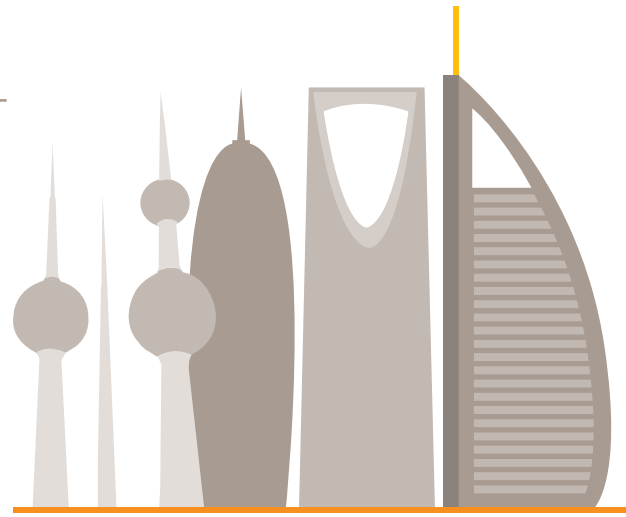


VAT Registration - Are you prepared in KSA and UAE?

Key considerations



VAT is coming - 1 January 2018

With the implementation of VAT in the United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA) on 1 January 2018, businesses are required to register and to comply with a number of VAT obligations: i.e. charging VAT, issuing tax invoices, filing periodical VAT returns and paying any VAT due to the tax authorities.

While the list of obligations set out above is by no means exhaustive, it is imperative for any business to ensure it is registered for VAT in line with the prescribed timelines of each implementing country.

Who is required to register?

Any business; established in the relevant jurisdiction; with a total annual **taxable turnover**, achieved or expected to be achieved in this jurisdiction, exceeding the mandatory registration threshold of AED 375,000 / SAR 375,000 (approximately USD 100,000).

“**Taxable turnover**” includes the value of taxable supplies of goods and services and imported goods and services.

Businesses may elect to register for VAT voluntarily if their annual taxable turnover exceeds AED 187,500 / SAR 187,500 (approximately USD 50,000)

Furthermore, businesses in the UAE may also be obliged or elect to register where the expenses incurred (which were subject to VAT) exceed the mandatory or voluntary registration thresholds respectively.

How to register?

The tax authorities have set up online registration platforms which are now available. The registration platforms are streamlined and have step-by-step guides to assist businesses through the application process.

What is the timeline?

Businesses in KSA will need to register with the tax authority before the VAT go-live date where not automatically registered by the authority in advance and will need to be registered by 20 December 2017 where its turnover exceeds SAR 1m. However small businesses under SAR 1m turnover will have until 20 December 2018 to be registered.

The UAE have issued a press release setting out the following timeline for VAT registration:

