



# United Arab Emirates: VAT Guide (VATGRH1) - VAT Refund for UAE Nationals Building Residences

April 2026

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## In brief

On 10 April 2026, the UAE Federal Tax Authority (FTA) issued an updated guide on the **VAT refund scheme for UAE nationals building new private residences**. The guide provides practical clarity on eligibility criteria, qualifying and non-qualifying expenses, filing timelines, and documentary requirements for claiming VAT refunds.

It also explains the VAT refund process for UAE nationals who build or commission the construction of a new private residence, including the types of costs that may qualify, the evidence to be retained, and the claim submission process through **EmaraTax** and the **Maskan** app. The April 2026 update enhances the guidance by adding examples and common errors, clarifying documentation and retention payment treatment, and simplifying the guidance to support effective and compliant refund claims.

## Key amendments under the updated VAT Guide

In practical terms, the guide focuses on the conditions for refund eligibility, the distinction between incorporated construction costs and non-qualifying personal or lifestyle items, and the timing and documentation requirements that will be critical in preparing a successful claim.

### The key takeaways include the following:

- The claimant must be a **UAE national**, a **natural person**, and hold **Family Data**.
- The refund is available only for a **new residence** (including townhouses and villas) intended for occupation by the applicant and or the applicant's family.
- The guide clarifies which goods and services are treated as **incorporated into the residence** and may therefore qualify for refund.
- Certain items remain outside the regime, including **appliances, furniture, landscaping, pools, and other non-structural items**.
- Applications must generally be submitted within **12 months from completion** of the residence.
- A separate claim may be submitted for **retention payments**, subject to the applicable deadline.
- The FTA has also highlighted several **common errors** that may delay or affect the refund process.

## Key amendments under the updated VAT Guide

Area	What the guide clarifies	Suggested practical focus
<b>Eligibility</b>	Applies to UAE nationals building or commissioning a new private residence.	Confirm private, non-commercial use.
<b>Definition of residence</b>	Must include sleeping quarters, washroom and cooking facilities; some extensions may qualify.	Assess extensions before claiming VAT.
<b>Qualifying costs</b>	Construction materials and services incorporated into the building qualify.	Distinguish between structural from movable items.
<b>Non-qualifying costs</b>	Appliances, furniture, landscaping, pools and similar items excluded.	Remove non-qualifying costs early to reduce challenge risk.
<b>Invoices and documentation</b>	Valid tax invoices, correct applicant details and proof of payment required.	Perform document quality checks before filing.
<b>Timing of claims</b>	Claims due within 12 months of completion; special rules for retention.	Track deadlines carefully.
<b>Process and systems</b>	Claims submitted via EmaraTax or the Maskan app.	Capture invoices during construction.
<b>Common errors</b>	Missing bank letters, incomplete completion documents, data mismatches, and missing powers of attorney as common issues.	Use a pre-submission checklist.

The guide also makes clear that a UAE national applicant may generally submit only **one refund request per new residence**, except in the case of **retention payments**, where a related application may be submitted subsequently within specified timelines.

The points above summarizes the guide's treatment of eligibility, the meaning of "residence", qualifying and non-qualifying costs, document standards, claim timing, submission channels, and common filing errors.

For the complete wording of the updated guidance and the relevant Executive Regulation provisions, please refer to the link [here](#).

## Contact us

- The updated guide may affect how refund claims are prepared, reviewed, and evidenced for UAE nationals constructing new residences.
- PwC tax specialists can support with reviewing eligibility, assessing qualifying versus non-qualifying costs, validating invoices and supporting documents, and identifying areas that may give rise to challenge.
- PwC's Middle East Tax team can also assist with preparing submission-ready documentation packs and advising on practical issues arising from the use of EmaraTax and Maskan.



### Jochem Rossel

Tax Partner  
Middle East Tax & Legal  
Services Leader  
jochem.rossel@pwc.com



### Steven Cawdron

Tax Partner  
Middle East Transfer  
Pricing Leader  
steven.cawdron@pwc.com



### Chadi Abou-Chakra

Tax Partner  
Middle East Indirect Tax  
Network Leader  
chadi.abou-chakra@pwc.com



### Carlos Garcia

Tax Partner  
Middle East Customs and  
International Trade Leader  
c.garcia@pwc.com



### Maher ElAawar

Tax Partner  
Indirect Tax  
maher.elaawar@pwc.com



### Ishan Kathuria

Tax Partner  
Indirect Tax and UAE  
eInvoicing lead  
ishan.k.kathuria@pwc.com



### Omara Islam

Tax Partner  
Connected Tax  
Compliance Lead  
omara.i.islam@pwc.com



# Thank you

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