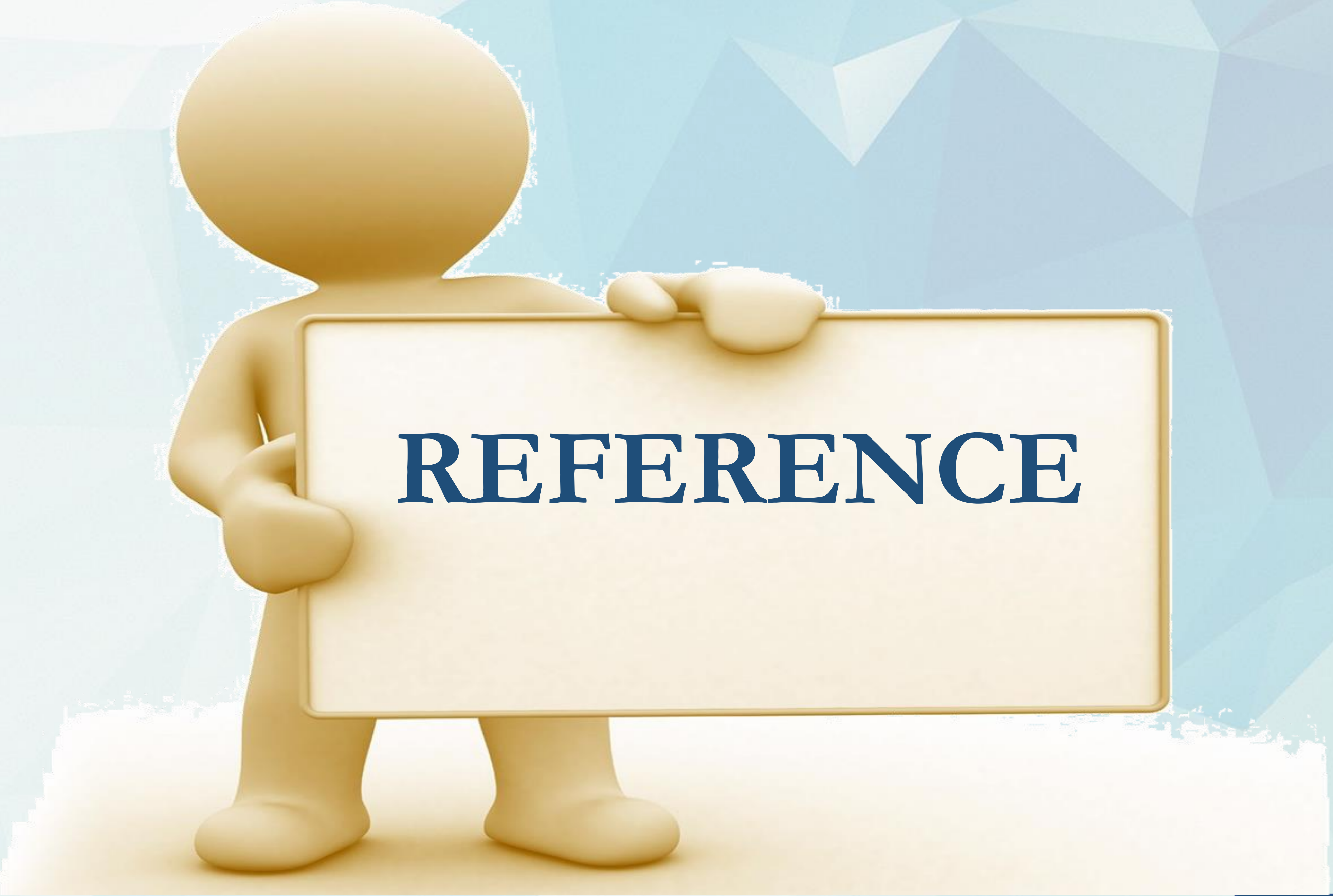
GSTIndia.biz

PLACE OF SUPPLY OF GOODS & SERVICES IN UAE VAT LAW

ICAI, DUBAI – UAE, 29TH SEPTEMBER 2017

Ashu Dalmia

GST Consultant, Trainer & Author

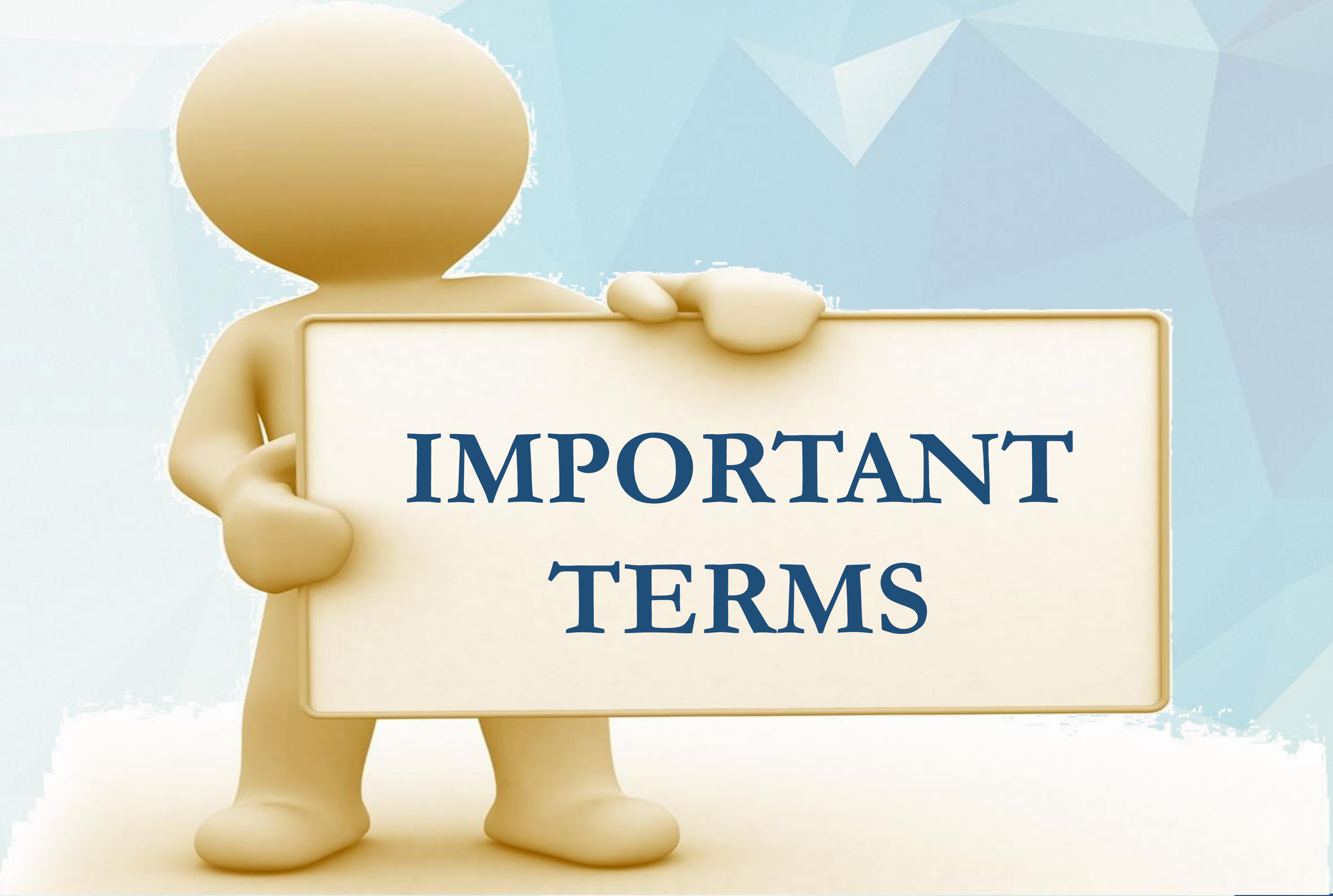

REFERENCE

Common VAT Agreement of the States of Gulf Cooperation Council

Federal Law No. (7) of 2017 on Tax Procedures

Federal Decree-Law No. (8) of 2017 on Value Added Tax

VAT FAQ


IMPORTANT
TERMS

Member States of GCC

- The United Arab Emirates
- The Kingdom of Bahrain
- The Kingdom of Saudi Arabia
- The Sultanate of Oman
- The State of Qatar
- The State of Kuwait

State

United Arab Emirates

Implementing States

The GCC States that are implementing a Tax law pursuant to an issued legislation.


