

Cabinet Resolution No. (25) of 2018
Concerning the Application of VAT for Gold and Diamond Among
Registered Dealers in the State

The Cabinet,

- Upon review of the Constitution; and
- Federal Law No (1) of 1972 concerning the functions of the ministries and the powers of the ministers, and its amendments; and
- Federal Decree-Law No. (8) of 2017 concerning Value Added Tax; and
- Cabinet Resolution No. (52) of 2017 regarding the regulation of Federal Law No. (8) of 2017 concerning Value Added Tax; and
- Based on what has been presented by the Minister of Finance, and the approval of the Cabinet; and

Resolves:

Article (1)

Definitions

In application of provisions of this Resolution, the following words and phrases shall have the meanings assigned to them, unless the context indicates otherwise:

Authority	: The Federal Tax Authority.
Tax	: Value Added Tax (VAT).
Taxable Person	: Any natural or legal person that is registered or is supposed to be registered for tax purposes subject to Federal Decree-law No. (8) of 2017.
Tax Registration	: A registration procedure taken by the taxable person or his legal representative for tax purposes of the Authority.
Items	: Gold, diamond and any of its basic products of gold and diamond.

- Registered** : The taxable who acquired a tax registration number and is licensed by the competent governmental authority to practice any business relevant to the items.
- Supplier** : The registered who supplies items in the State.
- Receiver** : The person for whom the items are supplied.
- Tax** : The tax that is calculated and imposed subject to Federal Decree-law No. (8) of 2017.

Article (2)

1. When a supplier supplies the items to a receiver that is registered in the State, and the purpose of the receiver is to resell the items or to reuse it to produce or manufacture any of these items, the following rules shall apply:
 - a. A supplier shall not be responsible for calculating the tax relevant to items supply and shall not record it in its tax return if the registered receiver recognises in writing the following:
 1. Acquiring those items is in order to resell, reuse it in producing or manufacturing any of such items.
 2. It is registered on the date of supply.
 3. The receiver shall calculate the tax on the value of the items supplied.
 - b. The receiver of the items shall calculate the tax on the value of the items supplied and shall be liable for all tax obligations caused by that supply and the calculation of the due tax.
2. Provisions stated in clause (1) of this article shall not be applicable in any of the following cases:
 - a. If the supplier knows or is assumed to know that the receiver is not registered on the date of supply.
 - b. If the supplier did not confirm that the receiver is registered at the Authority pursuant to approved channels and details provided in the tax return.

- c. If the taxable supply is taxed for a zero-percentage subject to clause (1) or (8) of article (45) of the Federal Decree-Law No. (8) of 2017.
3. If the supplier knows or is assumed to know that the receiver is not registered for due tax purposes and associated penalties relevant to supply.

Article (3)

Issuing the Executive Resolutions

The Minister of Finance shall issue the necessary Resolutions to implement the provisions of this decision.

Article (4)

Enforcement and Publication

This Resolution shall come into force as of 1/6/2018 and shall be published in the Official Gazette.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by us:

On: 6 Ramadan 1439 A.H.

Corresponding to: 22 May 2018 AD