

الهيئة الاتحادية للضرائب
FEDERAL TAX AUTHORITY



VAT REFUND FOR BUILDING NEW RESIDENCES BY UAE NATIONALS USER GUIDE

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1. Brief overview of this user guide

This guide has been prepared to help you successfully complete your VAT Refund Form for Building New Residence by UAE Nationals (“Refund Form”). It is designed to help you:

- **provide accurate answers** to the questions on your Refund Form by explaining what information you are required to provide; and
- **understand the icons and symbols** you might see as you complete the form.

For the purposes of submitting claims for a VAT refund under this special relief arrangement available to UAE Nationals constructing a new residence, you are not required to set up an e-Services account to log the request. Instead, you can use the Refund Form which can be downloaded from the FTA website to claim a refund.

If you have additional questions on specific fields in the Refund Form, please contact us at info@tax.gov.ae

2. About the New Residences Refund Application

2.1 How does it work?

Where a UAE National owns or acquires land in the UAE on which they build or commission the construction of his / her own residence, he / she shall be entitled to make a claim to the FTA to refund the VAT on the expenses incurred on the construction of the residence, subject to certain conditions as detailed in Article (66) of Cabinet Decision No (52) of 2017 on the Executive Regulation of the Federal Decree – Law No. 8 of 2017 on Value Added Tax.

Firstly, an application should be submitted to the FTA (the Refund Form) along with the requested supporting documentation. The Refund Form requests details including those of the applicant and property. The application will be reviewed by the FTA to check the eligibility of the claim. A reference number will be provided if the applicant is eligible for a refund. At this stage, the FTA may also ask for additional information or reject the application to validate eligibility.



If the application is successful (i.e. if the applicant was eligible for refund), additional documentation will likely be requested, either by the FTA or by a Verification Body (appointed and authorized by the FTA) to perform the review of the supporting documentation for the purposes of the claim. You will be notified if your application has been sent to the Verification Body and you can expect that the Verification Body will contact you directly to request additional details and documentation (such as invoices and schedules of costs) for review.

Once the application is reviewed, the FTA will notify the applicant that the claim is approved and transfer the recoverable amount to the bank account of the applicant within **5** business days, or reject the application. For a summary of the process, refer to **Appendix 3** in this document.

2.2 Who is qualified?

The claim may only be made by a natural person who is a UAE National and can evidence this with supporting documentation (i.e. the Family Book).

2.3 What is reclaimable?

In order for a refund claim to be considered by the FTA, it must meet the following conditions:

Criteria relating to the usage of expenses

- Expenses must relate to a newly constructed building which is to be used solely as a residence of the applicant and / or his / her family.

Criteria relating to the nature of expenses

- Services provided by contractors, including services of builders, architects, engineers, and other similar services necessary for the successful construction of a residence.
- Building materials, being goods of a type normally incorporated by builders in a residential building or its site, but not including furniture or electrical appliances.

Goods/materials are normally considered to be incorporated into a building when they are fixed in such a way that the fixing or removal of those goods would either require the use of tools, or result in the need for remedial work to the fabric of the building, or substantial damage to the goods/materials themselves.



Examples of goods which are not considered to be incorporated into the building include:

- Removable appliances;
- Furniture such as sofas, tables, chairs etc.;
- Landscaping, such as trees, grass and plants.
- Swimming pools.

Examples of goods which are considered to be incorporated into the building and would be eligible for a refund of VAT include:

- Central air conditioning and split units;
- Doors;
- Fire alarms and smoke detectors;
- Flooring (excluding carpets);
- Kitchen sinks, work surfaces and fitted cupboards;
- Sanitary units;
- Shower units;
- Window frames and glazing;
- Wiring when embedded inside the structure of the building.

A more detailed list of the types of expenses which may or may not be eligible for a refund is attached as in **Appendix 2** to this guide.

NOTE: A claim may not be made in connection with a building that will not be used solely as a residence, for example as a hotel, guest house, hospital or for other similar purposes. The FTA will require the applicant to repay any VAT refunded to him as a result of breaching the above condition.

