Credit note format uae vat

The Federal Taxation Authority, in accordance with clause 9 article 4 of the Federal Decision Act No. 13 of 2016 on the institution of the Federal Tax Authority; Section 70 of the Federal Decision Act No. 8 of 2017 on Value Added Tax; and Clauses 1, 2 and 7 of Section 59 of cabinet decide No. 52 of 2017 on the Executive Regulation of the Federal Decision Act No. 8 of 2017 on Value Added Tax; and Clauses 1 and 2 of Section 60 of Cabinet decide No. 52 of 2017 on the Executive Regulation of the Federal Decision Act No. 8 of 2017 on Value Added Tax; Decided that: Where a taxable person is required to issue tax invoices and tax credits relating to different supplies, such tax invoices and tax credit notes can be issued in a single document that clearly displays Tax Invoice/Tax Credit Note. Where a Registrar makes a feeder to another person and such supply is forwarding a tax invoice or tax credit note, such tax invoice or tax credit note is not required to include the physical address of the supplier or the recipient of the goods or services where the respective postal address on the respective tax forward or tax credit note. This decision relates only to the content and format of the tax invoice or tax credit note, and will not affect any other requirements. This decision is decided No. 3 of 2018 on Tax Invoices and Tax Credit notes and will be in force from 1 January 2018 until amending a subsequent decision. for more information, please go to FTA website For VAT registration, VAT submission and VAT auditing please contact us: +971 4 2699 329 for location and office address visiting our page Every business entity must issue a UAE VAT Credit Note, when the goods are returned or the invoice issued is over-entryed. VAT in the UAE is expected to be implemented from 1 January 2018. Businesses should be ready for the VAT billing system. A credit note is a document issued by a provider about a customer reduction or discount in price on the original VAT invoice. Payment of VAT to the government reduced due to Credit notes. Goods return or reduction in billing amount reduces your tax liability as the goods or services rendered have been reduced by that amount. Usually VAT has collected on Sales – VAT on Credit notes = VAT payable to the government. To learn more about the VAT, you can visit the official finance ministry website - UAE www.mof.gov.ae We have created an easy excel template from the UAE VAT Credit Note with predefined formulas and settings. Click here to download the UAE VAT Credit Note Excel Template. This template can be useful for freelancers, accounts assistants, etc. Just download and change company details in the header section such as your company name, logo, address, and VAT number. You can download other accounting templates like the UAE VAT invoice template, UAE Invoice Template in Arabic and Cash Book with VAT from here. Let's discuss the contents of the in detail. Content of the UAE VAT Credit Note template This template consists of 2 worksheets. Database Sheet and UAE VAT Credit Note template. First is the UAE VAT Credit Note template and the second one is the Database Page that contains the list of your customers. The database page contains the details of customers such as customer id, customer name, customer address, customer phone, client VAT number, and client email address. The main purpose of creating this skin to save time and simplify your work. This Database page is linked using the VLOOKUP function to the Credit Note template. A drop-down list has been created and you can choose the customer name. When you select the customer name, update all the relevant details automatically. The Credit Note template contains 4 sections: Header Customer Details Product Details Other Details 1. Header The header part contains the logo of the company, company name, and heading the template UAE VAT Credit Note. 2. Customer details The client details section is linked with data validation and VLOOKUP function to the database page. You'll need to update the database page once with customer details according to your requirement. On the right, enter the Credit Note number, Credit Note date and Invoice number at which the Credit Note is issued. 3. Product details Product details consist of columns such as description, quantity, unit price and amount. Simple mathematical calculations are applied. In the end, there is the subtotal line. Quantity X Unit Price = Amount. 4. Other details Other details section contains: The amount in words Terms and Conditions Thank you Greet VAT Calculations Total Invoice Amount Company Stamp/Seal Signature Section The formula is added in VAT calculation so that it will automatically calculate the VAT amount on the total amount of the bill. This will automatically calculate the % with the Subtotal amount and sum up for the final total. We thank our readers for keeping, sharing and following us on various social media platforms. If you have any queries, please share in the comments section below. We will be more than happy to help you. Posted on November 20, 2018 - VAT The UAE VAT Act defines the same as below a Written or electronic document in which the occurrence of any amendment of a taxable offer it reduces or cancels is recorded and the details relating to it. In nutshell, it is an amendment to the Tax Invoice raised earlier due to amendments in the taxable offer for which such tax invoice was raised, resulting in decline or cancellation in value of such a taxable offer. What would include a tax credit note? UAE VAT Law requires a tax credit note to include the following, The words Tax Credit note clearly displayed on the invoice. The name, address and tax registration number of the Registrar who Make. The name, address and tax registration number of the Recipient where he is a registrar. The date of issuance issuance Tax credit note. The value of the offer shown on the Tax Invoice, the correct amount of the value of the offer, the difference between those two amounts, and the Taxation charged related to that difference in AED. A brief explanation of the circumstances that give rise to the issuance of the Tax Credit Note. Information sufficient to identify the offer to which the Tax Credit Note relates. Is it mandatory to issue a tax credit note, in case of reduction or cancellation of a taxable offer? Yes, for reducing or cancelling a taxable offer that affects the Tax Invoice raised earlier, it is necessary to issue a tax credit note to cancel out the VAT charged. Unless the applicant complies with the conditions of section 60(2) of the UAE VAT Executive Regulations, which, on the lines listed below, Where, against application by a taxable person, the Authority considers that there are sufficient records available or will be to determine the particulars of any provision or class of supplies, and that it would be impractical to require a Tax Credit Note to be issued by the Taxable Person, the Authority may determine any of the following, subject to any conditions the Authority may consider necessary: Any one or more of the details specified in requirements of a tax credit note will not be contained on a Tax Credit Note. A tax credit note may not be issued. Further UAE VAT Executive Regulations require that where approval has been