



Insurance VAT Guide | VATGIN1

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1. Insurance – Guidance Note

1.1. Overview

1.1.1. Short brief

VAT was introduced with effect from 1 January 2018 in the UAE. As a general consumption tax on the supply of goods and services, its effects must be understood by providers of insurance and related services in the UAE, in two contexts:

- its application to the activities of all providers of insurance and related services; and
- the approach providers of insurance and related services in the UAE should take to determine the amount of VAT on costs (i.e. input tax) they are eligible to reclaim where they make both taxable and exempt services of insurance and related services.

1.1.2. Purpose of this document

This document contains guidance about the characteristics of insurance and related services for VAT purposes.

In addition, this document provides guidance for the insurance industry to understand which of the services and functions they provide are liable to VAT and which are exempt from VAT and in turn, the extent that VAT recovery on costs is possible. It therefore also explains the concept of input tax apportionment.

1.1.3. Who should read this document?

This document should be read by those responsible for tax matters operating in the insurance industry in the UAE, as well as their tax agents and advisers.

It should be read in conjunction with the Taxable Person Guide (VATG001).

2. Insurance

2.1. Insurance - background

2.1.1. What is Insurance?

These are services which are provided by businesses or persons which involve the following:

- a contract which provides that the insured will become entitled to something on the occurrence of some event;
- the event must be one which involves some element of uncertainty;
- the insured must have an insurable interest in the subject matter of the contract.

In practice:

- the insurer makes an offer to the potentially insured party, which the latter either accepts or rejects. The parties must be in agreement as to the intention of the contract of insurance;
- there must be an intention to enter into a legal relationship under which one party has an obligation to provide insurance; and
- there must be some payment, right or benefit offered by the potentially insured party to the contract of insurance. The premium forms the insured's (policyholder's) consideration in return for the insurer's promise to pay according to the terms of the policy.

The risks covered by a contract of insurance can be very wide and can include: fire, accident, motor vehicles, loss of profits, general indemnity, health, life and endowment business.

Insurance and services related to the provision of insurance will be undertaken by insurers, insurance agents, brokers and underwriters.

For insurers and reinsurers, income will mainly be derived from premiums, though there may also be significant income from investments.

Insurance intermediaries (often known as insurance agents and brokers) will largely receive income in the form of commission or fees and may also derive income from the short-term investment of funds.

Historically, transactions in the sector were complex to analyse and presented difficulties, both in identifying the supply chains and the values of the various supplies being made.

However, more recently, insurance and its related services have become more easily identifiable, transparent and measurable than in the past due to technological

advancements and global developments in the manner in which transactions are conducted.

Accordingly, the starting point for the VAT treatment of insurance and related services supplied in the UAE is that VAT should be charged where it is practicable to do so.

Only two specific types of insurance are defined by way of exception in the Federal Decree-Law¹ and Executive Regulations², namely:

- life insurance and associated reinsurance (exempt)³; and
- insurance relating to the international transport of goods and passengers (zero-rated)⁴.

For completeness, it should be noted that insurance is different from warranties. Unlike insurance, where obligations of an insurer are usually triggered by a certain event, a “warranty” is typically a written guaranty that a good is free from defects and that the manufacturer will replace or repair any defective parts or parts which fail in the course of the normal operation of the good due to standard wear and tear. It should be noted that there are no specific VAT rules in the legislation for warranties, and therefore they should generally be treated as taxable.

2.1.2. What is Reinsurance?

Reinsurance is the practice of an insurance company obtaining insurance in order to protect itself from risks. As such, it is not different from any other insurance – the only difference is that the insured party is itself an insurance company.

2.2. Insurance – the Law

2.2.1. What is insurance as defined by the Law?

As outlined above, only two categories of insurance are defined by exception by the Law and Executive Regulations, namely:

1. Life insurance and associated reinsurance; and
2. Insurance, or the arranging of the insurance, which relates to the international transportation of passengers or goods.

¹ Federal Decree-Law No. (8) of 2017 on Value Added Tax, hereafter ‘the Law’.

² Cabinet Decision No. (52) of 2017 on the Executive Regulations of Federal Decree-Law No.(8) of 2017 on Value Added Tax, hereafter ‘the Executive Regulations’.

