



VAT Refund for UAE Nationals Building New Residences

VAT Guide | VATGRH1

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1. Glossary

Applicant: A UAE National applying for a VAT refund in respect of the Goods and Services related to the construction of a new residence that is not part of the Person's Business.

Business Day: Any day of the week, except weekends and official holidays of the Federal Government.

EmaraTax: The FTA's digital tax services platform.

FTA: Federal Tax Authority of the United Arab Emirates.

Goods: Physical property that can be supplied including real estate, water, and all forms of energy as specified in the VAT Executive Regulation.

IBAN: International Bank Account Number. This is a unique identifier for a bank account that is required for processing VAT refunds.

Maskan: A digital application for refunding VAT to UAE Nationals constructing new residences.

New Residences Refund Scheme: A special VAT refund scheme for UAE Nationals constructing new residences.

Refund Request: An application for a VAT refund under the New Residences Refund Scheme.

Services: Anything that can be supplied other than Goods.

Tax Registration Number (TRN): A unique number issued by the FTA for each person registered for VAT purposes.

Tax: Value Added Tax (VAT).

UAE Nationals: A natural person who is a citizen of the UAE and has Family Data. For more information, please see the Federal Authority for Identity, Citizenship, Customs & Port Security's website at <https://icp.gov.ae>.



Verification Body: Independent third-party companies appointed by the FTA to conduct a detailed review of the expenditure, Tax Invoices and VAT incurred as well as other documents submitted to the FTA as part of the New Residences Refund Scheme.



2. Introduction

The purpose of this guide is to provide guidance to UAE Nationals on the eligibility criteria to apply for VAT refunds under the New Residences Refund Scheme.

This Guide explains the following:

- Persons who are eligible for the New Residences Refund Scheme.
- Eligible expenses in respect of which a Refund Request may be submitted.
- The timelines for submitting the Refund Request.
- Documentary requirements to support the Refund Request.

2.1 Legislative references

In this Guide,

- Federal Decree-Law No. 8 of 2017 on Value Added Tax and its amendments is referred to as “VAT Law”.
- Federal Law No. 28 of 2022 on Tax Procedures and its amendments is referred to as “Tax Procedures Law”.
- Cabinet Decision No. 52 of 2017 on the Executive Regulation of the Federal Decree-Law No 8 of 2017 on Value Added Tax, and its amendments, is referred to as “VAT Executive Regulation”.
- Cabinet Decision No. 74 of 2023 on the Executive Regulation of Federal Decree-Law No. 28 of 2022 on Tax Procedures, and its amendments, is referred to as “Tax Procedures Executive Regulation”.

2.2 Status of the Guide

This Guide is not a legally binding document and is intended to provide assistance in understanding and applying the VAT legislation with regards to the New Residences Refund Scheme.

The information provided in this Guide should not be interpreted as legal or Tax advice. It is not meant to be comprehensive and does not provide a definitive answer in every case. It is based on the legislation as it stood when the Guide was published. Each Person’s own specific circumstances should be considered.

This document is subject to change without notice.



2.3 Maskan Application

The FTA also launched a smart application “Maskan” that aims to provide proactive services to UAE Nationals in respect of VAT refunds under the New Residences Refund Scheme.

Maskan allows a UAE National to add Tax Invoices received during the construction stages to the Person’s account. In such instance, Maskan will generate a unique bar code that allows suppliers to scan the Tax Invoices in order to link them directly to the UAE National’s account. Maskan also calculates the amount of the expenses and provides an estimated VAT refund amount, subject to the eligibility criteria and verification process described in this Guide.

The Maskan application can be downloaded from Google Play and Apple Store.

2.4 Additional assistance

UAE Nationals may contact the FTA for further information on the New Residences Refund Scheme, by sending an e-mail to info@tax.gov.ae.



