

RVG CHARTERED ACCOUNTANTS



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New paperless tax refund for Tourists

The UAE's Federal Tax Authority announced the world's first paperless tax refund scheme for tourists. In the press conference, the director general of the Federal Tax Authority, Khalid Ali Al-Bustani said the new paperless system has been now linked with retailers, which will make receipts available electronically. Tourists can use these electronically generated receipts to claim value-added tax refunds without carrying paper receipts.

The UAE introduced a VAT of 5 percent in 2018, and all tourists who spend \$68 on purchases can claim VAT refunds at the outlets while leaving the country. The UAE authorities have also equipped several kiosks to avail of the tax refund. Al-Bustani said: "We worked with our partner Planet Tax to ensure that data is ready before a tourist arrives at the airport and can collect the refund."

Retailers in the country are linked with FTA and Planet Tax systems, and tourists can generate all the details regarding the VAT refund by visiting the Planet Tax website. The tax official said the process is "very quick" and tourists "can always check about their refund amounts on the Planet portal once the invoice is posted. This service has been activated now and 95 percent of merchants will be covered under this scheme in the first year."

UAE: Sheikh Mohammed announces new law on public-private partnership

His Highness Sheikh Mohammed bin Rashid Al Maktoum, the Vice-President and Prime Minister of the UAE and Ruler of Dubai chaired a Cabinet meeting and announced the new law, on public-private partnership (PPP) law in order to increase the role of the private sector in the development of the economy.



"Our goal is to create opportunities and encourage the private sector to engage in developmental, economic and social projects and to develop partnerships that lead to improving the quality of public services," Sheikh Mohammed tweeted at the end of the meeting.

The PPP law aims to organise partnerships between both sectors, encouraging the private sector to participate in the development and strategic projects, increasing investment in projects of economic and social values, and enhancing the competitiveness of projects in the local, regional and global markets. In a series of tweets, Sheikh Mohammed highlighted how the UAE has overcome the effects of the Covid-19 pandemic.

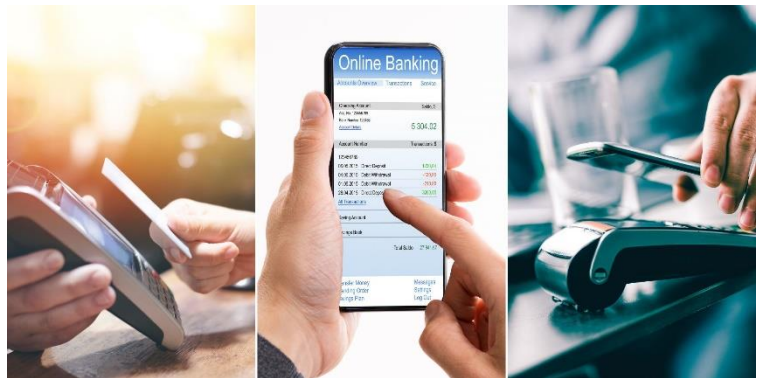
He also said the country's economic growth has been higher than it was prior to the pandemic. Global trade has not yet regained its strength, but the UAE's economy has, Sheikh Mohammed, said.

The UAE's foreign trade also exceeded Dh1 trillion in the first half of 2022, compared to Dh840 billion during the pre-pandemic level. Sheikh Mohammed added: "The number of global indices topped by the UAE rose from 121 to 156 indicators. We ranked among the top 10 in 432 global indicators, compared to 314 pre-pandemics.

UAE customers can now pay government services fees in several ways

The UAE’s Ministry of Finance on announces customers can now pay government services fees using various payment options accepted in the Emirates.

The move comes in response to customers’ suggestions and requirements, the ministry said, as it aims to provide customers with “easier, more flexible and more efficient payment methods”.



Customers can select the appropriate payment method to pay federal government services fees using common e-payment methods, such as Samsung Pay, Apple Pay, bank transfers, as well as direct debit and credit cards.

Over the next three months, federal government entities will gradually stop using the e - Dirham platform as a payment method for their services fees, the ministry said.

The Covid-19 pandemic spurred the faster adoption of digital payments, particularly contactless payments, because of heightened awareness about the spread of the virus through banknotes and plastic money.

About 88 percent of consumers in the UAE have used at least one emerging payment method in the past year as the move towards a digital economy accelerates, a new survey found.

Nearly 40 percent of UAE residents used a tappable smartphone mobile wallet, 29 percent used buy-now-pay-later (BNPL) services, 20 percent used cryptocurrency and 18 percent used a payment-enabled wearable tech device, Mastercard’s New Payments Index 2022 found. The UAE is taking several steps to boost its digital economy and exploit the advantages provided by emerging technology.

UAE central banks raise interest rates following Fed rate hike

The central banks of UAE, Saudi Arabia, Kuwait, Qatar and Bahrain have raised their interest rates in response to a hike in the US Fed's benchmark rate on September 21.

The US Federal Reserve raised its benchmark interest rate by three-quarters of a percentage point to a range of 3-3.25 percent on Wednesday. The rate increase was the fifth of the year and the third consecutive three-quarter point hike.



According to the state news agency, WAM, the Central Bank of the UAE (CBUAE) raised the base rate applicable to the overnight deposit facility (ODF) by 75 basis points (bps) – from 2.4 to 3.15 percent, effective from September 22.

The CBUAE also has decided to maintain the rate applicable to borrowing short-term liquidity from the CBUAE through all standing credit facilities at 50 bps above the base rate.

The base rate, which is anchored to the US Federal Reserve's IORB (interest rate on reserve balances), signals the general stance of the CBUAE's monetary policy. It also provides an effective interest rate floor for overnight money market rates.

The Saudi Central Bank (SAMA) hiked its reverse repo rate by 75 bps to 3.25 percent from 2.5 percent. It also increased its repo rate to 3.75 percent (375 bps) from 3.0 percent. The central bank follows the interest rate moves of the US Federal Reserve due to the Riyal-US dollar peg. In response to the Fed hike rate, the Central Bank of Kuwait has said it's increasing its discount rate by 25 bps to 3 percent as of September 22.

UAE tightens real estate investment rules; brokers to report cash deals worth Dh55k

The UAE has tightened real estate investment rules and asked property agents, brokers, and law firms to report cash transactions worth Dh55,000 and above to the UAE's Financial Intelligence Unit. The government announced new reporting requirements for certain real estate transactions to strengthen its regulatory framework for anti-money laundering and countering the financing of terrorism.




In addition, experts said the government's latest move may bring a temporary slowdown in the real estate sector that attracted more than Dh150 billion in investment during the first half of 2022. Real estate activities are estimated to generate about 5.5 percent of the UAE's overall gross domestic product (GDP) annually. The Ministry of Economy (MoE) and the Ministry of Justice (MoJ) developed the new criteria for real estate transactions in partnership with the UAE's Financial Intelligence Unit (FIU). In a statement on Monday, the two ministries said all real estate agents, brokers, and law firms are obliged to file reports to the FIU for purchase and sale transactions of freehold real estate properties in the UAE that include any of the below three methods of payment, whether for a portion or the entirety of the property value:

1. Single or multiple cash payment(s) equal to or above Dh55,000
2. Payments that include the use of a virtual asset
3. Payments where the fund(s) used in the transaction were derived from a virtual asset.

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Our Services

- Audit & Assurance
- Accounting & Business Advisory
- International Tax Advisory
- VAT Advisory
- IS Audit & ERP Implementation
- Business Consultancy
- PRO Services

*Disclaimer: All the information is sourced from the latest updates of the Ministry of Finance, and media updates