³ Article 42(3)(c), Executive Regulations.

⁴ Article 33(2)(c), Executive Regulations.

2.2.2. Life insurance

A life insurance contract is defined as: 'a contract lawfully entered into to the extent that it places a sum or sums at risk upon the contingency of the termination or continuance of human life, marriage, similar relationships permitted under applicable law, or the birth of a child.⁵

2.2.3. Insurance relating to the international transportation of passengers or goods

This is a contract of insurance which is provided in connection with the international transportation of goods or passengers, including a transfer which begins or ends in the UAE or which passes through the UAE.

International transportation is further defined as:

- transportation of goods or passengers that begins in the UAE and ends outside the UAE⁶; or
- transportation of goods or passengers that begins outside the UAE and ends in the UAE⁷; or
- transportation of passengers from a place in the UAE to another place in the UAE by sea or air or land as part of an international transport of those passengers if either the first place of departure, or the final place of destination, is outside the UAE⁸;
- transportation of goods from a place in the UAE to another place in the UAE if the services are supplied as part, or for the purpose, of an international transportation of goods either from a place in the UAE to a place outside the UAE, or from a place outside the UAE to a place in the UAE⁹.

The definition of insurance in this instance includes the act of arranging such forms of insurance.

⁵ Article 42(1)(c), Executive Regulations.

⁶ Article 33(1)(a), Executive Regulations.

⁷ Article 33(1)(b), Executive Regulations.

⁸ Article 33(1)(c), Executive Regulations.

⁹ Article 33(1)(d), Executive Regulations.

3. VAT

3.1 What is a supply subject to VAT?

Most business transactions involve supplies of good or services.

A taxable supply is one where there is:

- a supply of goods or services;
- for consideration;
- supplied in the course of conducting business in the UAE;
- not an exempt supply.

Where a taxable supply is made by a taxable person (i.e. by a person registered, or obliged to be registered, for VAT), that supply is subject to VAT.

Supplies may be subject to VAT at either the standard rate or zero-rate of VAT.

3.1.1 Standard rate

In general terms, where VAT is charged at the standard rate, businesses that are registered for VAT are able to recover the VAT they are charged by their suppliers on goods and services, subject to certain conditions. VAT which is incurred on purchases is known as ‘input tax’.

3.1.2 Zero rate

VAT is charged on zero-rated supplies at the rate of 0%. Zero-rated supplies are treated as taxable supplies in all respects, including the right of the person making the supply to recover the VAT on their own business expenditure.

3.2 What is an exempt supply?

Similar to zero-rated supplies, no VAT is charged in respect of exempt supplies. However, since those supplies are not ‘taxable supplies’, the supplier cannot recover any of the VAT on expenses (input tax) directly incurred in making exempt supplies.

In addition, businesses which make supplies with a mixture of differing VAT liabilities will need to use a method of apportionment in respect of VAT incurred on general costs (i.e. input tax which is non-attributable to either taxable or exempt supplies).

Incurred VAT therefore may represent a large irrecoverable cost to businesses involved in making supplies which are wholly or partly exempt from VAT, such as those operating in the financial services and insurance sectors.

As codified in the Law and in conformity with its obligations under the Common VAT Agreement of the States of the Gulf Cooperation Council, the UAE has taken a narrow approach to the use of VAT exemption.

Thus, the majority of transactions taking place in the UAE are subject to tax with only a very limited number of exceptions to this general rule. These exceptions will include the provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract¹⁰, subject to certain conditions in connection with fees¹¹ and similar charges, as outlined below.

3.3 Multiple supplies versus single composite supplies

A business may make multiple supplies where it charges a single inclusive price for a number of separate supplies of goods or services. This is different from a single supply of a mixture of goods or services (known as a “single composite supply”), to which a single rate of tax applies.

These scenarios can apply to insurance products which may be packaged or ‘bundled’ together where they would ordinarily be treated as separate services or in the opposite situation, where a single composite supply could be unbundled or artificially split into separate components.

3.3.1 Multiple supplies

Where you make multiple supplies, you must determine the correct amount of VAT to charge in respect of each of these supplies.