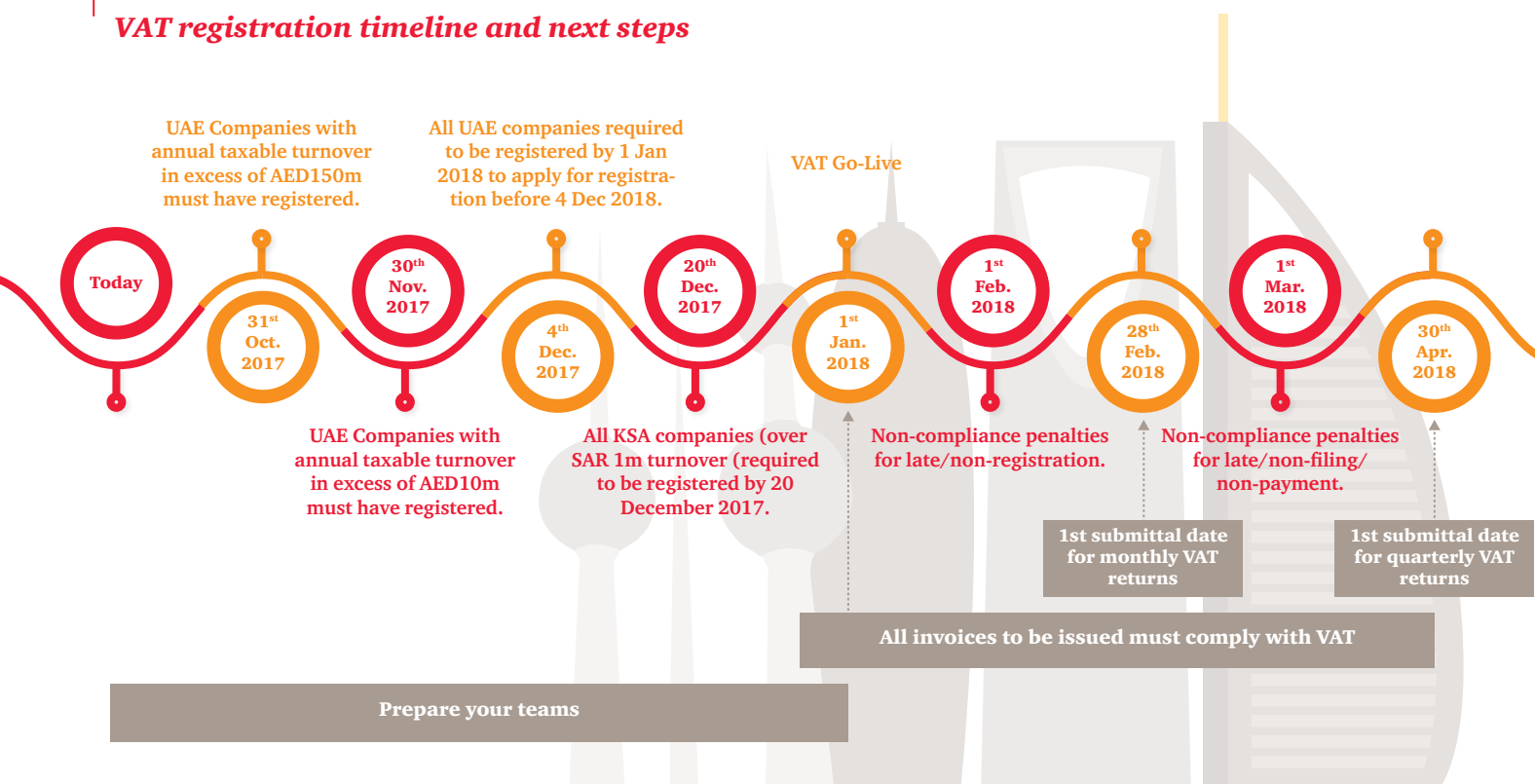
- Before 31 October where the business has an annual taxable turnover in excess of AED150m.
- Before 30 November where the business has an annual taxable turnover in excess of AED10m; and
- Before 4 December for all other businesses who are required to be registered by 1 January 2018.

Implications of not complying

While the exact fees and penalties to be imposed for non-compliance is yet to be confirmed, it is clear that where businesses do not register within the prescribed periods, the tax authorities are likely to levy **non-compliance penalties**. The final responsibility and accountability to comply with the new VAT regime is on the business.

“The final responsibility and accountability to comply with the new VAT regime is on the business.”

VAT registration timeline and next steps



How PwC can help

We want to be your long term partner of choice as you take steps to ensure your business is registered timeously. As such, we are able to offer you specialised registration assistance services as well as help you clarify the need and implications for your business before you start the online registration process. Our pricing structure has also been simplified to ensure there are no delays while we help you get ready for VAT.

The time to take action is now

Take a moment and consider the timeline above. With limited guidance and time running out, your business may still need to update systems, review contracts and change how you operate. Give yourself enough time to ensure compliance with the new tax laws and reach out to our trusted specialists to help you ensure registration in the prescribed timelines.

Disclaimer: The VAT implementing regulations for both KSA and UAE may be updated before the VAT implementation date and may require additional information for the registration process. The regulations would also provide clarification in respect of our interpretation of the law. Kindly note, PwC are not liable for any costs that are incurred as a result of any future change in interpretation.

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