

# GULF VAT INSIGHTS

CA Pritam Mahure





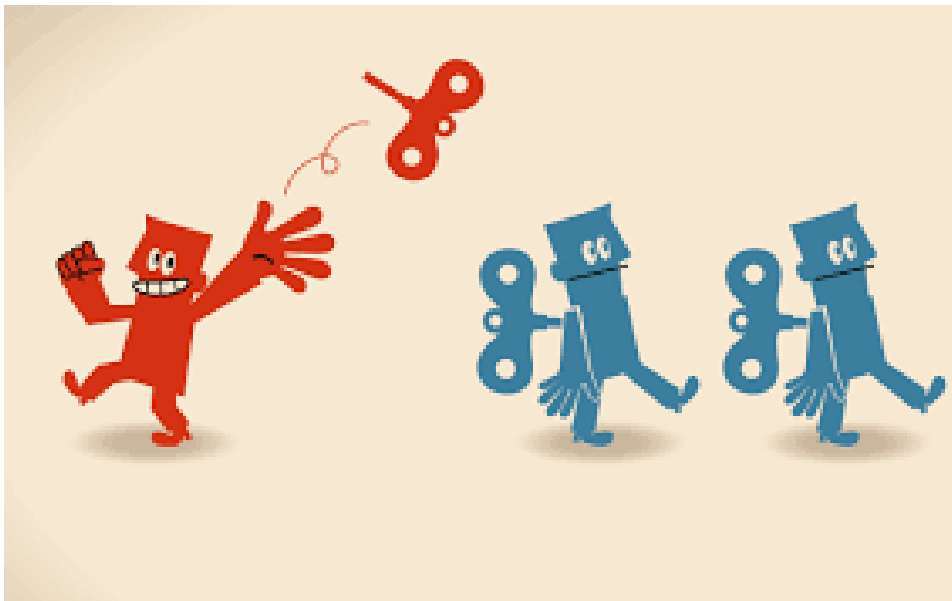




# Dimensions!

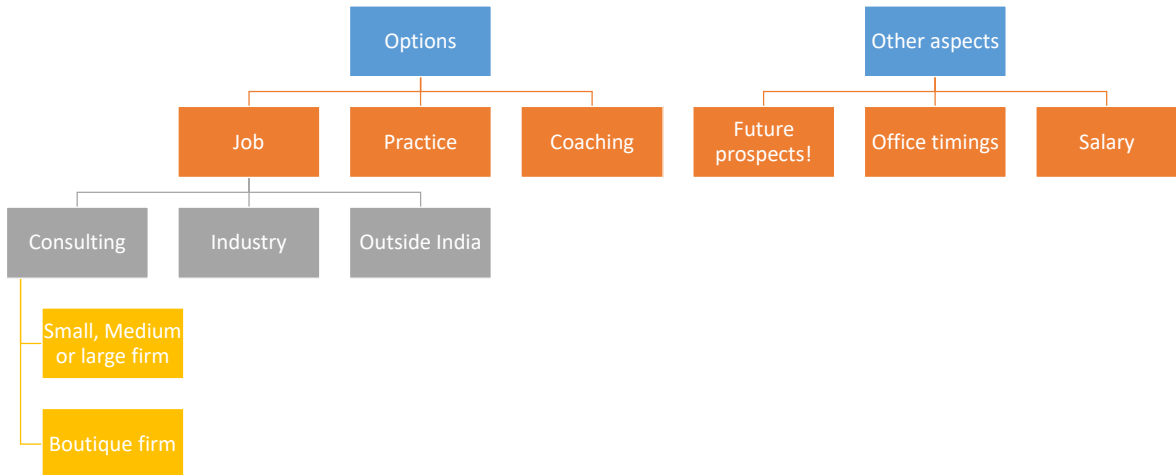


WHO How WHAT  
WHEN ? WHY  
WHERE



