

# RVG CHARTERED ACCOUNTANTS

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## FTA releases Tax payer User Manual on Group Registration

The United Arab Emirates' (UAE) Federal Tax Authority (FTA) publishes the 'EMARATAX Tax Group Registration – User Manual, Version 1.0.0.0' (User Manual) to help a VAT Tax Group representative member to navigate through the FTA's EmaraTax website and submit a VAT Tax Group Registration application (Application). Essentially, a representative member is required to log in to their EmaraTax account and initiate the Application. The User Manual provides detailed explanations and screenshots at every stage of the Application.

# Federal Tax Authority opens pre-registration for corporate tax ahead of June 1 deadline

The UAE's Federal Tax Authority (FTA) has launched early registration for corporate tax through EmaraTax, the nation's digital tax services platform. The step comes in line with Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Corporate Tax Law), which stipulates that Taxable Persons will become subject to Corporate Tax from the beginning of their first financial year that starts on or after June 1, 2023.

The authority explained that early registration is open from January 2023 to May 2023 for certain categories of companies operating in the UAE. These selected companies will be receiving invitations from the FTA by email and SMS, allowing them to register via the EmaraTax platform, the FTA will announce at a later date when registration will be open for other companies and businesses.

The FTA will make sure to give ample time for companies and businesses to apply for registration and meet their legal obligations. When registration opens, priority will be given to companies and businesses that have a financial year starting on June 1, 2023.

As for what constitutes profit, corporate tax will apply on "the adjusted accounting net profit" of the business.

Free zone business, meanwhile – thousands of which exist in the country – can "continue to benefit from corporate tax incentives" as long as they "meet all necessary requirements," the ministry said, without elaborating. Companies within the UAE's many free zones have long enjoyed zero taxes and full foreign ownership, among other benefits, in the 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."

## NEWS UPDATE

### Pre - registration for CorporateTax !!

**The UAE Federal Tax Authority opens pre-registration for corporate tax**

The early registration period is available through the EmaraTax platform from January 2023 to May 2023 for certain categories of companies operating in the UAE

Source: mof.gov.ae

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# New UAE tax applies to all international deliveries

UAE announces new tax rules for international purchases. The new tax comes into effect on February 1. The tax applies to packages worth more than Dhs300 – it is industry-wide, meaning it will impact orders from Amazon and other delivery retailers.

It all links back to UAE customs notice first issued in June 2022, that is now fully in force.



According to the notice, you must now pay a five percent customs duty charge and five percent VAT if you buy something worth more than Dhs300.

If you purchase something worth less than Dhs300, you are exempt from paying any fee.

The UAE has announced new rules for international imports, according to the Ministry of Foreign Affairs and International Cooperation (MoFAIC).

Beginning February 1, international import invoices valued at or over AED10,000 must be attested by MoFAIC.

"Pursuant to UAE Cabinet Decision No.(38) of 2022 on the attestation fees of commercial invoices and certificates of origin for importers into the United Arab Emirates, all imports into the country must be accompanied by an invoice attested by MoFAIC," the UAE authority said via Twitter.

MoFAIC will collect a fee of AED150 for every commercial invoice of imported goods valued at AED10,000 or more. This amendment will be applied for the period from June 1, 2018 to December 31, 2022, noting that the term provided in the aforementioned Cabinet Decision No. (25) of 2018 (goods) will be re-applied starting from January 1, 2023.

# Mandatory UAE Unemployment Insurance Scheme: Here's how to sign up and avoid fines

If you are a private or public sector employee in the UAE, you can now sign up for the Unemployment Insurance Scheme. Subscription to the scheme is mandatory and was opened on January 1, 2023, by the UAE's Ministry of Human Resources and Emiratisation (MOHRE). Depending on your basic salary, you will have to pay a premium of Dh5 or Dh10 per month to be eligible for unemployment insurance.

The scheme is called the Involuntary Loss of Employment (ILOE) and you can subscribe for it online, or through a total of seven different platforms, mentioned below. To be eligible to receive compensation under the insurance scheme, you must complete a minimum of 12 consecutive months in your previous job, calculated from the day you subscribed to the insurance scheme. Once you are eligible, you will receive 60 per cent of your basic salary for three months if you lose your job due to reasons beyond your control.

As per the Ministerial Resolution No. 604 of 2022 regarding the Involuntary Loss of Employment (ILOE), eligible employees have a grace period of six months – till June 30, 2023 – to subscribe in the ILOE. If the insured worker was employed at a date later than Jan 1, 2023, he or she will have a grace period of four months to subscribe, starting from the day he or she landed in the UAE or the day the 'Visa Change Status' was completed.

If you fail to subscribe to the scheme once the deadline has passed, a fine of Dh400 will be imposed (unless the deadline is extended). According to Article 9 (2) of Ministerial Resolution No. 604 of 2022 concerning Unemployment Insurance Scheme: "In the event that the insured [individual] fails to pay the insurance premiums according to the selected payment frequency for a period exceeding three months from the due date, the insurance certificate will be cancelled and a penalty of Dh200 will be imposed."

# VAT in UAE: Latest Rules Regarding the Issuance of Tax Invoices in 2023

The UAE VAT Law defines tax invoices as a written or electronic document in which the occurrence of a Taxable Supply and its details are recorded. Taxable persons are required to issue a tax invoice in the UAE when they make a taxable supply. VAT consultants in Dubai can provide you with advice on the issuance of tax invoices.

You may need to know the situations where you are required to issue a tax invoice. Businesses should also understand the timeline for the issuance of tax invoices. For example, the amended UAE VAT Decree-Law contains a change in the date of issuance of the tax invoice. These and many other rules regarding the issuance of a tax invoice will be discussed in the following.



The second session of the Corporate Tax Public Awareness program was held in Dubai with leading officials in attendance, H.E. Younis Haji Al Khoori, Undersecretary of the Ministry of Finance, His Excellency Khalid Ali Al Bustani, Director General of the Federal Tax Authority and Mohammad Ali Rashed Lootah, President & CEO of Dubai Chambers, along with more than 600 tax experts, business sector representatives, and company owners.

# RVG Partnered with Duqe Freezone in UAE

RVG Chartered accountants in UAE partnered with another Freezone in uae named DUQE Freezone, the freezone for innovators and disruptors that want their business setup done better.

DUQE provides a dedicated space for entrepreneurs to meet, connect, exchange ideas, build partnerships, and have a sense of unity and oneness from where they can draw strength and inspiration. The community space has been designed to be the home of the upcoming disruptors in the market, the founders of the next breed of unicorn companies in the UAE and the Middle East, and the innovators who will introduce the technologies of the future. Professionals of RVG Chartered accountants will guide you and support for all the services in Duqe Freezone.

#yourownCA

**Another milestone in the Journey of  
RVG Chartered Accountants**

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FREEDOM TO SHAPE YOUR BUSINESS

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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