

BUSINESS VISITOR REFUND SCHEME

The UAE VAT Law allows foreign business to claim refund of VAT incurred in the UAE under the **Business Visitor VAT Refund Scheme** ('BVRS').

Any person that carries on a business and is registered as an establishment with a competent foreign authority is considered as a **Foreign Business**. The refund under BVRS can be applied for the countries listed with reciprocal arrangements with UAE Ministry of Finance.

There are certain conditions associated with the claim of VAT Refund under BVRS which are as follows:

1. The Foreign Business should not have a place of establishment or fixed establishment in the UAE;
2. They are not a Taxable Person in the UAE;
3. They are not carrying on Business in the UAE;
4. They are carrying on a Business and are registered as an establishment with a competent authority in the jurisdiction in which they are established.

In addition to the above conditions, the refund of recoverable Input VAT only can be claimed under BVRS.

LIST OF COUNTRIES ELIGIBLE FOR BVRS

Austria	Namibia
Bahrain	Netherlands
Belgium	New Zealand
Denmark	Norway
Finland	Oman
France	Qatar
Germany	Saudi Arabia
Iceland	South Africa
Isle of Man	Sweden
Korea	Switzerland
Kuwait	UK
Lebanon	Zimbabwe
Luxembourg	



Minimum amount of VAT for which a BVRS refund claim may be submitted is AED 2,000.



BVRS applications can be made for each calendar year starting from January and ending in December



BVRS application for the previous calendar year is made available on 1 March of the succeeding year and must be submitted latest by 31 August.

