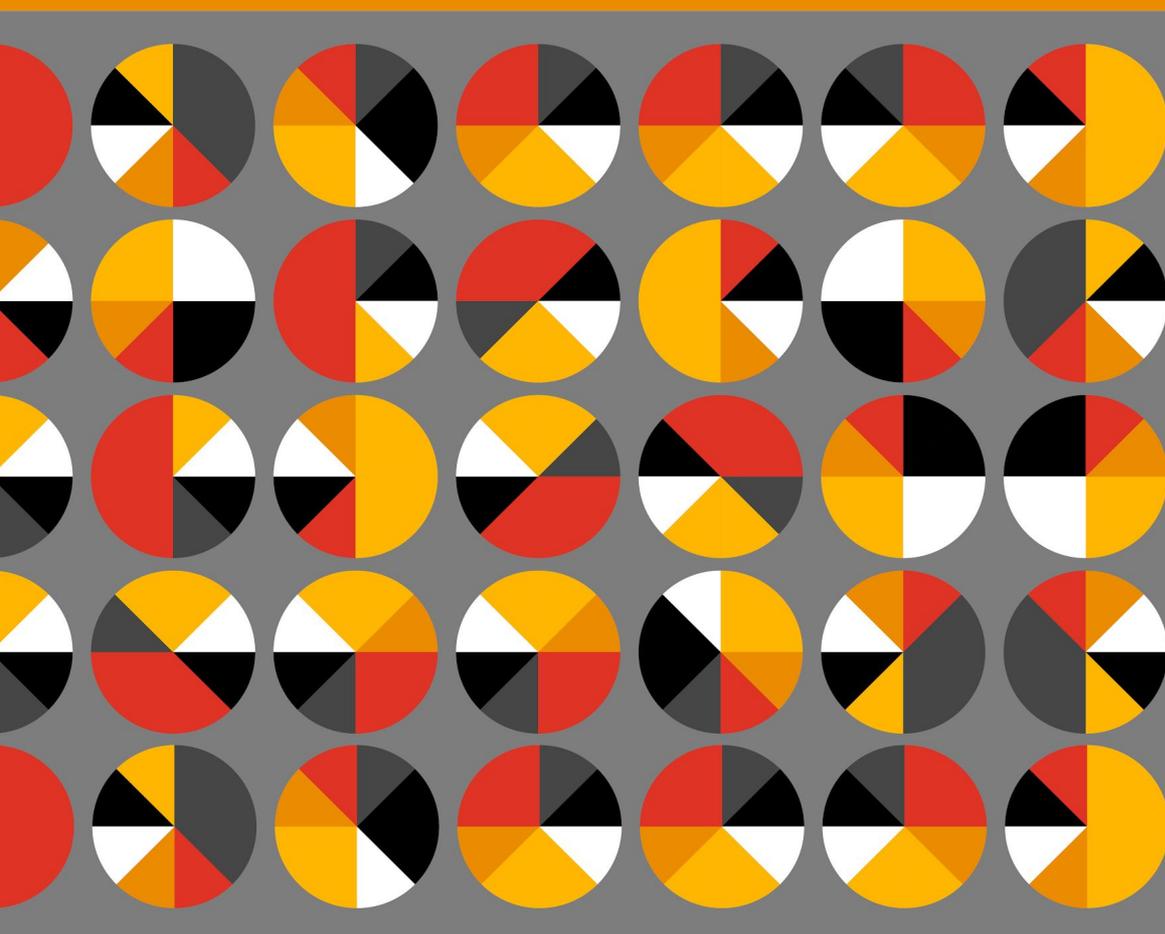


United Arab Emirates: FTA publishes an E-Commerce VAT Guide

August 2020



In brief

On 13 August 2020, the Federal Tax Authority (FTA) in the United Arab Emirates (UAE) published E-Commerce Guide (VATGEC1) providing guidance on the VAT treatment of the supply of goods and services through electronic means.

In details

The FTA published E-Commerce Guide (VATGEC1) on 13 August 2020 to provide guidance on the VAT treatment of the supply of goods and services through electronic means, such as over the internet or a similar electronic network.

The Guide discusses various scenarios around the supply of goods and services by resident and non-resident suppliers and their VAT treatments. The Guide also provides high level guidance and indicators for determining the place of actual use and enjoyment in the case of electronically supplied services, which has been much-awaited by businesses.

The guide also addresses the scenario where the supply of electronic services is made through agents. The electronic marketplace activities such as electronic platforms, portals, gateway and marketplaces are discussed in the context of agents or 'intermediaries'. The VAT implications for intermediaries acting as disclosed or undisclosed agents have been discussed in details.

A more detailed summary for this Guide highlighting the topics that taxpayer need to be aware of will follow shortly.

Let's talk

Taxable persons in the e-commerce business or those who are acting as an intermediary providing an online platform for the supply of electronic goods and services need to assess the VAT treatment of its supplies in the context of the Guide. For a deeper discussion on various aspects discussed in the Guide which are applicable to your businesses, please contact us.

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