3. When should you submit your application to the FTA?

The Refund Form must be sent to the FTA within **6 months** from the date of completion of the newly built residence which is the earlier of the date:

- the residence becomes occupied; or,
- when it is certified as completed by a competent authority in the UAE (per the Building Completion Certificate).



4. What information will you need when completing the Refund Form?

You are required to provide the below documents when submitting the Refund Form to the FTA. It is advisable that you have these to hand prior to starting your application:

- documentary proof to support that you own the specific plot of land in the UAE;
- documentary proof to support the date the building is certified as completed;
- documentary proof to support the date the building is occupied (e.g. utility bill) (if available);
- bank account validation letter/ certificate. This letter must be issued and stamped by your bank and include details of the account holder's name (must be the same as the applicant's name), the bank's name and the IBAN;
- copy of your passport;
- copy of your Emirates ID;
- copy of your Family Book;
- the declaration letter provided by the government housing fund (if applicable);
- the declaration letter provided by the Consultant / Contractor. This will be supported by a declaration sheet which has to be filled out with the amounts of the eligible and non-eligible items (including materials and services) along with the details of all the invoices.
- copies of Construction contract (including addendums);
- copies of Consultancy agreement (including addendums);
- copies of Variation Orders;
- copies of invoices that include returned items; and
- copies of credit notes.

NOTE: When you submit the Refund Form along with the above supporting documents, you will receive an email from the FTA of the eligibility check results in no later than **5** business days. The email will advise whether you are eligible for a refund and provide you with an application reference number.

Once your application is reviewed for eligibility, you may be requested to provide additional documentation to support the VAT refund claim, either by the FTA or the appointed Verification Body, depending on whether your application requires additional review. Examples of additional documentation are:

- Lump-sum invoices provided by the contractor/ consultant to the owner.
- Cost schedules for labour and materials.



If your application requires additional review by a Verification Body, the FTA will communicate this to you and inform you of the Verification Body who will contact you. The full list of documentation that the Verification Body may request is set out in section 6.2.

For details on how to fill the Refund form, please refer to **Appendix 1**.

5. Submitting the Refund Form to the FTA

Once you have completed the Refund Form, please send the soft copy (signed version in PDF format) to the following email address along with the supporting documents.

homebuilders@tax.gov.ae

The FTA will not receive or review New Residences refund requests sent to other FTA email addresses.

Accepted file types are PDF, JPG, PNG and JPEG. The total file size limit is **10 MB**. You will obtain an immediate email notification upon successful submission of the Refund Form.

6. About the Verification Body

6.1. What is a Verification Body?

Verification Bodies are third parties that have been approved by the FTA to perform a detailed review of the expenditure, invoices and VAT incurred in order to verify the VAT refund that the applicant will claim.

You will be notified if your application has been sent to the Verification Body (authorized by the FTA). The Verification Body will contact you directly to request additional documentation supporting your claim.

6.2. What documents may need to be submitted to the Verification Body?

Once you receive the result of the eligibility check and the reference number if successful, you may be required to submit any of the following to the Verification Body as stipulated by the Verification Body:

- Lump-sum invoices provided by the contractor/ consultant to the owner.



- The invoices for which you are making a VAT refund claim. Invoices should have valid TRNs, VAT amounts and include the name of the owner (i.e. the applicant). Simplified tax invoices will not be accepted. For the purposes of claiming the New Residences refund, a Tax Invoice should be provided. Supporting receipts must be submitted along with the invoices to confirm payment. Tax invoices issued in the consultant's / contractor's name, must state that they are for the use of the owner.
- Copy of Construction contract and addendum.
- Copy of Consultancy agreement and addendum.
- Site plan (construction plan).
- Schedule of work.
- Timesheet of labour.
- Soft copy of approved original and amended drawings from the relevant municipality.
- Soft copy of the Bill of Quantities (BOQ).
- Soft copy of the Materials Table.
- Variation Orders (If any).
- Copy of Revised Contract(s) (if any).
- Copy of sub-contract agreement(s).
- Materials Delivery note.

