90 days of the date of the supply

2. The Authority may extend the 90-day period as mentioned above if the supplier has applied to the Authority in writing that:

- Circumstances which are beyond the control of the Supplier and the Customer have prevented, or will prevent, the Export of the Goods within 90 days from 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.

"Reach out and let's connect!"

Prepared by: Syed Ashir – Tax Executive



Rishi Chawla FCA, MBA
Managing Partner
M: +971 50 394 6911
E: rishi@premier-brains.com



Bhawna Chopra CA, MBA
Tax Partner
M: +971 50 213 4525
E: bhawna@premier-brains.com



Vinit Gala, ACA, DIIT
Tax Director
M: +971 50 923 2194
E: vinit@premier-brains.com



Piyush Papneja, ACA, B.COM
Tax Manager
M: +971 52 989 0842
E: piyush@premier-brains.com

Contact Us



+971 4 354 2959

info@premier-brains.com

www.premier-brains.com

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