Hello friends, office join  
karlo 😊

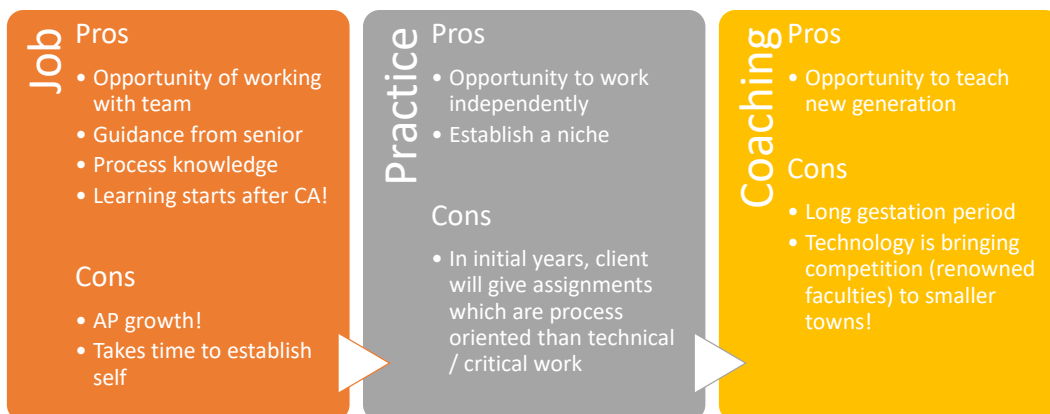
## Factors in decision!





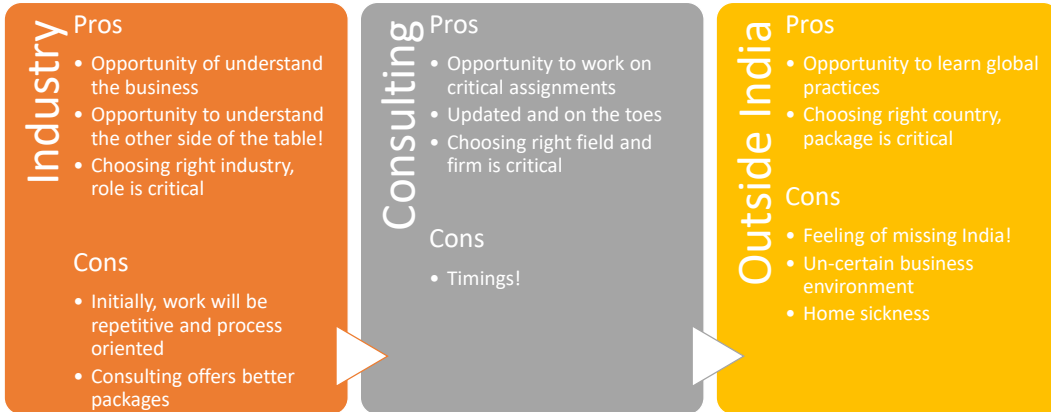
Wo job join karne ke liye, research karna jaroori hai kya 😊