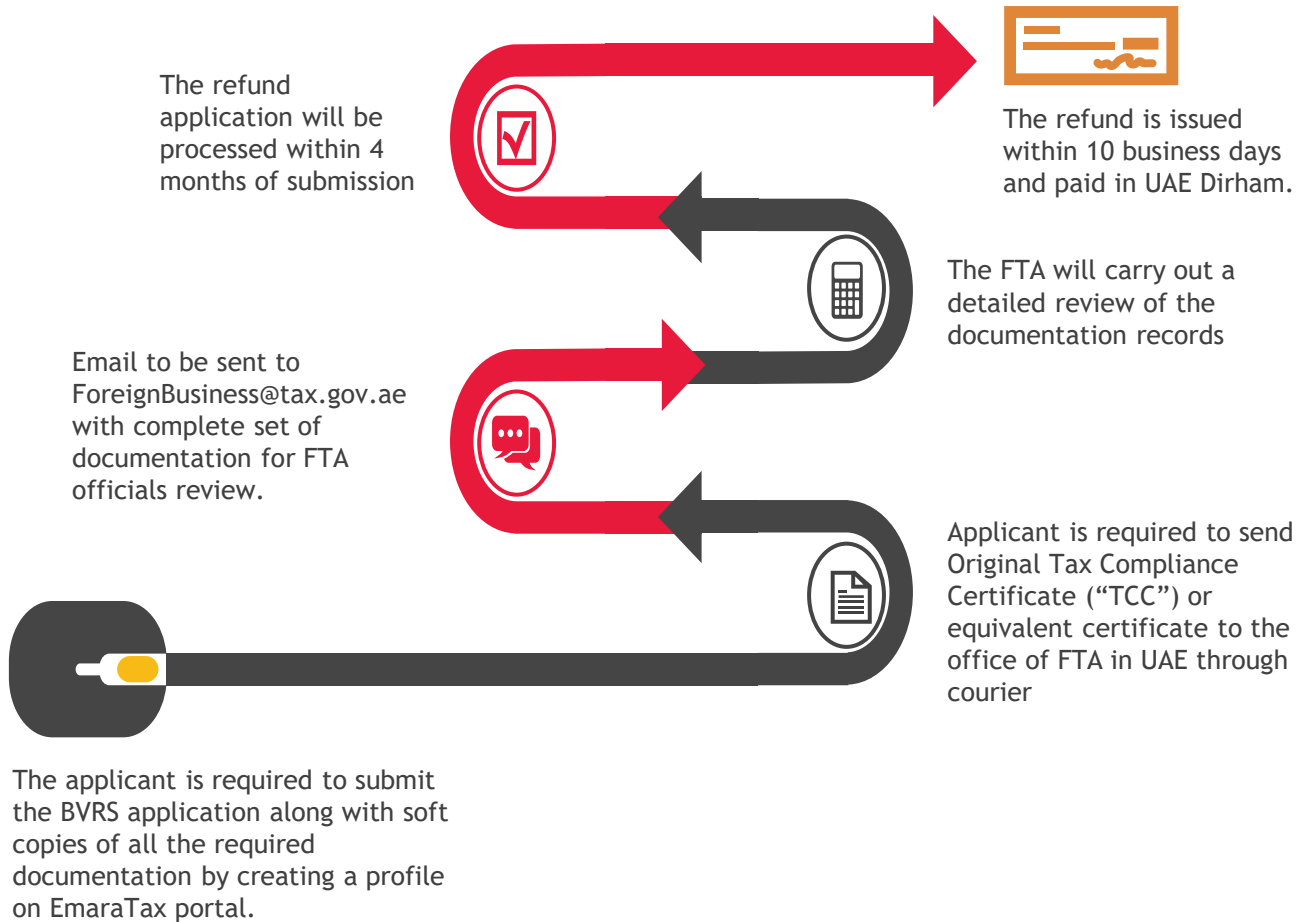


If the applicant does not meet the requirements of the BVRS or does not provide any additional information or documentation requested by the FTA within 1 month, then the application stands rejected.



iStock
Credit: Khanchit Khirisutchalual

APPLICATION PROCESS



SECTORS THAT CAN BENEFIT FROM BVRs

- ▶ Automobile industry
- ▶ Short term engineering/ service contracts
- ▶ Specific marketing/ promotional events
- ▶ Entertainment Industry (e.g., Film Production companies, Live shows, etc.)





PRACTICAL ISSUES IN BVRS

► Non-registered recipients

BVRS application can be rejected if customers are not registered for VAT in the UAE. In such case, the applicant becomes obliged to obtain registration under UAE VAT and thus, disqualified for BVRS refunds. e.g., Government entities and agencies.

► Sending physical TCC to FTA in UAE

The original TCC must be sent to the FTA office in the UAE. However, arranging a legalized and notarized TCC may become a cumbersome process for the applicant. If the original TCC is not received by FTA within the prescribed timelines, the BVRS application may be rejected.

► Liaising with the UAE Embassy for attestation at a foreign location

An applicant is required to obtain the original TCC attested from the UAE embassy at the respective foreign jurisdiction before sending it to FTA office in UAE. If the UAE embassy in a foreign jurisdiction is not operational then attestation of the original TCC requires additional efforts which may lead to a delay in submission.

HOW CAN BDO HELP?

We provide the expert knowledge and experienced services to assist our clients with ensuring successful approval of BVRS refund claims, including:

- Assistance in evaluation and submission of the refund application along with relevant documents
- Assistance with following up with the FTA on the status of the refund application.
- Liaising with the FTA for additional requirements, if any.
- Representation with the FTA as registered tax agents.
- Payment facilitation support to the clients for Ministry of Foreign Affairs (“MOFA”) attestation of Tax Compliance Certificate issued by the foreign tax authority.

Legal Disclaimer: This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Chartered Accountants & Advisors to discuss these matters in the context of your particular circumstances. BDO Chartered Accountants & Advisors, its partners, employees and agents do not accept or assume any liability or duty of care in respect of any use of or reliance on this publication and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO Chartered Accountants & Advisors or any of its partners, employees or agents.

BDO Chartered Accountants & Advisors, a partnership firm registered in Dubai, is a member of BDO International Limited, a UK Company Limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.



ASHISH ATHAVALA

Partner

Email: ashish.athavale@bdo.ae



MUFADDAL SAFDARI

Director

Email: mufaddal.safdari@bdo.ae



AMRITA CHANDWANI

Senior Manager

Email: amrita.chandwani@bdo.ae



DHRUV MEHTA

Manager

Email: dhruv.mehta@bdo.ae

BDO Chartered Accountants & Advisors

23rd Floor, Burjuman Office Tower,
Sheikh Khalifa Bin Zayed Road
P O Box 1961, Dubai, UAE

Tel: +971 4 518 6666

Website : www.bdo.ae