If you make supplies and the individual supplies are:	Then you should:
Liable to VAT at the same rate	Calculate the tax that is due in the normal way
Not liable to VAT at the same rate	Work out the tax value of each supply in order to calculate how much tax is due

Where the individual supplies are not liable to VAT at the same rate, you must use a method of valuing each supply which is fair and reasonable. This could include using the cost of each element of the supply as a proxy for assigning a value to each component of the supply. The value of each supply must be disclosed to the customer.

For example, an insurer provides car insurance and life insurance. It charges two separate premiums. The car insurance would be subject to VAT and the life insurance would be exempt. This is because the two prices are separately identified and the products are not interrelated.

¹⁰ Article 42(3)(c), Executive Regulations.

¹¹ Fee in this context and throughout means explicit fee, discount, commission, rebate or similar type of charge.

3.3.2 Single composite supplies

A single composite supply is one, single indivisible supply of a mixture of goods and/or services. The supply is treated as a single supply and is subject to VAT at one rate which is applied to the value of the supply as a whole. You must not use apportionment where you make a single composite supply.

There will be a single composite supply where one or more elements of the supply comprise the principal component, with other elements being ancillary – i.e. not an aim in itself, but a means of better enjoying the principal component. The contractual nature and wider circumstances of such supplies will be taken into account.

In addition, there will be a single composite supply where there is a supply which has two or more elements which are so closely linked that they form a single supply and which it would be artificial or impossible to split.

Charging a single price is not determinative, but may suggest that there is a single composite supply. However, where there are indications that the recipient intended to buy two distinct services, with different VAT liabilities, this could mean that the single price should be apportioned.

A single composite supply will only typically exist where:

- the price of the different components of the supply is **not** separately identified or charged by the supplier; and
- all the components of the supply are supplied by a single supplier.

For example, an insurer may offer life insurance which includes an element of health insurance to make the product more attractive. The prices are not separately identified. The premium would be exempt because the principal component is the life insurance, not the health insurance.

4. Insurance and VAT

4.1. The VAT treatment of insurance and related services in the UAE

4.1.1. General principle

The general principle applicable in the Law and Executive Regulations is that all insurance and related services will be subject to VAT at the standard rate.

The limited exceptions to this general principle are set out below at paragraphs 4.1.3 and 4.1.4.

4.1.2. Standard rated services

As outlined above, supplies of insurance and insurance related services are subject to VAT at the standard rate (i.e. they are treated as taxable supplies). VAT incurred on costs wholly attributable to the standard rated supply can be recovered in full.

Contracts of life insurance and general intermediation services are expressly defined as a financial service in the Executive Regulations:

- 'The payment or collection of any amount of interest, principal, dividend, or other amount whatsoever in respect of any debt security, equity security, credit, and contract of life insurance¹².
- 'Agreeing to do, or arranging, any of the activities specified in [Article 42(2)] paragraphs (a) to (i) of this Clause, other than advising thereon.¹³'

Under Article 42(3) of the Executive Regulations, the VAT liability of financial services is set as exempt in respect of:

- Activities under Clause (2) of this Article where they are not conducted in return for an explicit fee, discount, commission, and rebate or similar; and
- The provision or transfer of ownership of a life insurance contract or the provision of re-insurance in respect of any such contract.

For examples of the VAT liabilities of typical insurance charges, please see Appendix A.

4.1.3. Exported services

The supply of insurance and related services to a recipient established outside the GCC Implementing States (whether or not they would otherwise have been exempt where supplied in the GCC) will be zero-rated (i.e. they are treated as taxable supplies).

¹² Article 42(2)(i), Executive Regulations.

¹³ Article 42(2)(j), Executive Regulations.

VAT incurred on costs wholly attributable to a zero-rated supply can be recovered in full.

Supplies of insurance and related services to a recipient established outside the UAE but within the GCC Implementing States have the following VAT treatments:

- Where the recipient is registered or registerable for VAT in the GCC Implementing State in which the insurance or insurance related service is received, the supply is outside the scope of UAE VAT and the recipient is liable to account for the reverse charge in the other GCC member state at the prevailing rate of VAT applicable to that service in that state.