## Job or Practice or Coaching classes

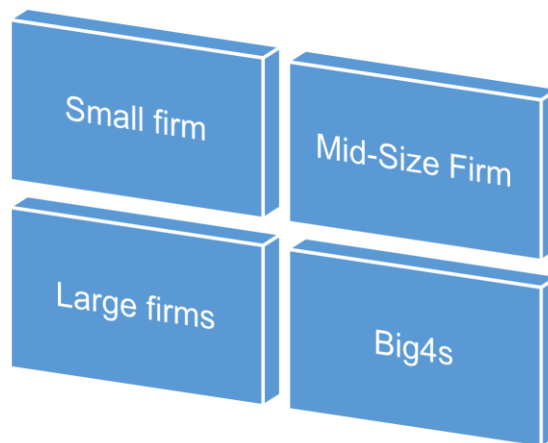




# Industry, Consulting or Outside India



## Type of Firms



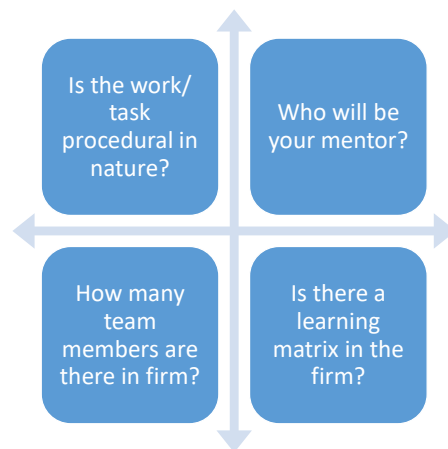


## Small medium at large!

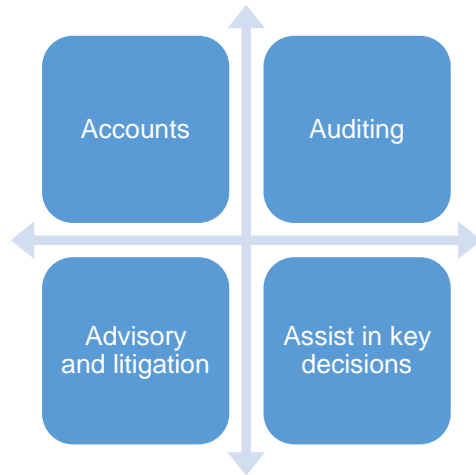
### Small vs medium vs large

- Each firm has own advantages
- Choice should be dependent on understanding of concepts and process oriented approach

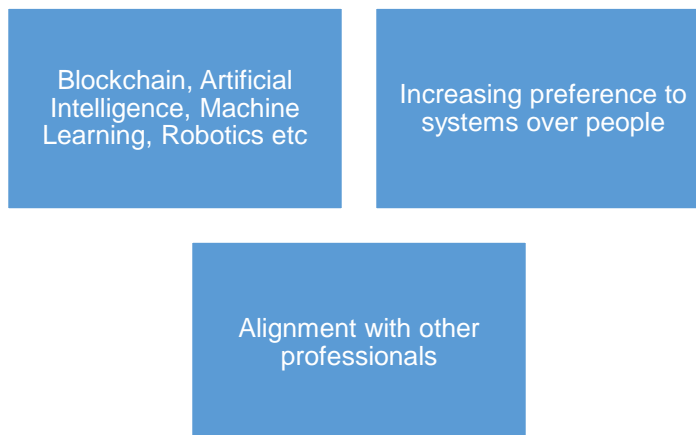
## Decision should depend on?



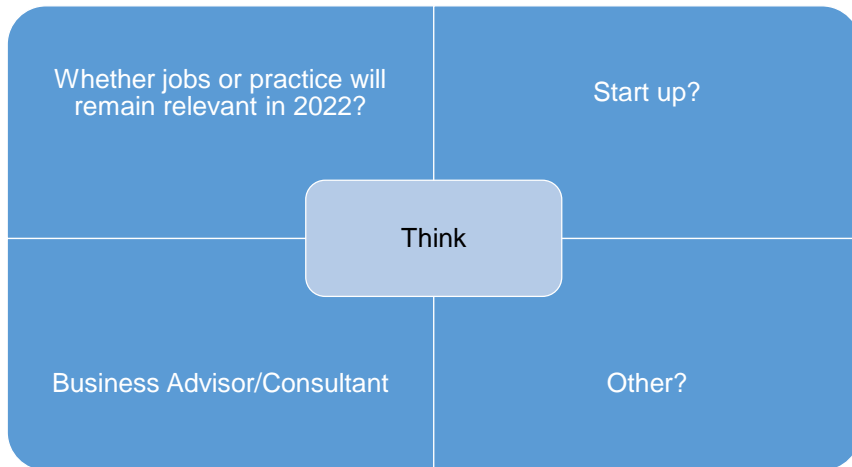
## Work expectations!