3. New Residences Refund Scheme

3.1. How does it work?

Where a UAE National owns or acquires land in the UAE on which he / she builds or commissions the construction of his / her own residence, he / she is entitled to request a special refund from the FTA for the VAT incurred on certain expenses related to the construction of a new residence, subject to certain conditions stated in Article 66 of the VAT Executive Regulation.

The UAE National may submit an application for a Refund Request under the New Residence VAT Refund Scheme using the Maskan application or via EmaraTax, along with the required supporting documentation, including the details of the Applicant and the property.¹ Both the Maskan application and EmaraTax can be used as they are synchronised.

The FTA will acknowledge receipt of the Refund Request and review the application to determine whether the Applicant is eligible under the New Residence VAT Refund Scheme. A reference number will be provided to the Applicant and additional information may be requested.

If the initial assessment of the application is successful (i.e. the Applicant is eligible to apply for the special refund), additional documentation may be requested, either by the FTA or by a Verification Body, to perform the review of the supporting documentation for the purposes of the claim. The Verification Bodies do not charge a fee for this service to UAE Nationals.

The Applicant will be notified if the Refund Request is sent to the Verification Body and the Verification Body may contact the Applicant directly to request additional details and documentation for review. If additional information was requested, the required information should be uploaded using EmaraTax or the Maskan application.

Once the Refund Request is reviewed by the Verification Body, the Verification Body will inform the FTA of the outcome of the verification. Following this, the FTA will notify the Applicant whether the Refund Request is approved, amended or rejected.

A UAE National may only submit one Refund Request per new residence, except in the case of retention payments where another application in respect of the same

¹ Please refer to the "Initiate Indirect Refund Claim for UAE Nationals Building New Residences – User Manual" for more information on the EmaraTax process to initiate the Refund Request.



residence may be submitted. In such instance, the same residence will have a total of two Refund Requests (see Section 4.2 for more information).

3.2. Meaning of “residence” under the New Residence VAT Refund Scheme

In the context of the New Residence VAT Refund Scheme, the term “residence” refers to any newly constructed building (including townhouses and villas) used predominantly as a private home of a natural person, including fixtures and fittings belonging thereto and enjoyed therewith, which comprise at least of cooking and washroom/bathroom facilities in addition to sleeping quarters.

Subsequent attachments or detached structures on the same plot are, generally, not considered a “residence” unless they have washroom/bathroom facilities, sleeping quarters, and access to cooking facilities.

Below are some examples of instances where VAT on the related building costs may be recovered under the New Residences Refund Scheme, provided all the other requirements are met:

- where a second house with cooking, washroom, and sleeping facilities is subsequently built on the same plot,
- where an additional floor / level / extension with washroom and sleeping facilities as well as direct and easy access to cooking facilities is subsequently added to an existing residence, provided such addition can function independently as a private residence,
- where a standalone building is built on the same plot containing an existing residence and the standalone building has sleeping and washroom facilities as well as direct and easy access to cooking facilities.

However, the following would, typically, not qualify for a refund under the New Residences Refund Scheme:

- a playroom added to the residence at a later stage,
- an extension to the residence consisting of only cooking facilities or Majlis without washroom and sleeping facilities,
- a garage or car port built after the residence was already completed.

Buildings and units registered for commercial purposes, including hotel apartments, serviced apartments and guest houses,² do not qualify as “residences” for purposes of the New Residences Refund Scheme.

² Article 66(2(c) of the VAT Executive Regulation.



It may happen that part of the building is used as a study or for other activities. In such instance, the building will still be regarded as a residential building if only a small proportion of it is used as an office or workspace by the occupants.³

3.3. Eligible Persons

The Refund Request may only be made by a natural person who is a UAE national⁴ and holds Family Data. Kindly note that, with effect from 2024, the Family Book requirement was replaced with “Family Data” which is a digital alternative to the Family Book. All information recorded in the Family Book should be included and displayed in the Family Data, including the UAE National’s family members and place of birth. For more information, please see the Federal Authority for Identity, Citizenship, Customs & Port Security’s website at <https://icp.gov.ae>.