Input tax which is directly attributable in respect of such supplies is still recoverable, even if the supply would have been an exempt supply if made in the UAE.¹⁴

- Where the recipient is not registered nor registerable for VAT in the GCC Implementing State in which the insurance or insurance related service is received, the place of that supply will be the UAE. In such instances, the supply will be liable to UAE VAT as normal and will have the related level of VAT recovery.

4.1.4. Imported Services

Where services are received by a UAE VAT-registered business from a person resident outside the UAE, those services will be liable to VAT at the standard rate where the supplies would be standard-rated supplies were they are made in the UAE.

In this scenario, the imported services will be subject to the reverse charge mechanism as if the importer had supplied these services to itself. The importing insurance institution must therefore account for the VAT incurred on the imported services.

It will also be entitled to claim for the input tax for such services, subject to the usual rules of recovery, including those of Input Tax Apportionment (see section 5 below).

For example, where a UAE based insurance company cedes its risks to a reinsurer located outside UAE, the reinsurance premium payable by the insurance company will be subject to VAT under the reverse charge mechanism (except in the case of life reinsurance it is exempt). At the same time, the insurance company will also be entitled to recover input tax for such services, subject to the normal rules for recovery.

¹⁴ Article 52(1) of the VAT Executive Regulations.

4.1.5. Exemption

Financial services, insofar as they are remunerated by way of an implicit margin or spread (i.e. no explicit fee is charged in respect of them) will be exempt from VAT (i.e. they are not treated as taxable supplies).

In all cases, the following class of financial services shall be exempt from VAT:

- the provision, or transfer of ownership, of a life insurance contract or the provision of re-insurance in respect of any such contract.

As a result, exemption will apply to premiums payable in respect of life insurance and reinsurance of life insurance.

VAT incurred on costs wholly attributable to such exempt supplies cannot be recovered at all.

4.1.6. Recovery of input tax

Where insurance providers make a mixture of taxable and exempt supplies, this will result in their being partially exempt for VAT purposes and input tax recovery will be on that basis.

VAT incurred on costs which is partly attributable to taxable supplies and also to exempt supplies of financial services must be apportioned; only that part which is reasonably attributable to the taxable supply can be recovered. The supplier in question must make use of an input tax apportionment method in order to determine the amount of input tax which it may recover in such circumstances. Please refer to section 5 below for further guidance.

4.2. Islamic insurance – VAT treatment

4.2.1 Principles

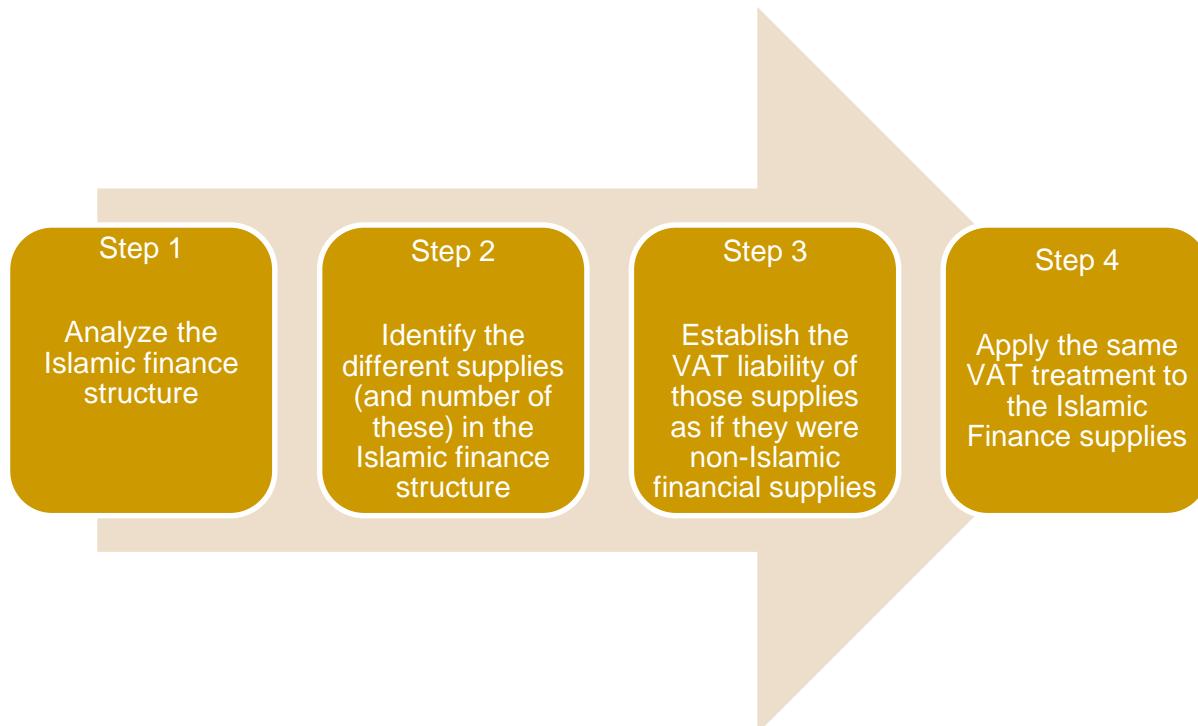
Any supply made under an Islamic financial arrangement¹⁵, which is certified as Shariah compliant, and which has the intention of and achieves effectively the same result as a non-Islamic financial product, shall be treated in such a way as to give an outcome for the purposes of the Law comparable to that which would be the case for its non-Islamic counterpart.