## Have you factored?



## Modern approach!



## Other factors

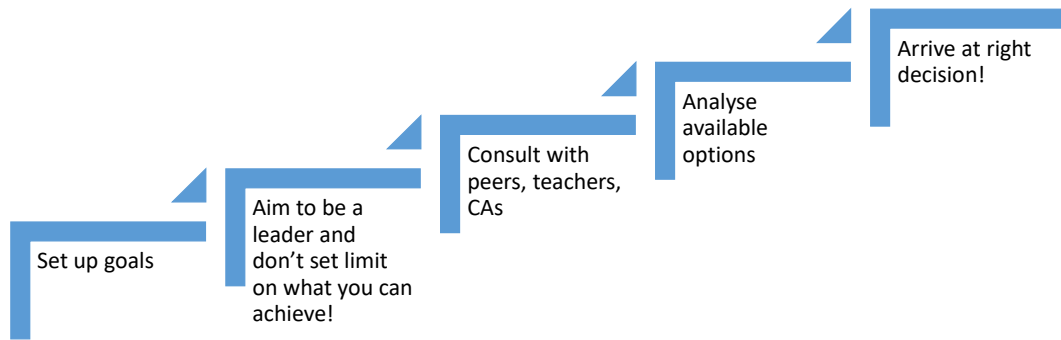
### Salary

- Learning should be focus and not earning (unless candidate has financial challenges)

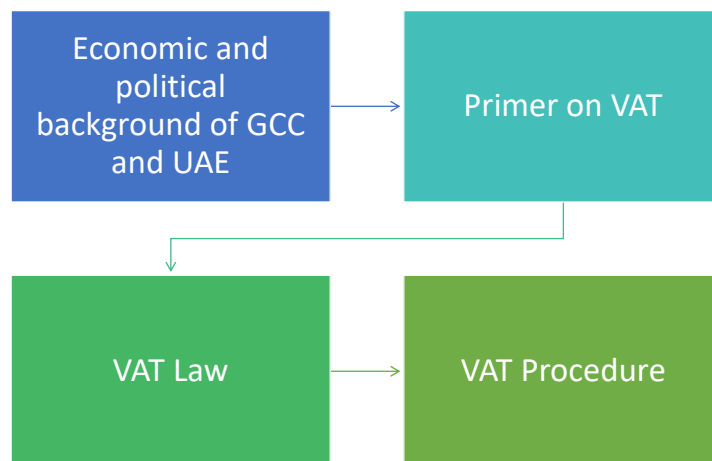
Thought leadership at firm

Online footprints of the firm

## Way-forward



## Path to tread



# Where?

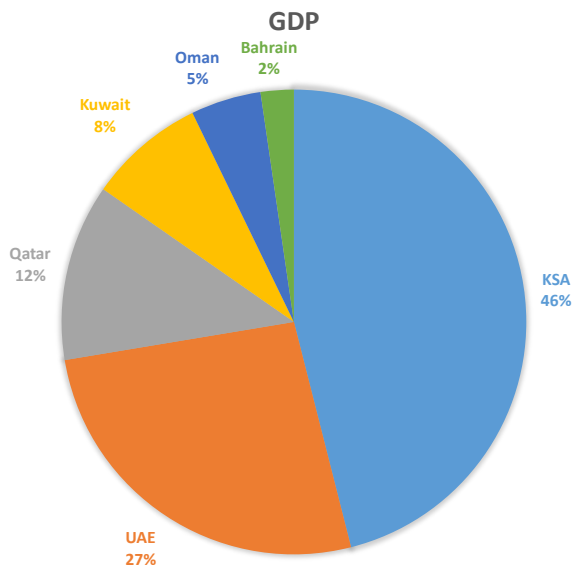


United Arab Emirates, Saudi Arabia, Bahrain, Kuwait, Oman and Qatar

\*not political maps – Only for reference

## About GCC

- Established in May 1981
- Population 55 mn
- Combined GDP \$ 1,390 bn
  - India's GDP \$ 2,250
- VAT revenue
  - Expected to be \$ 25 bn