3.4 Eligible expenses

For a refund claim to be considered by the FTA, it must meet the following conditions:

3.4.1 Usage of the building

Expenses must relate to a newly constructed building which is to be used solely as a residence of the Applicant and / or his or her family.⁵

3.4.2 Nature of expenses

VAT may only be recovered in respect of the following categories of expenses:⁶

- Building materials, i.e. Goods that are normally incorporated by builders in a residential building or its site, excluding furniture and electrical appliances.
- Services provided by contractors, including Services of builders, architects, engineers, and other similar Services necessary for the construction of the residence to be completed.

³ Article 37(3) of the VAT Executive Regulation.

⁴ Article 66(2)(a) of the VAT Executive Regulation.

⁵ Article 66(2)(b) of the VAT Executive Regulation.

⁶ Article 66(6) of the VAT Executive Regulation.



VAT incurred on transport costs and clearing agent fees on importation of building material may be recovered to the extent these costs are incurred directly in connection with building materials to be used for constructing a new residence for a UAE National or his / her family.

Goods and materials are normally considered to be incorporated into a building when they are fixed in such a way that the fixing or removal of those Goods would require the use of tools or result in the need for remedial work to the structure of the building, or cause damage to the Goods / materials themselves.

Examples of Goods which are not considered to be incorporated into the residence include:

- Appliances that are removable, i.e. not built into the residence. This includes, for example, loose standing cookers, washing machines etc.
- Furniture such as sofas, tables, chairs and loose carpets.
- Landscaping, such as trees, grass and plants.
- Swimming pools and spa.

Examples of Goods which are considered to be incorporated into/attached to the building, and are required for the building to function as a residence include:

- Central air conditioning and split units.
- Doors.
- Fire alarms and smoke detectors.
- Flooring (excluding loose carpets).
- Kitchen sinks, work surfaces and fitted cupboards.
- Sanitary units.
- Shower units.
- Window frames, awnings and glazing.
- Wiring when embedded inside the structure of the building.

It should be noted that no refunds will be granted for any further attachment / detached structure that is separate from the constructed residence building, unless the attachment / detached structure meets the requirements of a “residence” as set out in Section **3.2**.

A more detailed list of the types of expenses which may or may not be eligible for a refund is provided in **Appendix 1** to this guide.



NOTE: A UAE National may not submit a Refund Request in connection with a building that will not be used solely as a residence by the Applicant or his/her family, for example where the building is leased to another Person.

Should the building be used for any purpose other than being the residence of a UAE National (or his/her family) after receiving the special refund, the UAE National shall notify the FTA and may be required to repay any VAT refunded to him/her as a result of breaching the above condition.⁷

3.5 Correction of errors

If the Applicant becomes aware that the amount of the VAT refund requested under the New Residences Refund Scheme is overstated, i.e. if a larger refund was claimed than the Applicant was entitled to, the Applicant would be required to submit a Voluntary Disclosure.⁸

⁷ Article 66(5) of the VAT Executive Regulation.

⁸ Article 10(2) of the Tax Procedures Law.



4. Timeframe for submitting the Refund Request

4.1 Deadline for the application

The Refund Request must be sent to the FTA within 12 months from the date the new residence is completed, which is 12 months from the earlier of the date:⁹

- the residence becomes occupied,
- the residence is certified as completed by a competent authority in the UAE (the Building Completion Certificate), or
- stipulated by the FTA (see below).

The date the residence becomes occupied should be determined based on facts. The Applicant is required to obtain and retain documentary proof substantiating the actual date on which he / she occupied the residence.

