



New Attestation Rules for Commercial Invoices in the UAE

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Parker Russell UAE

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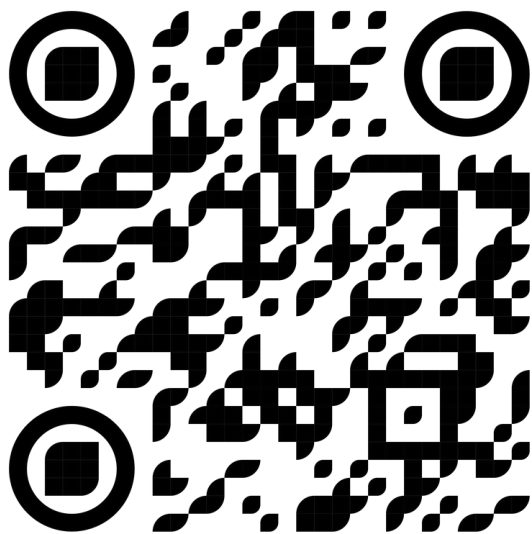


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Introduction

The United Arab Emirates (UAE) is known for its dynamic business environment, attracting international trade and commerce. To ensure transparency and regulatory adherence in this thriving landscape, the UAE government introduced Cabinet Resolution (38) of 2022, which focuses on the attestation of commercial invoices for goods valued at AED10,000 or higher. These regulations officially came into effect on February 1st, 2023, marking a significant shift in compliance requirements for businesses operating in the UAE.

The Importance of Compliance

The core objective of Cabinet Resolution (38) is to streamline the attestation process for commercial invoices. By imposing this directive, the government aims to ensure fairness and transparency in trade practices, particularly when it comes to transactions within multinational business groups. Compliance with these regulations is of paramount importance, as non-compliance can result in substantial penalties.

Penalties for Non-Compliance

- Failure to adhere to Cabinet Resolution (38) carries the risk of incurring a fine of AED500 for each unattested invoice.
- Importantly, these fines are payable by the consignee, adding an additional layer of responsibility to businesses involved in importing goods into the UAE.

Effective Date

While the regulations were officially enacted on February 1st, 2023, their implications extend beyond that date. Effective from September 15, 2023, any imports into the UAE lacking a corresponding attested invoice from the Ministry of Foreign Affairs, U.A.E., will be subject to a AED500 fine for each invoice without proper attestation.

Retroactive Application

One noteworthy aspect of these regulations is their retroactive application. They cover all imports made between February 1, 2022, and the current date. This means that even previous imports are subject to compliance with the attestation requirements outlined in Cabinet Resolution (38).

Guidance for Businesses

To ensure compliance with the new regulations, businesses operating in the UAE must take proactive measures. Careful attention to the attestation of invoices is paramount. To streamline this process and minimize the risk of fines or penalties, businesses can take advantage of the EDAS portal, which offers integration with the customs declaration process.

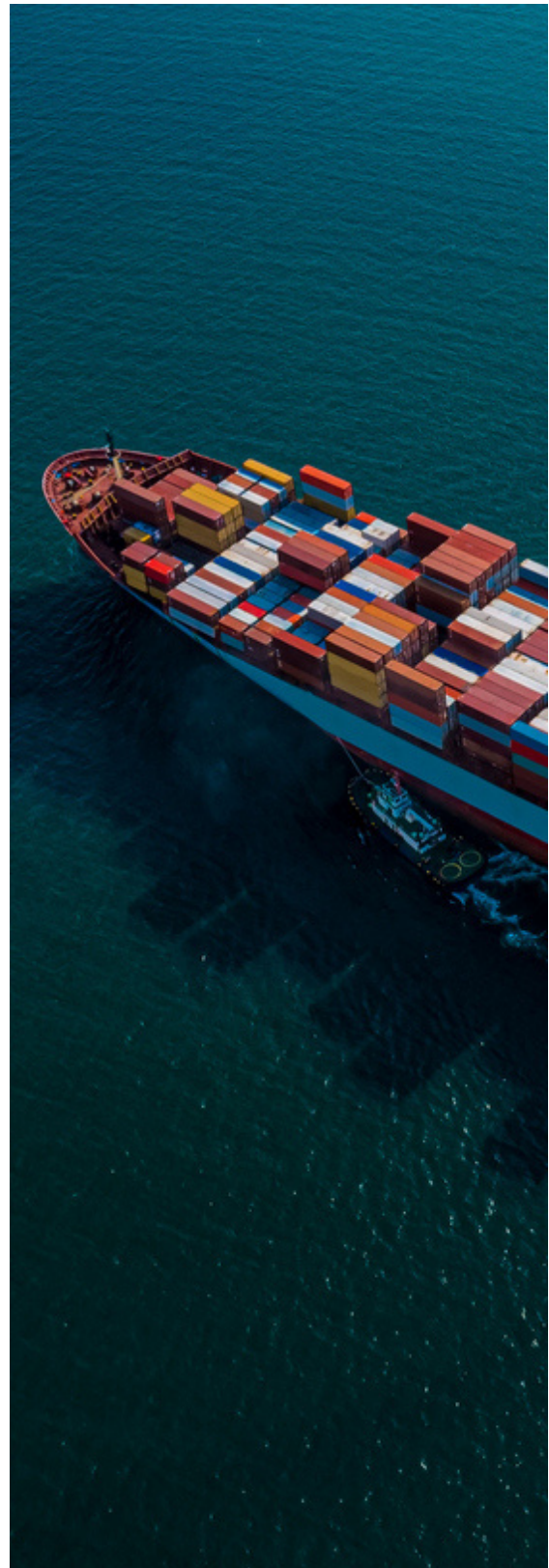
Conclusion

The UAE government's commitment to fostering transparency and equitable taxation practices is evident in Cabinet Resolution (38) of 2022. While these regulations place

additional compliance responsibilities on businesses, particularly those involved in international trade, they also serve to align the UAE's tax regulations with global standards.

By adhering to these regulations and ensuring proper attestation of invoices, businesses can not only avoid penalties but also contribute to the creation of a fair and transparent business environment in the UAE.

In conclusion, staying informed about and complying with these regulations is essential for businesses seeking to thrive in the UAE's vibrant trade landscape.



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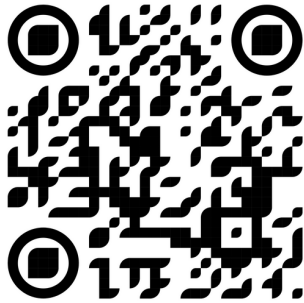
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