## About GCC

### UAE

- 82 lacs
- Non-nationals 89%

### KSA

- 3.17 crore
- Non-nationals 37%

### Bahrain

- 14 lacs
- Non-nationals 53%

### Kuwait

- 44 lacs
- Non-nationals 70%

### Oman

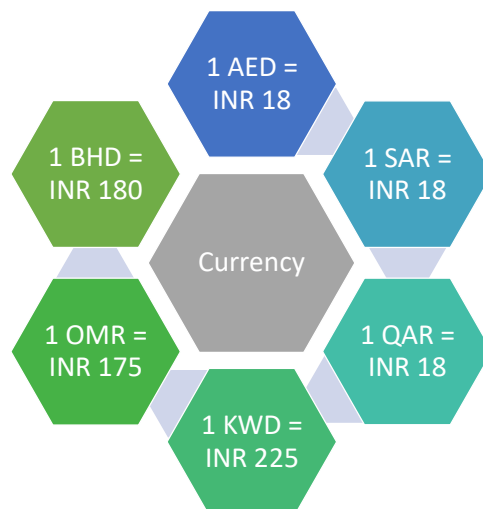
- 46 lacs
- Non-nationals 46%

### Qatar

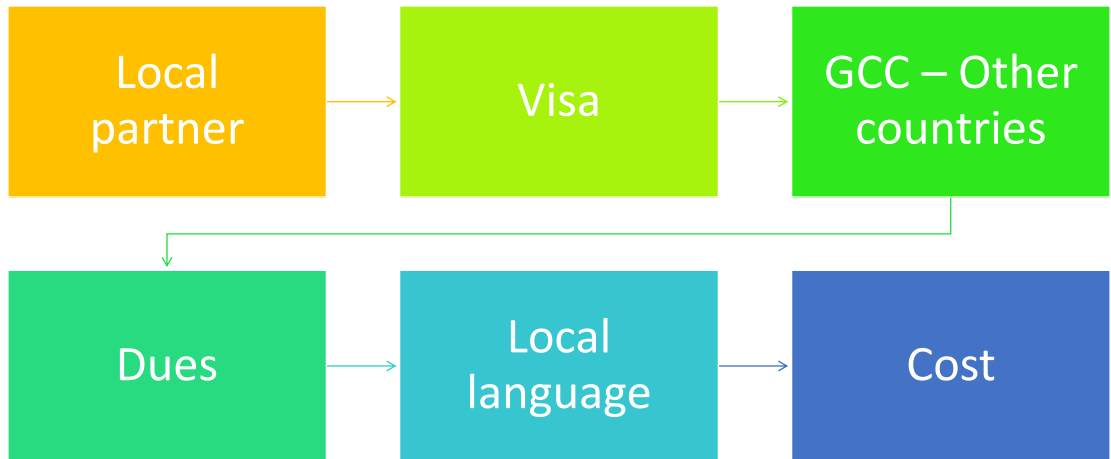
- 26 lacs
- Non-nationals 86%

## Currency

- United Arab Emirate Dirham (AED)
- Saudi Arabian Riyal (SAR)
- Qatari Riyal (QAR)
- Kuwaiti Dinar (KWD)
- Oman Rial (OMR)
- Bahraini Dinar (BHD)