In certain limited circumstances, a person may find it impossible to apply for a refund before the lapse of the 12-month period from the date of completion specified above. Hence, as an exception to the general 12-month rule, where any of the following events takes place, the date of completion of the new residence may be considered the date on which the relevant event has ended:

- There are reasons which prevent the UAE National from submitting a complete Refund Request on time. Such reasons may include, for example, the absence of the UAE National from the UAE due to a military service or illness.
- There is a legal dispute related to the new residence.
- Even though the Building Completion Certificate has been issued, there are some pending technical issues which require further work for the construction of the new residence to be completed before being ready for occupancy. Any construction work required to complete the building and make it ready for occupancy would not be considered as an additional work for this purpose, but part of the original work on the building.

The occurrence of the above events can be evidenced by official documents, consultant affidavits, documents for delivery or activation of Services, or any other qualifying document, subject to the approval of the Verification Body. It should be noted that the FTA has discretion to accept or reject the reasons and/or evidence provided by the Applicant requesting an alternative date of completion.

⁹ Article 66(3) of the VAT Executive Regulation.



4.2 Retention payments

In certain circumstances, a UAE National may be required to make retention payments to his/her contractors following the expiration of the 12-month period¹⁰ from the date of completion of the new residence. Where the UAE National intends to make such payments, the UAE National should indicate so when filing the initial application for the refund.

Once the UAE National makes a retention payment, he or she will be entitled to submit a subsequent Refund Request to the FTA to recover VAT related to the retention payment. The Refund Request should be submitted within 6 months from the date of making the payment, and should include proof that payment was made, for example, a receipt. Such request may be submitted on a consolidated basis where there is more than one retention payment, provided that the request is submitted within 6 months from the date the first retention payment was made.

¹⁰ Article 66(3) of the VAT Executive Regulation.



5. Application and review process

All applications for New Residence VAT Refunds must be submitted via EmaraTax or the Maskan application.

Please refer to the following documents for detailed guidance on the steps needed for an EmaraTax Refund Request to be initiated on this matter:

- Initiate Indirect Refund Claim for UAE Nationals Building New Residences - User Manual,
- Initiate and processing retention payment claims for UAE Nationals Building New Residences Refund - User Manual.

Both manuals can be found on the FTA's Website under the VAT > Guides, References & Public Clarifications section.

5.1 Required documents

The Applicant is required to provide the following documents when submitting the Refund Request to the FTA:

- Copy of the Applicant's Emirates ID.
- Copy of the Applicant's Family Data (Family Sequence Number).
- Copy of the property completion certificate and building permit.
- Copy of the property site plan.
- Documentary evidence proving that the Applicant owns the plot of land in the UAE on which the residence was constructed.
- Copy of the letter/certificate issued and stamped by the Applicant's bank which includes details such as the account holder's name, bank's name and IBAN.
- Power of attorney where the application is submitted on behalf of the owner, and / or court permission where the submission is on behalf of minors.

In addition to the above, the FTA may request further documentation to evidence the date the building is occupied (if needed).

The FTA may require you to provide originals of any documents submitted, or you may be required to submit additional documents to proceed.

Requests meeting the conditions will be transferred by the FTA to the Verification Body. The Verification Body may require the Applicant to submit additional documentation supporting the claim, for example:

- Architectural layout drawings (limited to 1 page).



- Building permit.
- Copies of the construction contract (including addendums).
- Copies of the consultancy agreement (including addendums).
- Copies of variation orders.
- Copies of invoices that include returned items.
- Copies of credit notes,
- Tax Invoices and proof of payments (for example, receipts) provided by the contractor and the consultant to the Applicant.

Tax Invoices should include the name of the owner (i.e. the Applicant), valid TRNs and the correct VAT amounts. Simplified Tax Invoices will not be accepted for the purposes of claiming a VAT refund.

Tax Invoices issued in the name of a related party / consultant / contractor / agent, must state that they are for the use of the Applicant and reflect the details of the building (including the plot number) for which the costs were incurred. Furthermore, the related party / consultant / contractor / agent has to confirm that it is not recovering any Input Tax related to the same Tax Invoice.

