

Cabinet Resolution No. (82) of 2022
Concerning the Refund of the Imposed Input Tax from
Building and Operating Mosques

The Cabinet,

- Having reviewed the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and Capacities of Ministers, and its amendments thereof; and
- Federal Decree- Law No. (13) of 2016, Establishing the Federal Tax Authority, and its amendments thereof; and
- Federal Law No. (7) of 2017, Concerning Tax Procedures, and its amendments thereof; and
- Federal Decree- Law No. (8) of 2017, Concerning the Value Added Tax (VAT); and
- Federal Law No. (4) of 2018, Concerning the Organization and Care of Mosques; and
- Federal Law No. (5) of 2018, Concerning Endowments (Waqf); and
- Cabinet Resolution No. (52) of 2017, Concerning the Executive Regulations of Federal Decree-Law No. (8) of 2017 Concerning the Value Added Tax (VAT), and its amendments thereof; and
- Based upon the Minister of Finance's proposal and the Cabinet's approval,

Resolved:

Article (1)

Definitions

In implementing the provisions of this Resolution, the following terms and phrases shall have the meanings assigned to each, unless the context requires otherwise:

State	: The United Arab Emirates.
Minister	: The Minister of Finance.
Authority	: The Federal Tax Authority.
Tax	: The Value Added Tax (VAT).
Person	: The natural or legal person.
Donor	: The person or persons who contribute to the mosque's building.

- Competent Authority** : General Authority for Islamic Affairs, Endowments, and Zakat or the local authority concerned with mosques' affairs.
- Refund Application** : The request submitted to the Authority or the verification entity by the donor or operator, as the case may be, for the refund of the input tax incurred on the mosque's construction, operation, or maintenance.
- Verification Entity** : The entity whom the Authority contracts with and determines its scope of work concerning refund applications.
- Input Tax** : The tax paid or due by a person when he is supplied commodities or services or when he imports.
- Certificate on the Start of the Mosque's Operation** : A certificate granted, by the Competent Authority, to the donor in accordance with the requirements and conditions stipulated in clause (2) of Article (2) of this Resolution.
- Operator** : The person responsible for the mosque's operation and maintenance pursuant to the Competent Authority's written permit.
- Mosque** : The place designated for prayer; and the mosque's courtyards, entrances, annexes, and facilities shall be treated as a mosque.
- Mosque Operation** : All the commodities and services necessary to ensure to proper continuity of religious rituals' conduct; in addition to the mosque's enhancement and expansion works, provided they are directly linked to the mosque's building.

Article (2)

Right to the Refund of the Input Tax Incurred from the Mosque Construction

1. The donor shall have the right to apply for a refund of the input tax incurred from the mosque's construction upon fulfilling all the following conditions:
 - a. The donor must have incurred the input tax from the commodities and services directly linked to the mosque's construction.
 - b. The construction must have been approved by the Competent Authority.
 - c. The donor must possess a certificate on the start of the mosque's operation.

- d. Fulfill any of the following conditions:
 1. The mosque has been delivered or is intended to be delivered by the donor to any other person to whom the Competent Authority has approved the delivery, including the Competent Authority itself, unless the delivery is a taxable supply.
 2. The donor must operate the mosque in accordance with the approval issued to him by the Competent Authority.
2. The Competent Authority shall issue a certificate on the start of the mosque's operation, referred to in paragraph (c) of clause (1) of this Article, that includes all of the following information:
 - a. Personal data related to the Donor's identity, as determined by the Competent Authority in agreement with the Authority.
 - b. Sufficient information to identify the mosque's that was constructed by the donor with the Competent Authority's approval.
 - c. The date of the mosque's operation and the date of the operation certificate in the event it is different from the operation's date.
 - d. Confirmation that the donor has completed the mosque's construction in accordance with the conditions determined by the Competent Authority.
3. The Competent Authority shall issue the certificate on the start of the mosque's operation within (60) sixty days as of any of the following dates:
 - a. Date of the mosque's completion and fulfillment of requirements.
 - b. Enforcement date of this Resolution, for all the mosques that were completed before or after 01 January 2018 – which did not receive a certificate on the start of the mosque's operation before.
4. For the purposes of this Resolution, the mosque's construction shall include – in addition to the actual building process – the mosque's preparation, furnishment, supply with necessary equipment and devices, maintenance, and everything required for the mosque to perform its licensed activities, in full, before the operation date.