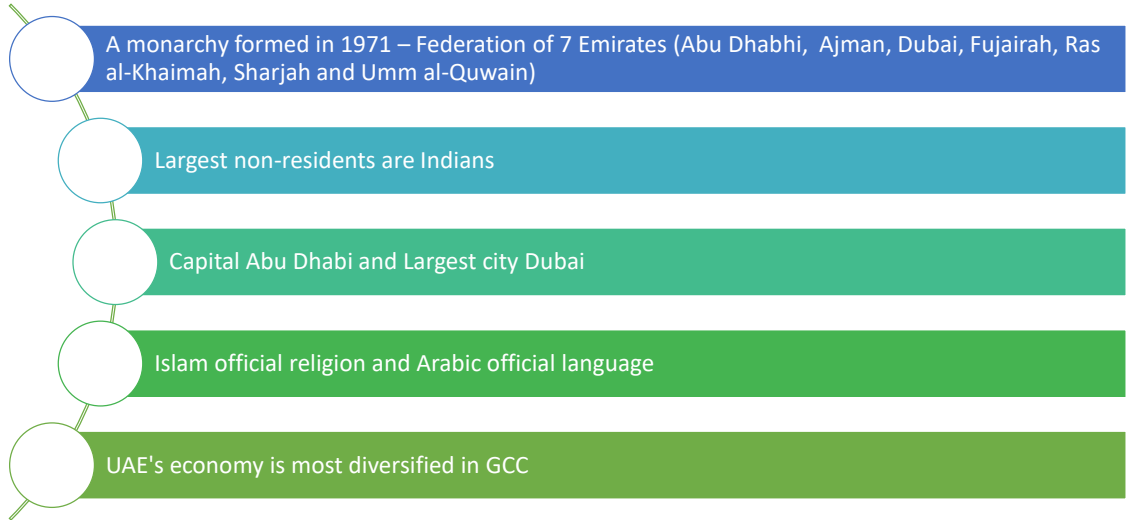
## Local laws



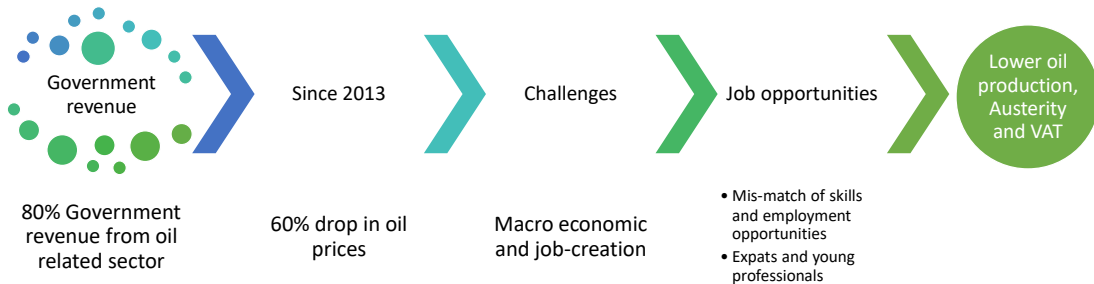
Social



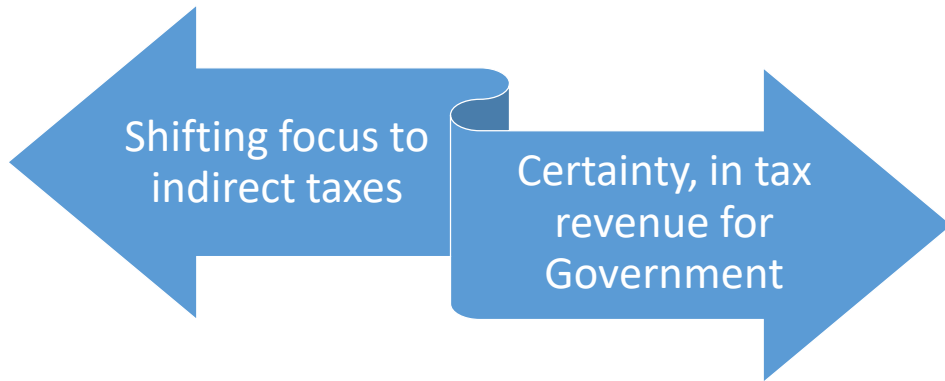
# UAE



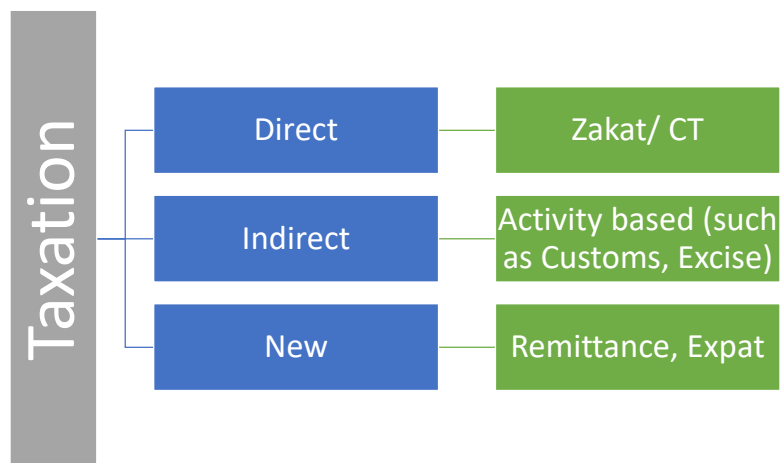
# Why?



