الـهـيـئـة الاتحـاديـة لـلـضـرائـب
FEDERAL TAX AUTHORITY

United Arab Emirates

This is not an official translation:

Measures, Procedures and Conditions required by Taxable Persons for the Verification of the Validity and Integrity of the Supplies before Deduction of Input Tax

Federal Tax Authority Decision No. 13 of 2026 – Issued 22 Jul 2026 (Effective from 1 Oct 2026)

The Chairman of the Board of Directors of the Federal Tax Authority has decided:

- Having reviewed the Constitution,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Decree-Law No. 8 of 2017 on Value Added Tax, and its amendments,
- Cabinet Decision No. 52 of 2017 on the Executive Regulation of Federal Decree-Law No. 8 of 2017 on Value Added Tax, and its amendments,
- Decision of the Chairman of the Board of Directors of the Federal Tax Authority No. 9 of 2021 on the Delegation of the Vice Chairman of the Board of Directors of the Federal Tax Authority, and
- Pursuant to the approval of the Federal Tax Authority Board of Directors of the Authority's Memo relating to the measures, procedures and conditions required by Taxable Persons for the verification of the validity and integrity of the supplies before deduction of Input Tax, at its 45th Meeting held on 23/06/2026.

Article 1 – Definitions

The following words and expressions, as stated in this Decision, shall have the meanings assigned against each, unless the context otherwise requires:

Authority	:	Federal Tax Authority.
VAT Law	:	Federal Decree-Law No. 8 of 2017 referred to above, and any other Federal Decree-Law replacing it.

Taxable Person	:	Any Person registered or obligated to register for Tax purposes under the Decree-Law.
Input Tax	:	Tax paid by a Person or due from him when Goods or Services are supplied to him, or when conducting an Import.
Tax Evasion	:	The Person's use of illegal means, resulting in the reduction of the amount of the Due Tax, non-payment thereof, or a refund of Tax that the Person did not have the right to have refunded.

Article 2 – Scope of Application

For the purposes of applying the provisions of Article 54(bis) of the VAT Law, the provisions of this Decision shall apply to the Taxable Persons in relation to the verification of the validity and integrity of the supplies they receive before deduction of Input Tax.

Article 3 – Measures and Conditions for the Verification of the Supplier

1. A Taxable Person shall verify the identity of the supplier, subject to the following conditions:
   a. Where the supplier is a natural person, the Taxable Person must:
      1) Obtain a copy of a valid proof of identity of the supplier, including an Emirates ID or a passport.
      2) Meet the supplier, whether in person or virtually, before making the supply.
   b. Where the supplier is a legal person, the Taxable Person must:
      1) Verify the supplier's incorporation through official databases or obtain a copy of the certificate of incorporation, provided that the incorporation details are valid and identical to the entity's name, address and employees, as well as other related information.
      2) Verify the identity of the director, agent or employee authorised to represent the supplier, through obtaining a copy of a valid proof of identity, including an Emirates ID or a passport.

2. A Taxable Person shall verify the address and place of business of the supplier, subject to the following conditions:
    a. Verify the existence of an actual place of business of the supplier using appropriate electronic means or through conducting a field visit to their place of business.
    b. Ensure that the place of business of the supplier is compatible with the nature of the activities carried out by him.
3. A Taxable Person shall verify the level of risks related to the supplier, subject to the following conditions:
    a. Ensure that none of the following risk indicators applies:
        1) The supplier has changed its address more than twice over the previous 12 (twelve) months.
        2) The supplier has changed its key employees (supplier's managers or those with whom the Taxable Person deals) more than twice over the previous 12 (twelve) months.
        3) The supplier has undertaken commercial transactions that are disproportionate or unexpected in terms of volume, value or nature compared to the size of the supplier's business and the history of conducting his business.
    b. Where any of the risk indicators referred to in paragraph (a) of this Clause applies, the Taxable Person shall retain a clear and justified explanation for their applicability, and submit such explanation to the Authority upon request, provided that the risk indicators do not contradict with the evidence or information available to the Taxable Person.
4. A Taxable Person shall verify that the supplier has a bank account and review the clients' recommendations where available, where the value of supplies received from the supplier exceeds AED 375,000 over the previous 12-month period, or is expected to exceed AED 375,000 over the next 12 (twelve) months, subject to the following conditions:
    a. Obtain from the supplier a written confirmation issued by an authorised bank in the State confirming that the supplier has a bank account, provided that such

confirmation does not include any relevant reservations or conditions. The confirmation is not required to be issued to the recipient of the supply.

b. Review and assess publicly available reviews and media coverage related to the supplier from reliable sources, ensuring that they are consistent with the nature and size of the supplier's business, and that there are no indicators of suspected Tax Evasion.

Article 4 – Measures and Conditions for the Verification of Supplies

The Taxable Person shall take the measures and meet the conditions related to the verification of supplies he receives, according to the following:

1. General assessment of the supply, subject to the following conditions:
   a. Conduct a general assessment of the supply's conditions related to the transaction.
   b. Ensure that the supplier's engagement in the transaction is based on genuine commercial reasons.
2. Assessment of the payment conditions related to the supply, subject to the following conditions:
   a. The payment method and conditions are justifiable for commercial reasons. Where there is an engagement of a third party in the payment process or the receipt of payment, or where the payment is made to a bank account outside the supplier's country of incorporation, there must be a reasonable commercial explanation that does not contradict with any information or evidence available to the Taxable Person.
   b. The Consideration for the supply shall be paid by electronic means. Where the payment is made in cash, it must be based on a documented commercial reason, be made within the thresholds specified in the applicable Tax legislation and be easily verifiable.
3. Verification of the supply's circumstances, subject to the following conditions:
   a. Verify that the prices or the profit margin are not commercially unjustifiable or significantly different from market conditions without a clear reason.

b. Verify that the supplies of Goods or Services provided do not fall outside the scope of the supplier's ordinary activity or the activities they are licensed to carry out in accordance with their commercial licence.
c. Verify the authenticity and origin of the Goods received, as well as the validity of the supplier’s ownership of Goods or their right to dispose of such Goods.
d. Where the supplier acts as an intermediary, verify that there should be a clear and justifiable commercial explanation for the supplier’s role in the process of the supply.

Article 5 – Procedures

When taking the measures and verifying satisfaction of the conditions stipulated in this Decision for each supplier and each supply received, the Taxable Person must carry out the following procedures:

1. Verify the supplier in accordance with the provisions of Article 3 of this Decision, when dealing with the supplier for the first time or upon recurrent dealings with the supplier where the supplier has not been verified over the previous 12 (twelve) months.
2. Verify each Taxable Supply received or accepted in accordance with the provisions of Article 4 of this Decision.
3. Document the verification steps taken and retain supporting documents and records, enabling the Authority to verify the correctness of their implementation.
4. Maintain a documented policy identifying the persons in charge of implementing, reviewing and supervising the verification procedures, as well as indicating their powers and responsibilities in a clear manner and form. Such policy shall be retained at the designated location for keeping the required documents.

Article 6 – Exceptions

1. A Taxable Person may disregard taking the measures and meeting the conditions stipulated in this Decision on the Taxable Supplies received where the Consideration, exclusive of Value Added Tax, is less than AED 10,000.

2. The exception stipulated in Clause 1 of this Article shall not apply where the total value of supplies received from the supplier exceeds AED 100,000 over the previous 12 (twelve) months, or is expected to exceed this amount over the next 12 (twelve) months.

Article 7 – Implementation of the Decision

This Decision shall be published in the Official Gazette and shall come into effect as of 1 October 2026.