

TAX NEWSLETTER

Monthly Updates on Tax

United Arab Emirates

UAE - Introduction of new tax administration platform "EMARA TAX"

The "Emara Tax" platform, a fresh take on the contemporary tax administration ecosystem, will be introduced by the UAE Federal Tax Authority. In accordance with the UAE's national digital goal, FTA stated in a press release on October 11th, 2022, that it will unveil a new integrated platform called Emara Tax (ET) later this year to digitalize tax administration.

Emara Tax, going to improve:

- Taxpayers' access to FTA services, tax payment experience, and refund experience
- How taxpayers can access the services provided by the tax authority, pay their taxes, and get refunds.

Some of the remarkable achievements provided by Emara Tax are:

- Extensive self-help and service request
- Online access to a wider range of FTA services than ever before
- Simplified user experience

The upgraded tax administration platform Emara Tax was created to enable taxpayers to handle their taxes in a simpler, quicker, and more open manner is the result of months of rigorous work.

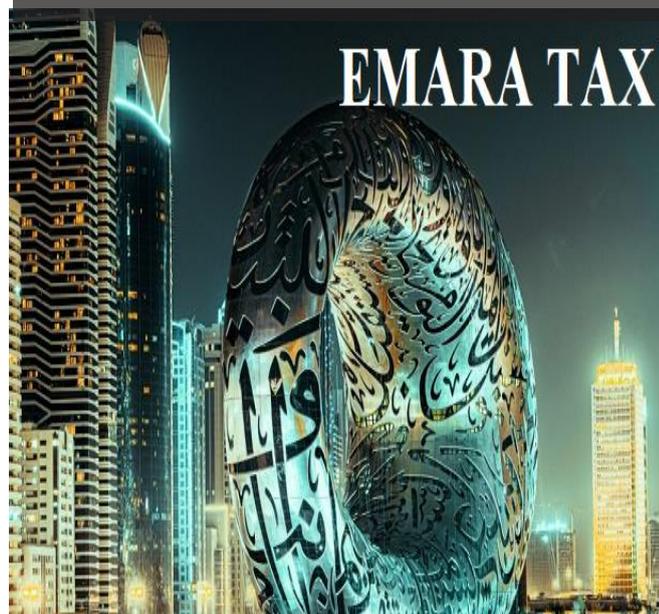
FTA has announced free online orientation sessions from 7 November till 18 November. FTA will be having 2 session per day from 10am - 11am and 3pm - 4pm. For more details on how to attend those sessions please visit the following link

<https://tax.gov.ae/en/ects/calendar.of.events.emaratax.aspx>

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UAE - Amendments in UAE VAT decree Law – Effective from 1st January 2023

Federal Decree-Law No. 8, 2017 on Value Added Tax (VAT) has been amended by Federal Decree-Law No. 18, 2022 on 26th September 2022. These amendments will take effect from 1st January 2023.

Some of the key amendments include:

- Introduction of a new article on the statute of limitations for VAT audits.
- Allowing VAT registered persons also to apply for an exception if they only have zero-rated supplies
- Introduction of a new clause to other supplies considered as out of scope supplies which will be covered in the Executive Regulations
- Documentation mentioned for recovery of input vat on imports
- Expansion of Output vat adjustment article to include a scenario where a taxable person applies an incorrect tax treatment.
- Application of domestic reverse charge under article 48(3) to "Pure hydrocarbons"
- Timelines for issuance of tax credit notes and tax invoices



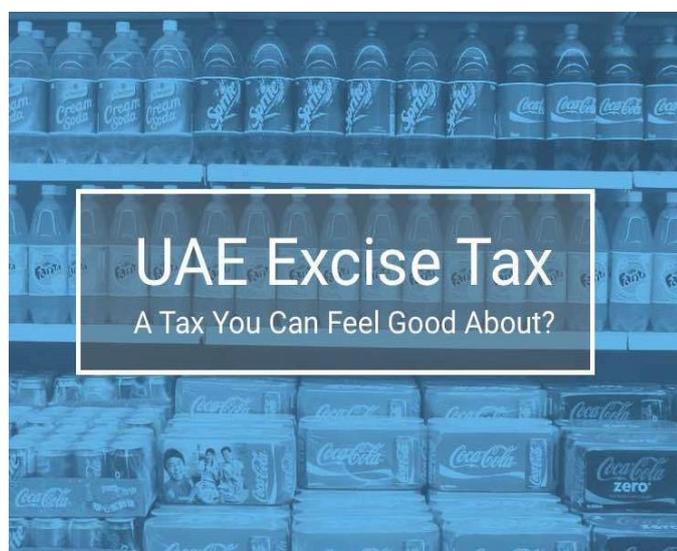
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UAE - Amendments in Excise Tax Decree Law

A Public clarification has been issued on The Federal Decree-Law No. 19 of 2022 which Amendments some provisions/Articles of the Federal Decree-Law No7 of 2017 on Excise Tax, effective from 14 October 2022.

The key highlights of this Public Clarification are as follows:

- The following articles of the Excise Tax Decree Law have been amended:
 - Article 1- Definitions (adding definitions of Tax Audit, Tax Assessment, Voluntary disclosure, Tax Procedures Law)
 - Article 5- Tax Registration
 - Article 6-Exceptions from Registration
 - Article 19-Payment of Tax
 - Article 20-Excess Refundable Tax
 - Article 22-Administrative Penalties Assessment
 - Article 23-Instances of Tax Evasion
 - Article 28- Provision of tax Procedures to be applied in absence of any special provision.
 - A new Article 25 bis has been inserted in the Excise Tax Decree-Law on Statute of Limitation.