## Why VAT?



## Taxation



## VAT - Evolution

1981 - Economic Agreement Between the GCC States” and “The GCC Customs Union



2016 – Agreed for introduction for VAT



2017 - Unified Agreement for VAT



2018 - UAE and Saudi Arabia introduced from 1<sup>st</sup> January 2018



2019 or later – Other 4 Countries



## When?

1 January 2018

UAE

KSA

1 January 2019 or later

Bahrain, Kuwait, Oman and Qatar

## How and who?

### About

Framework

Tax Authority

Law

Regulations

### UAE

GCC VAT Agreement

Federal Tax Authority

VAT Law and Procedure

Executive Regulations and  
Cabinet Decisions

### KSA

GCC VAT Agreement

General Authority on Zakat  
and Tax

VAT Law and Procedure

Implementation  
Regulations

## VAT – Broad concepts

### GCC VAT Framework Agreement

- Broad guidelines

### VAT Legislation

- Act
- Regulations
- Cabinet Decisions

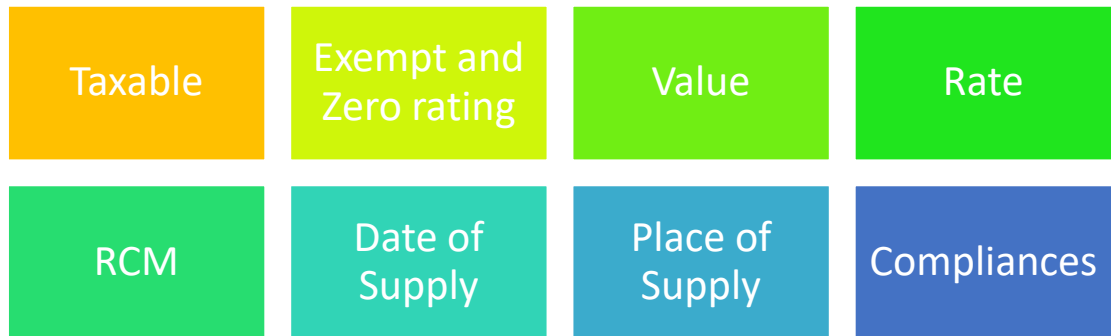
### Authority

- To make changes

## VAT

- Different across world
  - Consumption tax
  - ITC allowed

## VAT – Broad concepts



## Key Articles

2 Scope of Tax

3 Tax rate

4 Responsibility of Tax

5 to 12 Supply

13 to 24 Registration

25 to 26 Date of supply

27 to 33 Place of supply

34 to 43 Value

44 to 46 Zero rate and exempt

48 to 49 RCM and import

54 to 56 Recoverable input tax

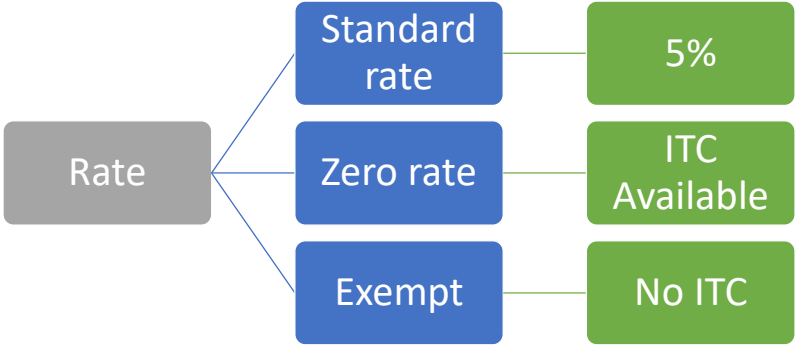
65 to 70 Invoice and CN