This is to ensure equality of VAT treatment between Islamic and non-Islamic finance products.

¹⁵ Article 42(1)(d): “Islamic financial arrangement” means a written contract which relates to a supply of financing in accordance with the principles of Shariah.

In determining the correct VAT treatment for Islamic finance products, the purpose, structure and pricing of the Islamic product will be considered.

Accordingly, in order to ascertain the VAT liability of an Islamic insurance or reinsurance product, the following process should be followed.



4.2.2 Example

For example, family takaful provides a combination of long term savings and protection for participants and their dependants typically arising from death, disability or survival.

Generally, supplies of family takaful or family retakaful products would be exempt from VAT as their non-Islamic equivalents of life insurance or reinsurance would be.

In non-Islamic Finance, if the savings element relates to investment in a fund and the insurance provider were to make a separate charge for managing this fund, then the same treatment would apply to the Islamic fee, i.e. it would be taxable.

4.2.3 Non-equivalent products

It is recognised, however, that certain aspects of Islamic insurance may preclude direct equivalence in VAT treatment being applied. In such cases, the underlying purpose, features and circumstances of the product concerned must be taken into account when determining the appropriate VAT treatment.

Any significant difference in the overall liability between an Islamic insurance product and any non-Islamic counterpart arising as a consequence of differential treatment being applied will be addressed on a product by product basis.

Providers of particularly complex or non-standard Islamic insurance products should analyse these carefully and consider seeking advice on the VAT liability of such products.

4.3. Transitional Provisions

4.3.1. Contracts of insurance

Where a contract is entered into prior to the effective date of the VAT law which concerns a supply made wholly or partly after the effective date of the VAT Law, VAT will be due on the supply taking place after the effective date of the VAT Law.

If the contract does not mention VAT, the value of the supply stated in the contract shall be treated as inclusive of VAT.

For VAT purposes, insurance contracts are treated as continuous supplies of services, with premiums often payable in instalments.

Therefore, as a result of the VAT Law on transitional provisions, part of the premium which is due post 1 January 2018 is liable to VAT. Insurers should have applied a fair and reasonable pro-rata to premiums received before 1 January 2018 which apply to services which are provided/have been provided after that date and have applied the appropriate VAT liability to that element of the premiums which are subject to VAT.

4.4. Other insurance services – VAT treatment

4.4.1. Health insurance

The provision of health insurance will be liable to VAT at the standard rate. Where this is provided by an employer to an employee as a benefit which is part of a contract of employment, the employer will be able to recover the input tax on such products, subject to the usual rules of VAT recovery.

Where an employer provides health insurance to the family of the employee, input tax will only be recoverable if there is a legal obligation to provide the insurance to the family members.

The reason for this is that Article 53 of the Executive Regulations dealing with blocked input tax envisages that costs incurred for the personal benefit of employees (which health insurance would be), will only be recoverable where:

- 1) It is a legal obligation to provide those services or goods to those employees under any applicable labour law in the State or Designated Zone.
- 2) It is a contractual obligation or documented policy to provide those services or goods to those employees in order that they may perform their role and it can

be proven to be normal business practice in the course of employing those people.