6.3. Will there be any fees charged by the Verification Body?

No fees will be charged for this service.

7. Processing of the Refund Application by the FTA

The refund application will be processed by the FTA within **20** business days of the completion of the eligibility check. You will receive a notification of the results by email including the total VAT that will be refunded.

Once your claim is processed and approved, the FTA will make the payment within **5** business days to the applicant.



Appendix 1 - Completing your Refund Form

Please fill in the form field by field. Any questions that are marked with an asterisk (*) are mandatory and must be completed in order to submit the form. You don't need to input anything for boxes highlighted in yellow; instead, you should include the information as a supporting document to be sent to the designated email address along with the Refund Form.

You must fill out the form first before printing it out for signature and/or official stamp. Handwriting is not accepted.

The following guidance is designed to help you understand the questions that the Refund Form asks in order for you to complete the form accurately.



1. About the Applicant

**Full name (English)
Full name (Arabic)
etc.***

It is important that you enter the details accurately and in particular that both the English and the Arabic names are correct.

This section also asks for other details such as email address, mobile number, passport number, Family Book number and Emirates ID

Have you claimed a VAT refund for other residences in the past 6 years?*

If you own multiple buildings and you have claimed a VAT refund(s) for other buildings, please answer “Yes” and provide the claim reference number for the refund application(s).

If so, provide the reference numbers and dates of these claims

IMPORTANT: You cannot claim for any work that has been carried out or will be used on other buildings.

Have you hired a consultant or a contractor for the construction of the building?*

A consultant is the party responsible for providing consultation on the design; following up with the contractor to confirm building materials have been bought and verifying the completion percentage of the construction.

A contractor is the party responsible for managing the building of the house and conducting the actual buying of the building materials. The contractor is the party who usually has a copy of the invoices.

If you have not hired a consultant or contractor for the construction of the building, please answer “No” to this question.

**What is the number of Contractors/
Consultants hired for the construction of the building?***

Provide the number of Contractors/ Consultants hired for the construction of the building



Full English and Arabic name of the consultant or contractor hired for the supervision of the construction of the building and the construction works (if any)*

Please insert full names accurately.

Upload the declaration letter provided by the Consultant / Contractor

Upload the declaration letter provided by the Consultant / Contractor (*this will be requested at a later stage*)

Is your house funded by a governmental house fund body / entity?*

Please answer 'Yes' or 'No'.

What is the name of the government entity/ body which provided you with the house fund (if applicable)

Please enter the name of the government entity/ body which provided you with the house fund (if applicable)

Upload the declaration letter provided by the government entity (if applicable)

Please upload the declaration letter provided by government entity (if applicable)



2. Applicant contact details

Building name and number etc.

Please enter the Applicant's address/ contact number here.

3. About the building

Are you the owner of the land on which you built or commissioned the construction of this building?*

Upload documentary proof to support that you own the specific plot of land in the UAE*

Please answer "Yes" if you are the owner of the land on which you are building or commissioning the construction of this building and provide the documentary proof.

Is the address of the newly constructed residential building the same as the address provided in the "Applicant contact detail" section above?*

Please answer 'Yes' or 'No'. If no, there is space in the form below to complete the address.

Number of bedrooms*

Please input the number of bedrooms of your house.

Total area of the building (square meters)*

If you have more than one floor, please sum up the totals of the area of each floor.

Has the building been certified as completed? *

Please answer 'Yes' or 'No'.

The date the building is certified as completed*

Please insert the date the building is certified as completed

Upload any documentary proof to support the above date *

Upload any documentary proof to support the above date. e.g. proof of building completion and date of completion obtained by the Municipality



Have you occupied the building?*

Please answer 'Yes' or 'No'.

The date you occupied the building*

If yes, please insert the date you occupied the building.