83 Tax Procedure Law

# Single rate!

## Rate of VAT

- Standard rate of 5% shall be imposed on any supply or Import
- Rate of VAT is as under





RCM – Disclosure!

One page return!  
Emirate-wise details

Threshold!  
Income and Expenses

Tax Grouping!

Staggered VAT filing  
281,000

Challenges!  
FTZ

## UAE and KSA

### Differences

- Tax treatment (eg. Healthcare, crude, Local transport)
- Compliance (14 days vs 15 days from month end)
- RCM (on fuel)

### Experience

- ERP system and manual intervention
- Initial divergent views on taxability
- Registration delay by taxpayers
- Maintaining records in Arabic
- Last minute rush by taxpayers

Joined the firm –  
Whats next?



## Joined the firm – But, is it the end?



How much you learn, depends on your own attitude!

Align with seniors and their methodology to work!

Work pressure is going to increase further!

Exceed expectations!

Think ahead!

Learn, make friends and have fun!

## Keep the distractions away!

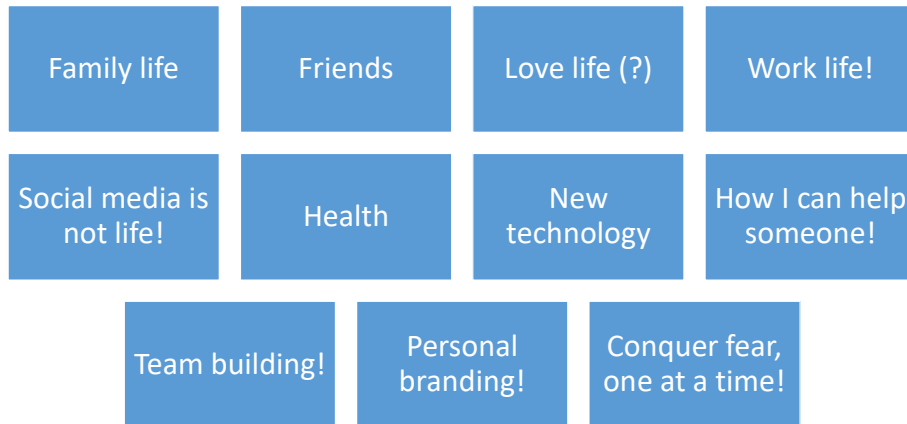
When away from social media for a day!



Remember what Zakir says!



## Prepare a life 'balance' sheet!



Koi bhi firm perfect nahi hota, use perfect banana padata hai!



Before and after!

Kabil bano!



**i was born  
intelligent  
but education  
ruined me**

Thank you –

E-book – Freely available

Video – Youtube.com

Articles – News

capritam@gmail.com