



UAE VAT Bulletin for Artists and Social media influencers

FTA has published a Tax information bulletin, which clarifies VAT implication of supplies provided by artists and social media influencers.

Bulletin is relating to supplies made by:

- **Artists** - Individuals who make supplies in their personal capacity as performers, singers, dancers, stage artists, make-up artists, DJs, poets, song writers or any other individuals carrying out other activities.
- **Social Media Influencers (SMIs)** - Individuals who provide their services using social media to promote products and services such as bloggers, YouTube hosts, etc.

Some of the key highlights of the tax bulletin are as follows:

- Services provided by SMIs are subject to VAT such as promoting a product in a blog/video/social media post, providing access to SMI's network on social media, physical appearances etc.
- Artists/SMIs need to pay attention on reimbursement of cost from client as this would also fall within VAT scope
- UAE Artists and SMIs who make taxable supplies are required to register for VAT, provided the value of their taxable supplies and imports in the last 12 months exceeded AED 375,000 or is expected to exceed in the next 30 days.
- No registration threshold for non-resident artists and SMIs with place of supply in UAE and no other person obligated to account for VAT on such supplies (e.g. services provided to non-vat registered recipients in UAE)
- Artists and SMIs should keep into consideration the VAT implications of any barter arrangements e.g. if the artist receives goods in return for their services, goods are treated as consideration for the services. Further, if no consideration is charged for the services, deemed supply provisions will need to be looked at.
- Intermediary between Artist/SMI and clients - In case of agent acting in name and on behalf of Artist/SMI, Artist/SMI would need to account for VAT on amount charged to the client and the agent will account for VAT on the commission charged to the Artist/SMI. However, in case of agents who act in their own name and contract with the client, Artist/SMI would need to account for VAT on the amount charged to the agent and agent would account for VAT on amount charged to client.
- FTA has clarified in the bulletin that if a UAE Artist/SMI has contract with a UAE based company to provide advertising services, this would attract 5% VAT even if the advertising service is performed outside UAE.

If you would like to discuss any VAT matters, please drop us an email at info@premier-brains.com or call us at + 971 4 3542959.

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