

# Business Visitor Refund Scheme in the UAE

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

Any person who carries out a business and is registered as an establishment with a competent foreign authority is considered a Foreign business. BVRS refund eligibility is determined based on the following considerations:

- The Foreign business should not be carrying out business in the UAE but in one of the eligible countries
- The Foreign business should not have a place of establishment or fixed establishment in the UAE but should be established in one of the eligible countries
- The Foreign business should not be a taxable person in the UAE but should be registered as an establishment with a competent authority in the jurisdiction in which they are established, in one of the eligible countries.

In addition to the above, a VAT refund applied for under the BVRS should be eligible for input VAT as per UAE VAT Law.

The refund under BVRS can be applied for the countries listed below with reciprocal arrangements with the UAE Ministry of Finance. The list of eligible countries is as below:

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



A 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.

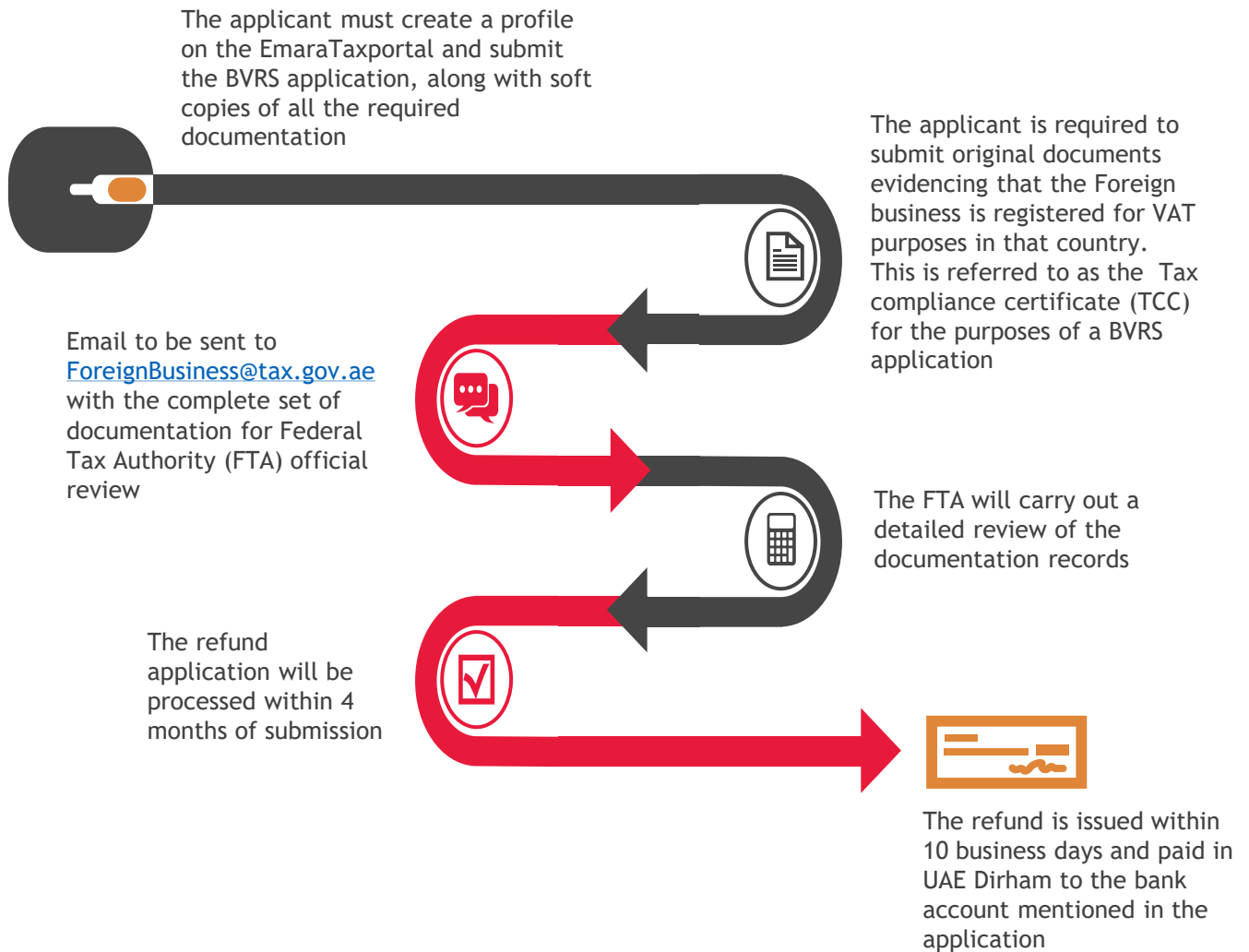


If the applicant does not meet the requirements of the BVRS or does not provide any additional information or documentation requested by the FTA within 1 month, the application will be rejected.





## Application process



## Foreign businesses that can benefit from BVRs

- ▶ Luxury automobile sector involved in display or events
- ▶ Short-term engineering or service contracts
- ▶ Specific marketing or promotional events
- ▶ Entertainment Industry (e.g. film production companies, live shows, etc.)





## Practical issues in BVRS

### VAT unregistered customers of Foreign Business

A BVRS application can be rejected if the Foreign business customers are not registered for VAT in the UAE. It could be challenging to determine the VAT registration status of the customer, particularly in the case of Government, semi-Government businesses or similar.

### Delays in obtaining TCC or equivalent

The TCC or equivalent need to be submitted to the FTA office in hard copy and the TCC should be attested by the Ministry of Foreign Affairs and the UAE Embassy in the country where the Foreign business is established. If a particular country does not have an operational UAE Embassy, then the attestation must take place in the UAE, with counter attestation in the country where the Foreign business is established. The logistics around making the TCC or equivalent available to the FTA office in original hard copy should therefore be clearly understood before commencing the application process.

## How can BDO help?

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

- Assistance in evaluating and submitting the refund application along with relevant documents
- Payment facilitation support to the clients for Ministry of Foreign Affairs (MOFA) attestation of the Tax compliance certificate (TCC) issued by the foreign tax authority
- 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.

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