WHY PLACE
OF SUPPLY

The place of supply will determine whether a supply is made in the UAE (in which case the UAE VAT law will apply), or outside the UAE for VAT purposes


PLACE OF SUPPLY –
RELEVANT
PROVISIONS

Title 5:Chapter Two of Law No. 8

Article 27
Place of Supply of Goods

Article 28
Place of Supply of Water & Energy

Article 29
Place of Supply of Services

Article 30
Place of Supply in Special Cases

Article 31
Place of Supply of Telecommunication & Electronic Services

Place of Supply of Services

Place of Supply of services

- Article (29) General Rule
- Article (30) Specific Situations

Article (29) SERVICES:GENERAL RULE

Place of Residence

The place where a Person has a Place of Establishment or Fixed Establishment, in accordance with the provisions of this Decree-Law.

Place of Establishment

The place where a Business is legally established in a country pursuant to the decision of its establishment, or in which significant management decisions are taken and central management functions are conducted.

Fixed Establishment

- Any fixed place of business, other than the Place of Establishment, in which the Person conducts his business regularly or permanently and where sufficient human and technology resources exist to enable the Person to supply or acquire Goods or Services, including the Person’s branches.

Article (30) SPECIFIC SITUATIONS

A. Services from STATE to another IMPLEMENTING STATE

- Recipient has Place of Residence in Implementing State
- **<u>Place of Supply</u>**

  Place of Residence of recipient

B. Services received WITHIN STATE

- Recipient is in business and has place of residence in State
- Supplier does not have Place of residence in State
- **<u>Place of Supply</u>**

  State

Article (30) SPECIFIC SITUATIONS

Place of Supply of services

C. Installation of Goods by others

<u>Place of Supply</u>
Where services are performed

Article (30) SPECIFIC SITUATIONS

Where Services are actually performed

E.

Restaurant

Hotel

Food & Drinks

Catering Services

Where Services are actually performed

F.

Cultural Activities

Artistic Activities

Sporting Activities

Educational Activities

Or similar services

Article (30) SPECIFIC SITUATIONS
F. REAL ESTATE

Services related to Real Estate

Place of Supply

Where real estate is situated

Article (30) SPECIFIC SITUATIONS
G. Transport Services

Transport Services

<u>Place of Supply</u>
Where transportation starts

Article (27) Place of Supply of Goods

Place of supply of Goods

- A. Other than Export/Import
- B. Installation/Assembly
- C. Import/Export

A. Other than Import/Export

Other than Import/Export

Place of Supply of goods shall be in the same state.

B. Installation/Assembly

Assembly/Installation within State

↓

Place of Supply

↓

Within State

Assembly/Installation outside the State

↓

Place of Supply

↓

Outside the state

C. EXPORT

SUPPLY OUTSIDE IMPLEMENTING STATE

PLACE OF SUPPLY

STATE

C. EXPORT

Supply in one of the IMPLEMENTING STATE

Recipient is Non-Registered in other IMPLEMENTING STATE

If total exports from same supplier to EXPORTING STATE

not exceed mandatory threshold limit for Registration

- ✓ Place of Supply - STATE

exceeds mandatory threshold limit for Registration

- ✓ Place of Supply – OUTSIDE STATE

C. IMPORT

Recipient is not having Tax Registration Number

If total exports from same supplier in an IMPLEMENTING STATE

not exceed mandatory threshold limit for Registration

- ✓ Place of Supply – OUTSIDE STATE

exceeds mandatory threshold limit for Registration in State

- ✓ Place of Supply – STATE

Article (31) Place of Supply of Telecommunication & Electronic Services

Telecommunication & Electronic Services

- **Within State**
  - To the extent of use and enjoyment of the supply in the state
- **Outside State**
  - To the extent of use and enjoyment of the supply outside state.

Article (28) Place of Supply of Distribution System – Water & Energy

Taxable Person

Taxable person having Place of Residence in **Other State**

Taxable Trader having Place of Residence in **Implementing State**

Place of Supply

Place of Residence of Trader

i.e.

Implementing State

Article (28) Place of Supply of Distribution System – Water & Energy

Non – Taxable Person

Place of Actual Consumption

Within State or Outside State

ashu.dalmia@ada.org.in

+91-9810893243

www.gstindia.biz