- 3) Where the provision of goods or services is a deemed supply under the provisions of the Decree-Law.

The important part of the above is under 2, where family health insurance is a contractual obligation, then it must also be required **in order that the employee may perform their role**. It is not the case that an employee requires their family member to have health insurance in order that the employee may perform their role, and on that basis the input tax on health insurance provided to families under 2 above should not be recoverable.

In contrast, where the law stipulates that the employee's family members must be provided with health insurance, this would be dealt with under 1 above and the input tax incurred by the business would be recoverable.

4.4.2. Real estate insurance

For the avoidance of doubt, a supply of insurance in respect of real estate will not be considered a "service related to real estate" for the purposes of the place of supply rule in Article 30(7) of the VAT Law. Therefore, the place of supply of the insurance relating to real estate has to be determined on the basis of the general place of supply rules, i.e. by reference to the Place of Residence of the supplier¹⁶.

If the insurance is exported, i.e. where the recipient of the Real Estate insurance is not located in the UAE or other GCC Implementing States, it will be zero-rated.¹⁷

Please note that where the provision of insurance is included within the service charge for real estate, then this is likely to be related to the real estate for place of supply purposes under Article 21 of the Executive Regulations. In such cases, the place of supply will be determined not by reference to the Place of Residence of the supplier, but by reference to the location of the real estate in question.

For this to apply, the insurance must be part of a single composite supply; must not be the principal component of that supply, and

- a. the price of the different components of the service charge should not be separately identified or charged by the supplier; and
- b. the insurance must be provided by the same supplier as the other components, such as maintenance, repairs, cleaning etc.

¹⁶ Article 29, the Law.

¹⁷ Article 31(1), Executive Regulations.

4.4.3. Agents

Where an insurance intermediary (i.e. an agent or broker) acts as a disclosed agent for an insurance transaction, the following supplies generally occur:

- The insurer supplies the insurance to the insured and charges the premium to the insured. This supply will be liable to VAT at the standard rate (unless the insurance is covered by one of the exceptions outlined above).
- The intermediary collects the premium (which may be paid in instalments) from the insured on the insurer's behalf. This is not a supply for VAT purposes.
- However, the intermediary does charge a fee (or commission) to the insurer or insured for the services provided. This is a supply and is either liable to VAT at the standard or zero rate, or is out of scope, depending on the application of the place of supply rules.
- Finally, the intermediary remits the premium to the insurer (possibly net of their commission). This is not a supply for VAT purposes.

If the intermediary acts in its own name – that is as an undisclosed agent, then the above sequence simply becomes a series of supplies liable to VAT.

4.4.4. Insurance companies – recovery of claims costs

Where an insurer makes a payment in respect of the provision of some goods or services under the contract of insurance – e.g. for a replacement product or a repair of an asset – the question arises who may recover the VAT incurred.

The following principles should be applied in respect of determining which party may recover the VAT incurred:

- If the insurer provides a payment to the insured which is in the nature of compensation for costs *incurred by the insured* (e.g. in repairing a car), the input tax in respect of the costs will be recoverable by the insured (subject to the normal recovery rules).
- If the insurer incurs the cost of acquiring goods or services itself, then the input tax in respect of the costs will be recoverable by the insurer.

5. Input tax apportionment methods

5.1 General approach for all methods

5.1.1 Fair and reasonable test

Input tax recovery in respect of an expense must, in all cases, either reflect the actual use of that expense or to be determined via an appropriate proxy (i.e. via an input tax apportionment method).

Whenever there is a requirement to apportion input tax which is partly attributable to different supplies, each of which carries a different right to recovery, there is an inherent risk that the means by which that apportionment is carried out and the results it renders are not necessarily representative of actual use.

In that regard, all businesses must take care when making use of an input tax apportionment method that it is 'fair and reasonable' in their particular circumstances. Where it is not, the business should take steps to ensure that an alternative method is identified and adopted. The Federal Tax Authority (FTA) will closely examine the results of input tax apportionment methods used by businesses as part of their normal compliance program and, where necessary, will intervene in order to ensure that a fair and reasonable outcome is secured.

