



RECORD KEEPING & INVOICES

RECORD KEEPING REQUIREMENT

(1) The following records are required to be kept to ensure accurate tax compliance:

(1) Books of account and any information necessary to verify entries, including, but not limited to:

- annual accounts;(B.S. , P&L)
- general ledger;
- purchase day book;
- invoices issued or received;
- credit notes and debit notes.

(2) Additional records required for specific taxes:

Different taxes may require different records to be kept in order for taxpayers to be compliant, for example, a VAT account.

(3) Any other information as directed by the FTA that may be required in order to confirm, the person's liability to tax, including any liability to register.

(2) Taxable persons for VAT must in addition retain the following **records for at least 5 years** (In case of Real Estate it shall be 15 years).

Invoices, credit/debit notes:

- ❖ All tax invoices and alternative documents related to receiving the goods or services
- ❖ All received tax credit notes and alternative documents received
- ❖ All tax invoices and alternative documents issued
- ❖ All tax credit notes and alternative documents issued

Records of:

- ❖ All supplies and imports of goods and services
- ❖ Exported goods and services
- ❖ Goods and services that have been disposed of or used for matters not related to business
- ❖ Goods and services purchased for which the input tax was not deducted

VAT account:

- ❖ VAT due on taxable supplies (incl. those related to the reverse charge mechanism)
- ❖ VAT due after error correction or adjustment
- ❖ VAT deductible after error correction or adjustment
- ❖ VAT deductible- supplies/ imports

XYZ COMPANY

LOGO

Street Address, Phone 1234567890, Fax 1234567890, Email: xyz@xyz.com

Credit Note

VAT Number: AE05AB123456

Customer Details

Credit Note #

Credit Note Date

Company Name:

QQQQQ

CN25

29-12-2017

Street Address :

PQR, abc, 916

Customer ID

Against Invoice #

Phone:

987654336

ABC016

ABC123

Email:

pqr@xyz.com

VAT Number:

TP05AB987669

Other Details, if required

Description

Quantity

Unit Price

Amount

Over Charged Service Fee

1

AED 5,000.00

AED 5,000.00

Over charged Labor: 2 labor persons @ AED 2000/person

2

AED 2,000.00

AED 4,000.00

Over Billed Material: Cement bags

10

AED 55.00

AED 550.00

Amount in Words:

Subtotal

AED 9,550.00

TEN THOUSAND TWENTY SEVEN DIRHAMS AND FIFTY FILS ONLY

VAT

5%

AED 477.50

Total Amount

AED 10,027.50

Terms and Conditions:

(1) Payment to be made in the name of company. (2)
Any claims after 2 days of delivery shall not be acceptable.
Kindly check goods upon receipt.

Thank you for doing business with us.

Company Seal

Auth. Signatory

CREDIT
NOTE
FORMAT



VAT-PENALTIES

PENALTIES

- ❑ **Administrative penalties** are intended to address non-compliance, & encourage compliance.
- ❑ The FTA has the power to waive or reduce penalties at its discretion (e.g. taxable person has a reasonable excuse for the error).

Tax Evasion Penalties:

