



BETA CONSULTANTS

**FREQUENTLY ASKED QUESTIONS
ON
VAT REFUND FOR EXHIBITIONS AND CONFERENCES**

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VAT REFUND FOR EXHIBITIONS AND CONFERENCES

1. What are the services which fall under VAT Refund for Exhibition and Conferences “Scheme”?

Services which fall under this refund scheme are the services of:

- a. Granting the right to occupy space for the purposes of conducting an exhibition or conference; and
- b. Granting the right to access, attend or participate in an exhibition or conference.

2. What is the benefit of the Scheme?

The Supplier providing the Exhibition and Conference Services will charge VAT at 5% in respect of the Services. However, in certain situations, the Supplier will be able to refund the VAT amount that it charges on the Services as long as the Supplier does not collect the VAT amount from the International Customer – therefore, in effect, passing the benefit of the refund to the International Customer by ensuring that UAE VAT is not a cost to the Customer.

3. To claim the refund from the FTA by the Supplier, which conditions needs to be complied?

Following conditions must be met for the supplier to be able to claim the refund from the FTA:

1. The supply is of Exhibition and Conference Services – that is,
 - a. either of the grant of the right to access, attend or participate in an Exhibition or Conference, or;
 - b. the grant of the right to occupy space for the purposes of conducting an Exhibition or Conference.
2. The recipient of the Exhibition and Conference Services does not have a Place of Establishment or a Fixed Establishment in the State.
3. The recipient of the Exhibition and Conference Services is not registered for VAT or required to register for VAT in the UAE.
4. The Supplier has obtained a written declaration from the recipient confirming that the recipient does not have a Place of Establishment or a Fixed Establishment in the UAE, and is not registered or required to register for VAT in the UAE.
5. The recipient of the Exhibition and Conference Services has not paid the amount of VAT to the Supplier.

Where the conditions above are met, the Supplier of Exhibition and Conference Services can request the refund of VAT charged on the supply of the Exhibition and Conference Services on the Supplier’s VAT Return which relates to the Tax Period in which the date of supply for the Exhibition and Conference Services was triggered.

4. Is a supplier required to get permit / license from FTA, to be eligible for utilising the refund scheme?

Before being able to utilize the refund scheme, a Supplier must be licensed in respect of the scheme. The license may be required in two scenarios:

1. Service is by granting **right to Occupy Space** for conducting Exhibition or Conference. The Supplier must be **registered** with and **licensed by the FTA**. This license will be issued for a period of **One Year**.
2. Service is by granting **right to access, attend or participate** in an Exhibition or Conference. The Supplier must request for a license to be able to provide such right for a specific Exhibition or Conference.

Further, the event permit must be issued for the event before being able to apply for the license. This license is valid for one event only

5. How is the VAT refund provided to customers?

If all the conditions are met, licensed supplier shall not collect VAT on the relevant Exhibition or Conference Services from their customer at the time of supply of these services.

Since the Suppliers will be able to claim the VAT refund equal to the output VAT charged on the Services, there will be no VAT cost to the Suppliers from not collecting the VAT from customers, whilst also providing the customers with immediate VAT refund.

6. Who are eligible for licensing under this scheme?

There are two types of supplier eligibility under this scheme as per the following

Type 1: The Supplier, who grants the right to occupy space for the purposes of conducting an Exhibition or Conference. This applies for example to hotels and companies in the UAE who rent space for events.

Type 2: The Supplier, who is an event organiser and grant the right to access, attend or participate in an Exhibition or Conference. This applies to local and international event organisers which sell tickets to non-UAE residents.

7. What are the eligibility criteria for licensing under this scheme for Type-1 supplier i.e. hotel and companies in the UAE who rent space for events?

The following condition shall be met to apply for license under this scheme by supplier falling in Type-1 category:

- The Supplier must be registered for VAT with the FTA.
- The Supplier must have a place of residence in the UAE.
- The Supplier is in the business of renting our space for exhibitions or conferences.
- The Supplier must have a valid trade licence issued by the competent authority where the commercial activity section is in line with the above-mentioned business.
- The Supplier owns space for exhibitions / conferences, or has authority to rent or operate space for exhibitions / conferences.
- The Supplier's venue is registered with the competent authority for the purpose of ensuring that the venue meets minimum requirements to host an exhibition / conference.

8. What are the eligibility criteria for licensing under this scheme for Type-2 supplier i.e. local and international event organisers which sell tickets to non-UAE residents?

The following condition shall be met to apply for license under this scheme by supplier falling in Type-2 category:

- The event duration is seven days or less.
- The Supplier has obtained an event permit from a competent authority.

If the Supplier is a resident (local) organiser:

- The Supplier must be registered with the FTA.
- The Supplier must have a valid trade licence where the commercial activity section is in line with the event management and organisation industry/ sector/ business.
- The Supplier must be registered with the concerned competent authority as an organiser.

If the Supplier is a non-UAE resident (international) organiser:

- The Supplier must provide the proof of establishment in an overseas jurisdiction.

9. How is the licence application is processed by the FTA?

- It will take the FTA up to 20 business days to review the application. The Supplier will be notified of the results.
- If accepted, FTA will issue the licence within 5 business days and will send it by Email.
- Licence validity depends on the scenario that applies:
 - If **Type-1 applicant** applies, the licence will be valid for one year and subject to renewal.
 - If **Type-2 applicant** applies, the licence will be valid for the specific Exhibition/ Conference only and cannot be used for other events.
- The licence will be provided in letter format and will be stamped by the FTA.
- The FTA will not charge a fee for such a licence.

10. When can a licence be renewed?

Renewal of licence is available only to Type-1 applicant and application for such renewal should be made one month before the expiry of the licence.

11. Is the supplier required to collect any documents from the customer to claim refund under this scheme?

The Supplier should collect from the International Customer a declaration which states that the International Customer:

- 1) does not have a Place of Establishment or a Fixed Establishment in the UAE; and
- 2) is not registrant or required to register for VAT in the UAE.

To ensure that there is no uncertainty regarding the usage of any declaration, the declaration should also provide the details of the parties and Services to which it relates.

(**Template:** <https://www.tax.gov.ae/pdf/Declaration-by-International-Exhibitor-and-Attendee-of-Conference.docx>)



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