Alternatively, the Tax Invoice may be accepted if it contains all of the following:

- the full name of the UAE National on whose behalf the expense was incurred,
- signature and Emirates identity number of the UAE National as acknowledgement that the cost was incurred on his/her behalf, and
- full plot number or street address of the new residence. Note that, if the plot number is used, it should clearly be indicated as such. Merely stating numbers without a description would not be accepted.

5.2 Review of Refund Request

Reviewing the documents and refunding VAT might take up to 20 Business Days from the date all the required documents were submitted.

5.3 Common errors

The FTA has identified some common errors from Refund Request applications received. Before submitting a Refund Request application, kindly check the following:

- Ensure that all the required fields are completed correctly and match the details reflected in the supporting documents, e.g. Emirates ID, building permits and bank letter.



- Ensure that the letter from the bank containing the Applicant's IBAN for the bank account in which the refund must be deposited is uploaded. The letter must be printed on the bank's letterhead and include all the relevant details. A screenshot taken from online banking, or mobile application is not sufficient and will not be accepted by the FTA.
- Ensure that a copy of the completion certificate issued by the Municipality is uploaded, if applicable.
- If the property has multiple owners, it is essential to include a Power of Attorney document in the Refund Request. This document is crucial for authorising one of the property owners to request the refund of the VAT amount to his or her bank account. All other conditions to determine eligibility will still apply.



6. Updates and amendments

Date of amendment	Amendments made
May 2020	<ul style="list-style-type: none"> • First version.
May 2021	<ul style="list-style-type: none"> • Revised Section 2.2 to define “residence”. • Revised Section 3 on deadlines for application. • Revised Section 4.6 on documents required to be submitted to the Verification Body. • Deleted former Section 5 and incorporated within Section 4. • Revised Appendices.
April 2026	<ul style="list-style-type: none"> • Update the Guide to reflect the EmaraTax process and Maskan. • Added common errors. • Added more examples. • The Guide has been revised entirely for simplification.



Appendix 1 – Expense items eligible / not eligible for VAT refund

Expense items eligible for VAT refund	Expense items NOT eligible for VAT refund
<ul style="list-style-type: none"> • Building materials that make up the structure of the property (e.g. bricks, cements, tiles, timber). • Built-in kitchen, kitchen sinks, work surfaces and fitted cupboards. • Burglar alarms • Central air conditioning and split units. • Decorating materials that became part of the structure of the property (e.g. paint). • Doors. • Dust extractors and filters. • Fencing permanently erected around the boundary of the dwelling. • Fire alarms and smoke detectors. • Flooring (excluding loose carpets). • Garage and car shading attached to the residence. • Guttering. • Lifts and hoists. • Light fittings. • Plumbing materials incorporated into the residence. • Power points. • Sanitary units. • Services of architects relating to the specific building. • Services of builders. • Services of engineers. • Shower units. • Smart system fittings integrated in the residence. 	<ul style="list-style-type: none"> • Audio equipment (including remote controls), built-in speakers, intelligent lighting systems, satellite boxes. • Freeview boxes, CCTV, telephones. • Children play structures. • Electrical and gas appliances, including ovens. • Electrical components for garage doors and gates (including remote controls). • Free-standing and integrated part of the kitchen such as fridges, freezers, dishwashers, microwaves, washing machines, dryers, coffee machines. • Furniture which is not affixed to the building such as chairs, tables, bedroom furniture, curtains and loose carpets. • Garden furniture and ornaments and sheds. • Landscaping, such as trees, grass and plants. • Swimming pools and spas. • Smart lightbulbs.



Expense items eligible for VAT refund	Expense items NOT eligible for VAT refund
<ul style="list-style-type: none">• Solar panels.• Supervisory Services related to the specific building.• Window frames and glazing.• Wiring when embedded inside the structure of the building.• Other similar Services necessary for the construction of the residence.	