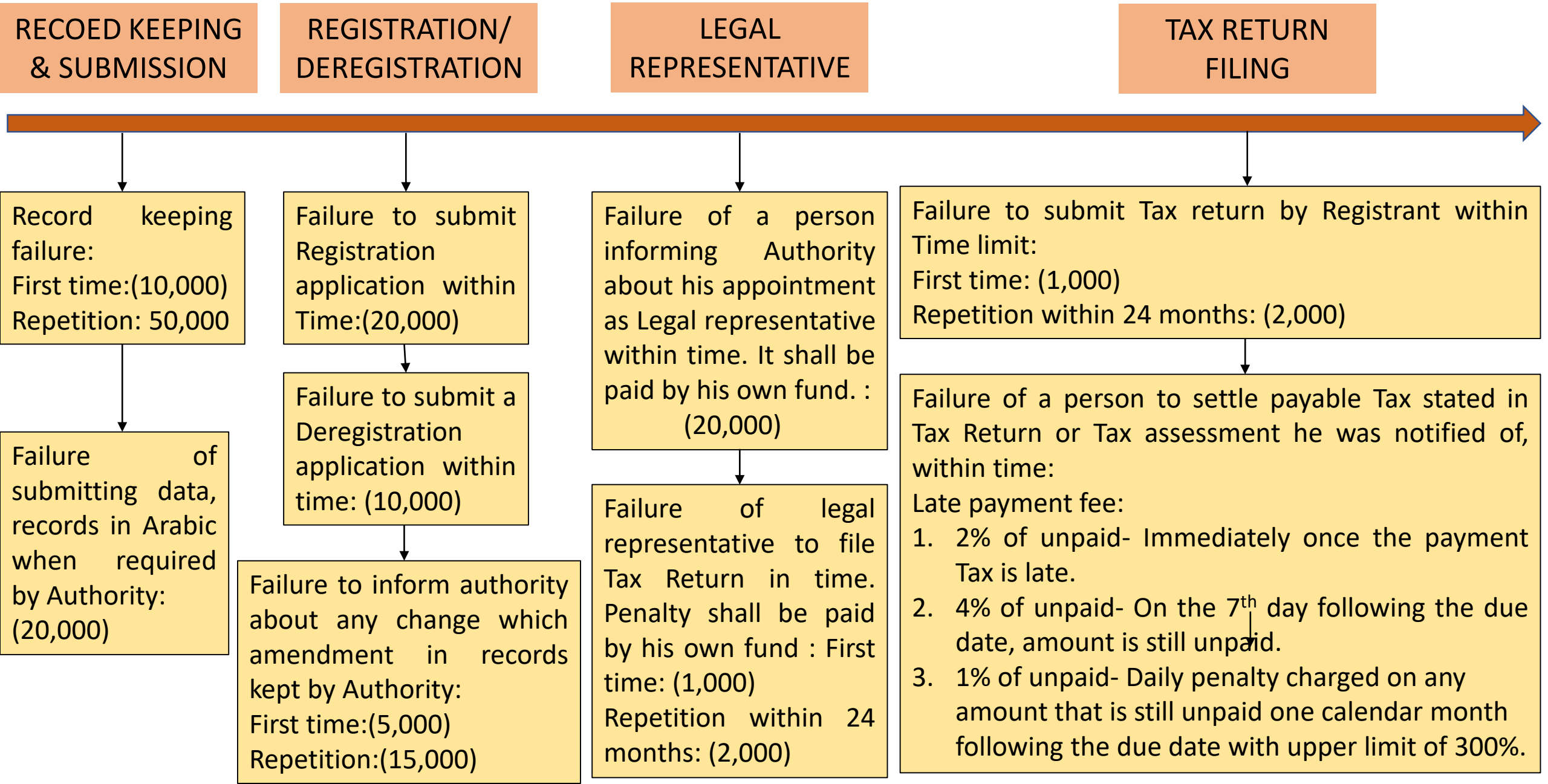
- ❑ The FTA can issue penalties for tax evasion.
- ❑ Tax evasion is where a person uses illegal means to either lower the tax or not pay the tax due, or to obtain a refund to which he is not entitled under law.
- ❑ The imposition of a penalty under tax law does not prevent other penalties being issued under other laws.
- ❑ Few examples of instances of tax evasion:
 - ❖ Where a person deliberately provides false information and data and incorrect documents to the FTA;
 - ❖ Where a person deliberately conceals or destroys documents or other material that he is required to maintain and provide to the FTA.

NOTE: All the administrative penalties are given in Cabinet Resolution no. (40) of 2017 & penalties related to Tax evasion are as per Federal Law no. (7).

PENALTIES (Continued)

PRICE INCLUSIVE OF TAX	TAX BASED ON MARGIN	DESIGNATED ZONES	TAX INVOICE	TAX CREDIT NOTE	ELECTRONIC TAX / CREDIT NOTE
Failure by the Taxable Person to display prices inclusive of Tax. : (15,000)	Failure by the Taxable Person to notify the Authority of applying Tax based on the margin. : (2,500)	Failure to comply with conditions related to keeping the Goods in a Designated Zone or moving them to another Designated Zone: The penalty shall be the higher of AED (50,000) or (50%) of the tax, if any, chargeable in respect of the goods as the result of the violation.	Failure by the Taxable Person to issue the Tax invoice or an alternative document when making any supply. (5,000) for each tax invoice or alternative document.	Failure by the Taxable Person to issue a Tax Credit Note or alternative document.: (5,000) for each tax credit note or alternative document.	Failure by the Taxable Person to comply with the conditions and procedures regarding the issuance of electronic Tax Invoices and electronic Tax Credit Notes: (5,000) for each incorrect document.

PENALTIES (Continued)



PENALTIES (Continued)

INCORRECT TAX RETURN

Submittal of incorrect Tax Return:

1. Fixed penalty of:
First time: (3,000)
Repetition: (5,000)

2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to the error and resulting in a tax benefit as follows:

- 50%
- 30%
- 5%

As per the circumstances defined.

VOLUNTARY DISCLOSURE

The Voluntary Disclosure by the Person/Taxpayer of errors in the Tax Return, Tax Assessment or Refund Application :

1. Fixed penalty of:
First time: (3,000)
Repetition: (5,000)

2. Percentage based penalty shall be applied on the amount unpaid to the Authority due to the error and resulting in a tax benefit as follows:

- 50%
- 30%
- 5%

As per the circumstances defined.

IMPORT OF GOODS

A Person not accounting for any tax that may be due on import of goods as required under the Tax Law:
50% of unpaid or undeclared Tax.

TAX AUDIT

The failure of the Person conducting Business to facilitate the work of the Tax Auditor in violation of the provisions:
(20,000)

We appreciate you for going through this information and welcome you to connect with us.



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