5.1.2 Step 1: Direct attribution

In all cases, in each tax period all input tax which can be wholly attributed to any particular supply must be attributed to that supply and either recovered or blocked from recovery as appropriate. This is referred to as direct attribution.

Any input tax which cannot be wholly attributed in this manner must be apportioned by way of an input tax apportionment method in order to establish the part which may be recovered and the part which may not. A business may choose between either the standard input tax apportionment method (see step 2 below), or by application to and approval of the Federal Tax Authority (FTA) a special input tax apportionment method in order to undertake the necessary apportionment. Special methods will be available with effect from the second tax year of registration.

It is accepted that whilst the standard method may apply to most businesses circumstances, this might not always be the case. Nevertheless, a business must only apply to the FTA to make use of a special input tax apportionment method where it has first established that the standard input tax apportionment method would not render a result which is fair and reasonable in the context of their particular circumstances.

5.1.3 Step 2: Standard method - attribution of residual input tax

On a VAT monthly or quarterly basis (as applicable), all input tax that cannot be wholly attributed under step 1 (often referred to as 'residual input tax') is to be apportioned

between supplies that allow for input tax recovery and supplies which do not allow for input tax recovery in the following manner:

1. Determine the recovery ratio as a percentage¹⁸:

Input tax directly attributable to supplies allowing VAT recovery in the period concerned
Input tax directly attributable to supplies allowing VAT recovery in the period concerned and input tax that cannot be recovered in the tax period concerned

2. Apply the recovery ratio percentage to the residual input tax:

Residual x Recovery Ratio % = Proportion of residual attributable to supplies for which input tax is recoverable

3. Treat that proportion of the residual which is attributable to supplies for which input tax is recoverable as recoverable in the normal manner (and include in the tax return for the tax period in which the calculation was undertaken).
4. In the first tax period following the end of the previous tax year¹⁹, a calculation for the preceding tax year should be carried out, using the same principles as above. This is known as the 'annual adjustment' or wash-up calculation and may render an increase or a decrease in the amount of input tax previously treated as recoverable on a quarterly or monthly basis under (3).
5. Furthermore, if there is a difference of more than AED 250,000 in any tax year between the recoverable input tax as calculated in accordance with the method described in this section and the input tax which would have been recoverable if the calculation was made on the basis of the actual use of the goods or services, then the taxable person should make an adjustment to the input tax in respect of the difference. The adjustment must be made in the first tax period following the end of the relevant tax year.

If the difference is less than AED 250,000, no adjustment is required to be made.

¹⁸ Note: the recovery percentage is to be expressed as a percentage and rounded to the nearest whole number

¹⁹ This will vary depending on the person's tax periods.

Appendix A

VAT treatment of insurance charges

Types of insurance	Liability of charges
<u>General insurance</u> Motor insurance Real estate insurance Fire and theft Contents insurance	Premium – standard-rated if the recipient is resident in the UAE; zero-rated if the recipient is resident outside the GCC Implementing States, is located outside the UAE and the performance of the insurance services is not received by anyone in the UAE who would not be able to recover VAT incurred.
<u>Life insurance</u> Individual Group Investment-linked policy Life annuity Term	In all cases: <ul style="list-style-type: none"> • exempt if recipient is resident in UAE; • zero-rated if the recipient is resident outside the GCC Implementing States, is located outside the UAE and the performance of the insurance services is not received by anyone in the UAE who would not be able to recover VAT incurred.
<u>International Transport</u> Aviation/Marine Cargo Transportation of Passengers	Premium – zero-rated if in respect of international transportation services only, but not for travel insurance.
<u>Travel</u>	<ul style="list-style-type: none"> • Standard-rated if the recipient is resident in the UAE; • Zero-rated if the recipient is resident outside the GCC Implementing States, is located outside the UAE and the performance of the insurance services is not received by anyone in the UAE who would not be able to recover VAT incurred.

<u>Other</u>	
Public indemnity	<ul style="list-style-type: none"> Standard-rated if the recipient is resident in the UAE; Zero-rated if the recipient is resident outside the GCC Implementing states, is located outside the UAE and the performance of the insurance services is not received by anyone in the UAE who would not be able to recover VAT incurred.
Medical	
Accident	
Public liability	
<u>Reinsurance</u>	Same general principles apply as above.