



TAX ALERT

FTA Declaration on VAT Tax Groups



Summary

The Federal Tax Authority (FTA) has released an updated VAT Tax Group Declaration template, featuring enhanced reporting requirements and additional guidance. The revised template requires detailed 12-month turnover disclosures for both the representative member and other group members and provides clarifications on the definitions of related parties (Article 9) as well as VAT group registration criteria (Article 10) under the UAE VAT Executive Regulations.

The Federal Tax Authority (FTA) has released a new template for the Tax Declaration of VAT Tax Groups, featuring updated fields compared to the previous version.

The updated template requires detailed turnover information covering the last 12 months for both the representative member and other members of the tax group. Key reporting fields include:

- a) Standard-rated supplies
- b) Zero-rated supplies
- c) Intercompany sales
- d) Out-of-scope sales

This ensures a comprehensive view of all taxable activities across the entire tax group.

Additionally, the template offers clarifications on key definitions and eligibility requirements, including:

- ✓ Definitions of related parties as outlined in Article 9 of the UAE VAT Executive Regulations, helping taxpayers identify which entities qualify as related parties for VAT group purposes.
- ✓ Eligibility criteria for forming a Tax Group, and the conditions for registration under Article 10 of the Executive Regulations, providing clear guidance on the procedural requirements for registration.

These updates are designed to enhance transparency, accuracy, and compliance for VAT Tax Groups, making it easier for the FTA to monitor group transactions while providing taxpayers with clear guidance on their reporting obligations.

Businesses should ensure that all turnover and intercompany transactions are correctly captured for each member, and maintain supporting documentation, as the FTA may request verification of the reported figures.

Link to the Tax Group Eligibility and Turnover Declaration - English Version:
<http://bit.ly/3JbP7Li>

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