granted by the Authority on the above basis, that approval may be withdrawn at any time where the Authority considers that the conditions of that approval have not been complied with. Is it possible for the recipient of goods or services, to issue a Tax Credit note? Yes, it is possible for the customer/recipient of goods or services to issue a tax credit note, provided that conditions are satisfied. The Recipient of Goods or Recipient of Services is a Tax Registrar (meaning recipient will be VAT registered). The Supplier and the Recipient of Goods or Recipient of Services agree that the Supplier will not issue a Tax Credit Note in respect of any supply it applies to. The Tax Credit note should contain the details necessary for a Tax Credit note as noted above. The words Tax Credit note created by buyer is clearly displayed on the Tax Credit Note Only one party can issue a tax credit note, so if recipient issued it, supplier cannot issue a tax credit note. If necessary more information about this, please contact us at info@premier-brains.com Note: This article not an official opinion, but only views on certain matters. Trust on this is after discretion of the user without any liability to Premier Brains or the person who prepared it. Under UAE's VAT legislation, all business owners must maintain their financial and accounting records that go back at least five years. This rule applies to all business owners, whether they have registered for VAT or not. Financial documents to be maintained annual accounts, general general and purchase diaries. Records of all inner and outward supplies of goods and services (sales and purchases), including all imports and exports. This includes all sorts of tax invoices, credit notes, debit notes, delivery challans and accounts of enrollment. Documents related to the disposal of goods and services, including those used for non-business purposes. Buy invoices where you didn't pay any input tax. Tax invoice A tax invoice is a document that adopts a taxable sale, along with any details relying on it. Although each VAT-registered company needs to issue a tax invoice to its customers when they sell, it can be done in a few ways depending on who the customer is. Let's look at every type of tax invoice. Normal Tax invoice A normal tax invoice is issued to a client through a VAT registered business, if the client is also registered under VAT, or if the value of offer made is greater than AED 10,000. If the goods have been delivered, or the payments have been received, before a customer is billed, the respective invoice(s) must be issued within 14 calendar days from the date of the feeder. Content of a normal tax invoice A VAT-compliant tax invoice must contain: Tax invoice clearly displayed on the invoice document. A unique and sequential invoice number. The name, address and tax registration number (TRN) of the supplier and the recipient (if the recipient is also VAT registered). The invoice issuance date, unless the date of offer of a particular transaction differs from the billing issue date. In this case, name both dates on the invoice. The name of all goods and services to be sold, along with the quantity or volume provided, applicable VAT rate, a description and the amount to be paid (in AED). The amount deducted, if discounts are given out, and the gross amount to be paid by the customer (in AED). The payable tax amount, besides the exchange rate, if the payment is made in any currency other than the UAE Dirham (AED). Simplified tax invoice There is another type of tax invoice called a simplified tax invoice, which is issued if: This is a B to C transaction where the client is not registered VAT. The value of supply does not exceed AED 10,000. A simplified tax invoice must contain: Tax invoice clearly displayed on the invoice document. The name, address and tax registration number (TRN) of the supplier. The date on which the tax invoice was issued. A description of the goods/services provided. The total invoice amount and the VAT due by the customer. Self-buttoned invoice While invoices are normally issued to a customer by a provider, a self-invoice is different. Here the customer will give an invoice to purchases, on behalf of the supplier. For that to work, both the provider and the customer must be registered under VAT. This happens mostly when the recipient's accounting practices are more efficient than the provider. A self-cramped invoice can be used by a Ash: The words tax invoice raised by buyer is clearly displayed on the invoice. The recipient of the goods/services is VAT registered. The supplier and recipient agree in writing that the provider will not issue a tax invoice for any offer involved in the self-infactive invoice. It meets all the requirements for a normal tax invoice. A credit note documents any changes that either cancel or reduce the value of a previous transaction. They are usually created to record changes made after an invoice is issued to a customer. There are two types of credit notes: a tax credit note and a self-issued tax credit note. A credit note is issued to a customer when: The cost of goods or services rendered (or the tax amount levied on them) in the tax invoice is higher than the actual payable rate. This enables the provider to credit the corresponding amount to the customer. A after-sales discount is offered (after the invoice is issued). The client returns one or more items on the invoice. In order to be accepted by the FTA, a tax credit note must contain: Sufficient information to identify the offer (sales transaction) to which the credit note is attached (such as reference numbers). The words Tax Credit note is clearly displayed on the credit note. The name, address and tax registration number (TRN) of the supplier and the customer (if the client is also VAT registered). The tax credit note's issuance date. Details, such as the value of offer provided on the Tax Invoice, the correct or modified value of offer, the difference between those two amounts, and the difference in VAT applied to the transaction (in AED). A brief explanation of the circumstances that led to this credit note being issued. Credit notes can also be issued by the recipient himself on behalf of the provider if: Tax credit note created by buyer on the self-issued credit note. The client issuing the credit note is VAT-registered. The supplier and customer agree in writing that the supplier will not issue a credit note for any offer involved in this self-issued credit note. It meets all the requirements for a normal credit note. Debit note debit notes issued to correct faulty values recorded in previous invoices. For example, if a product costs AED 450, and it's billed for AED 400, a debit note of AED 50 is issued by the supplier (or if the VAT amount on the invoice is less than the actual VAT to be paid by the customer). It was also issued in cases where the seller has billable expenses that were not added to the invoice issued earlier. Entry accounts of entry are used to fasten the VAT paid to the customs office. while goods are imported into the UAE, as the invoice issued by the non-GCC vendor will not include VAT. This document will also capture any additional costs and duties carried by the importer along with the purpose of importing. Import. Import.