

Freelancer's self-guide to VAT



Am I liable to register for VAT?

Freelancers are split into three brackets for the purpose of VAT:

Revenue $>$ AED 375,000 = Must Register

Revenue $>$ AED 187,500 **TO** AED 375,000 = Optional to Register

Revenue $<$ AED 187,500 = Cannot Register

To apply for a VAT registration, you should have received

Revenue in last 12 months $>$ AED 187,500

Note: Revenue includes taxable supplies + exports (zero-rated supplies) + imports + reverse charge supplies.

Once you have a license

Start the process of VAT registration on the FTA portal. You will need:

1. Details of trade license
2. Last 12 months' revenues
3. Anticipated revenues
4. Your financial activity
5. Memorandum of Association
6. Sponsor agreement (if applicable)

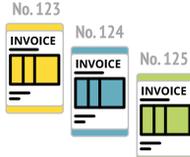


Submit all the details and wait for your TRN to be allocated.

Things to keep in mind for VAT Compliance



TRN has to be mentioned on all your invoices



Invoices to be sequentially numbered

VAT @5%	AED 50
Total Cost	AED 2000

Total cost and VAT to be disclosed separately

Discrepancies and errors will attract **Heavy Penalties!**



A software can help you get your books in order

- Easily set up and maintain books of accounts for a minimum of 5 years.
- Generate VAT-Ready invoices with just a few clicks.
- Automatically detect and correct errors.
- Easily define tax period for your business.
- Confidently file VAT>Returns in the prescribed format.



Tally.ERP 9

is all you need for your business!



Simplify multiple business processes



Uncompromising Security



Insightful reports



On-site support



Be Audit Ready all the time

Generate FAF (Audit File) and be ready for any kind of Audit