Upload any documentary proof to support the occupancy date *

Upload any documentary proof to support the above date. e.g. utility bill

4. Details of expenses

Total Value of the Building*

Please insert the valuation of the residence.

Do you have invoices issued in someone's else name (i.e. other than the consultant / contractor)?*

Please answer 'Yes' or 'No'.

Has any of the material been delivered to another address other than the one specified above?*

Please answer 'Yes' or 'No'.

Are there invoices that include refunded items? If yes, please state how many.*

Please answer 'Yes' or 'No' and mention the total number of those invoices.

Have credit notes been issued in relation to the invoices? If yes, please state how many.*

Please answer 'Yes' or 'No' and mention the total number of those invoices.

Have variation reports or requests been issued? If yes, please state how many.*

Please answer 'Yes' or 'No' and mention the total number of those reports/requests.

Have all the materials purchased been used for the construction of the building?*

Please answer 'Yes' or 'No'.



Upload copies of the construction contract and consultancy agreement (and any addendums), copies of variation orders, invoices that include returned items and copies of credit notes.*

Upload documentary proof as mentioned.

Details of lump-sum invoices*

Please enter the details of the lump-sum invoices received by the contractor / consultant which include the following:

- Invoice number
- Invoice date
- Invoice item
- Supplier's name – this refers to the party who issued the invoice (e.g. contractor)
- TRN of the Supplier
- Invoice in the name of
- Total amount paid (AED)
- VAT paid (AED)
- VAT claimed (AED)

Details of additional invoices purchased directly by the owner*

Please provide details of any additional invoices for goods and services purchased directly by you for which you are claiming VAT. This does not include the invoices received by the contractor/ consultant:

- Invoice number
- Invoice date
- Invoice item
- Supplier's name
- TRN of the Supplier
- Invoice in the name of
- Total amount paid (AED)
- VAT paid (AED)
- VAT claimed (AED)



5. Applicant bank account details

IBAN
BIC/SWIFT
etc.*

Please enter your personal bank details here.

IMPORTANT: You must ensure that your account details are accurate. Some accounts cannot receive payments electronically. We recommend that you check with your provider if you are unsure whether or not your bank has made this facility available to you.

The bank account must be a UAE bank account.

Upload the bank account validation letter/ certificate*

Upload the letter/ certificate issued and stamped by your bank which includes details such as the account holder name (must be the same as the applicant's name), bank's name and the IBAN.

6. Declaration

Using this checklist will help you to make sure that you have completed the form correctly and included any other forms and documents we have asked you to send.



Appendix 2 - Expense items eligible / not eligible for refund

| Expense items eligible for refund | Expense items NOT eligible for refund |
|--|---|
| <ul style="list-style-type: none"> • Services of builders • Services of architects • Services of engineers • Supervisory services • Other similar services necessary for the successful construction of the residence • Building materials that make up the fabric of the property (e.g. bricks, cements, tiles, timber) • Central air conditioning and split units • Doors • Decorating materials (e.g. paint) • Dust extractors and filters • Fencing permanently erected around the boundary of the dwelling • Fire alarms and smoke detectors • Flooring (excluding carpets) • Guttering • Other heating systems • Kitchen sinks, work surfaces and fitted cupboards • Lifts and hoists • Plumbing materials • Power points • Sanitary units • Shower units • Window frames and glazing • Wiring when embedded inside the structure of the building | <ul style="list-style-type: none"> • Furniture which is not affixed to the building such as sofas, tables, chairs, bedroom furniture, curtains, blinds, carpets • Electrical and gas appliances, including cookers • Landscaping, such as trees, grass and plants • Free-standing and integrated appliances such as fridges, freezers, dishwashers, microwaves, washing machines, dryers, coffee machines; • Audio equipment (including remote controls), built-in speakers, intelligent lighting systems, satellite boxes, freeview boxes, CCTV, telephones • Electrical components for garage doors and gates (including remote controls) • Garden furniture and ornaments and sheds |



Appendix 3 - Process overview