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UAE - Introduction of new payment platform "MAGNATI"

FTA has announced that starting from 30/10/2022 Magnati will be accepted as a new platform for paying tax liabilities replacing the earlier payment method of using E-dirham. A taxable person using E-dirham may contact the e-dirham issuing bank to redeem the remaining balance, as it's no longer available within the Payment option.

- AED 1 million is the maximum limit of the single transaction (including service charges and VAT on the same)
- Service charges have been reduced

Payments on Magnati platform can be made through prepaid, debit, or credit cards issued by visa and MasterCard. The existing Payment method mentioned below is still available

- Payment through Banks & Exchange houses
- Bank transfer – Local transfer
- Bank transfer – International Transfer



Sultanate of OMAN

OMAN - Amendments in VAT Law

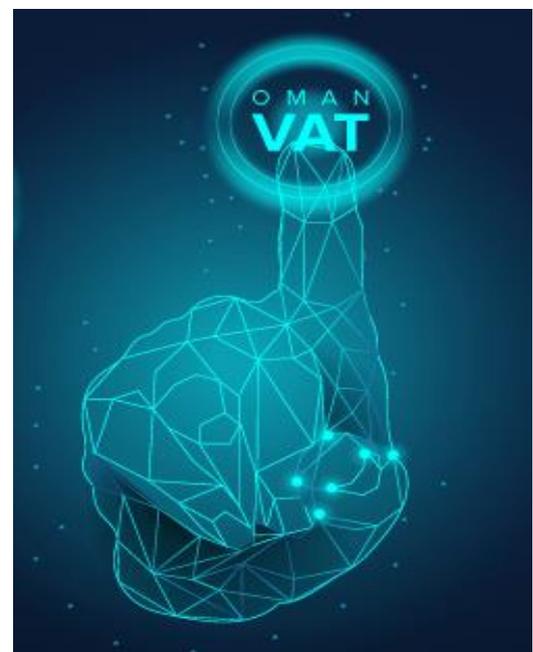
To amend specific sections of the Oman value-added tax (VAT) executive regulations for the Oman VAT law, the Oman tax authority has issued Decision No. 456/2022. The decision, published in the Official Gazette on October 16, 2022, became effective on October 17, 2022.

Since it went into effect on April 16, 2021, this is the first time the tax administration has changed the Oman VAT Act. while others are made in anticipation of forthcoming tax revisions.

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The following is a list of changes to the VAT executive regulations:

- a) Digital tax invoice
- b) Location where wired and wireless telecommunication services are provided
- c) Documents for recovering of input VAT
- d) VAT exemption for financial services Service charges have been reduced
- e) Dates by which tax invoices and other associated papers must be issued
- f) Computerized issuance of tax invoices, debit notes, and credit notes
- g) Getting permission to issue a simplified tax invoice
- h) Refund of VAT to foreign governments and related organizations
- i) Failure to generate tax invoices on paper or electronically



OMAN - VAT Guide on commercial Agencies

The Oman Tax Authority (OTA) published a VAT Guide on Commercial Agencies which provides guidance on the VAT implication of agency relationships on 28th September 2022.

The guide provided by the OTA explains the guidance on the VAT treatment of supplies of goods and services made by and through agents.

An 'agent' is a person which represents or works on behalf of another person (the principal) to facilitate or arrange the supply of goods or services. The agent may act as a receiving agent (for procuring goods/services) or a selling agent (for arranging goods/services).

The common features of an agency relationship for VAT purposes include:

- The agent should not benefit from the service the principal provides or retain title to the goods.
- The nature or value of the supply should not be altered by the agent
- The agent arranges or facilitates transactions with the principal

Contractual agreement and commercial substance will be taken into consideration while assessing the existence of an agency relationship as there are situations where a person is commercially referred to as an agent but does not act as such and vice versa.

An agreement of oral or written should be present between the agent and the principal in order for an agency relationship to arise.

The guide also distinguishes between disclosed and undisclosed agents in regard to tax invoicing, VAT reporting, and input tax recovery.

[Click here for detailed guide](#)



Kingdom of Saudi Arabia

KSA - VAT refund for Qualified Real estate developers

The Board of Directors of the Zakat, Tax, and Customs Authority (ZATCA) issued Decision No. 04-08-22 on 14th October 2022 regarding the Value Added Tax (VAT) refunds for Real Estate Developers. The decision will take effect from 3rd October 2022.

- Licensed Real Estate Developers (LRED) can claim VAT refunds under the eligible expenses whose application was accepted by ZATCA before the decision was taken place. These expenses must have been incurred on the date developers meet the key requirement as LRED or on or after 4th October 2022.
- Real estate developers who were unable to register with the ZATCA as qualified Real estate developers due to circumstances which were beyond their control may submit a request ZATCA to allow them to claim for the VAT refund. Along with the request, the developers are also required to state the reason for the delay in the registration with ZATCA and the evidence that was beyond their control.

This decision shall be communicated to whoever is required to implement it.

With respect to the year 2022, the VAT refund application must be submitted to ZATCA through a quarterly or annual claim.

[Click here for published decision](#)





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