Article (3)

Refund Procedures of the Input Tax Incurred from the Mosque Construction

1. In the event the conditions stipulated in Article (2) of this Resolution are fulfilled, the donor may submit a refund application in accordance with the template prepared by the Authority for this purpose; and the Minister shall issue a decision determining the deadlines for the application submission.
2. In the event the donor is withholding payments related to the mosque's construction – due to be settled after the issuance of the operation certificate – then this:
 - a. Does not prevent from considering the refund application complete in accordance with clause (1) of this Article.
 - b. Permits the donor to submit a subsequent application, to the Authority, to refund the value added tax (vat) related to the said settled payments, within one calendar year starting from the date of payments' settlement along with submitting evidence proving the settlement.
3. The Authority or the verification entity shall review the donor's eligibility to submit the refund application and examine and audit the application in accordance with the requirements determined by the Authority for this purpose.
4. The Authority or verification entity shall perform – without limitations – the following:
 - a. Verify that the donor's refund application meets the conditions stipulated in Article (2) of this Resolution.
 - b. Verify the input tax amount, incurred by the donor, for the commodities and services directly related to the mosque's construction, and determine the amount of the refund to the donor.
 - c. Request information or records and audit the refund application.
 - d. Reject the refund application in the event it fails to meet the conditions and procedures.
5. The Authority will issue its final decision concerning the approval or rejection of the refund application; and the Authority shall do the necessary to refund due amounts if any.

Article (4)

Right to the Refund of the Input Tax Incurred from the Mosque Operation

1. The operator shall have the right to apply for a refund of the input tax incurred due to the mosque's operation, provided that the commodities and services shall be directly linked to the mosque, upon fulfillment of the following conditions:
 - a. The operator incurs the input tax on commodities and services directly linked to the mosque's operation and maintenance, provided that the said commodities and services are not linked to the mosque's commercial annexes or its operation.
 - b. The mosque must be registered as a mosque with the Competent Authority.
 - c. The operators must have a fixed-term written permit – issued by the Competent Authority – to operate the mosque during the period for which he is applying for a refund.
2. With the exception of events whereby the person in charge of the mosque's operation and maintenance is a Competent Authority, the Competent Authority shall provide the person in charge of the mosque's operation and maintenance with a written fixed-term and renewable permit, to operate and maintain the mosque within (60) sixty days of any of the following dates – as the case may be:
 - a. The date on which the person undertakes to be responsible for the mosque's operation and maintenance.
 - b. The enforcement date of this resolution in the event the person in charge of the mosque's operation and maintenance was not provided with a written permit for this purpose before this resolution coming into effect.
 - c. Date of renewing the written permit.

Article (5)

Refund Procedures of the Input Tax Incurred from the Mosque Construction

1. In the event the conditions stipulated in Article (4) of this resolution are fulfilled, the operator may submit a refund application to the Authority – in accordance with the template the Authority prepares for this purpose – and the Minister shall issue a decision determining the deadlines for the application submission and its periodicity.
2. Without limitations, the Authority may perform the following:

- a. Validate that the refund application submitted by the operator satisfies the conditions stipulated in Article (4) of this resolution.
 - b. Verify the input tax amount, incurred by the operator, for the commodities and services directly related to the mosque's operation, and determine the amount of the refund to the operator.
 - c. Request information or records and audit the refund application.
 - d. Reject the refund application in the event it fails to meet the conditions and procedures.
3. The Authority, whenever it deems necessary, may transfer the refund application for the mosque's operation to the verification entity to review and audit the refund application received from the operator.
 4. The Authority will issue its final decision concerning the approval or rejection of the refund application; and the Authority shall do the necessary to refund due amounts if any.

Article (6)

Date of the Refund Right Enforcement

The donor or operator may, as the case may be, be refunded the input tax incurred from 01 January 2018 for the mosque's construction and operation.

Article (7)

Executive Resolutions

Without prejudice to the provisions of this Resolution:

1. The Authority shall, where necessary, determine the procedures, guidelines, documents, record keeping requirements, etc., for donors, operators, the competent authority, the verification entity, and any other relevant persons.
2. The competent authority shall take the necessary measures and procedures to implement the provisions of this Resolution.

Article (8)

Publication and Enforcement

This Resolution shall be published in the official gazette and shall come into effect (60) sixty days after its date of publication.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by Us:

On: 18 Muharram 1444 AH

Corresponding to: 16 August 2022 AD