

VALUE ADDED TAX- PROFIT MARGIN SCHEME

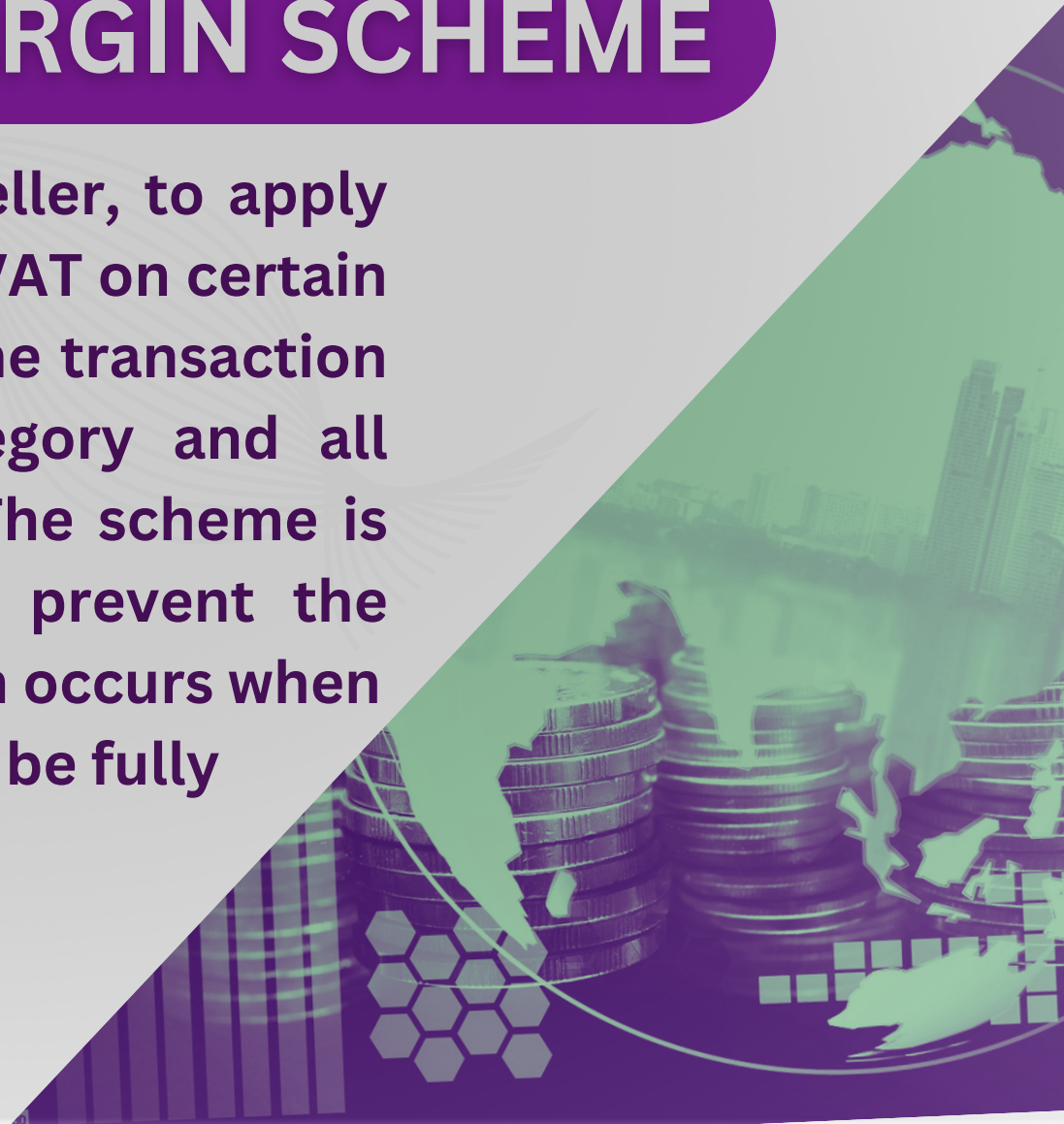
Presented By:

**Bazaar Accounting &
Management Advisors LLC
Bam Tax Advisors LLC**

VALUE ADDED TAX

PROFIT MARGIN SCHEME

You may be eligible, as a reseller, to apply the Profit Margin Scheme for VAT on certain supplies of goods, provided the transaction falls within the eligible category and all required conditions are met. The scheme is optional and is designed to prevent the cascading effect of VAT, which occurs when VAT incurred cannot generally be fully recovered.



IMPACT ON THE APPLICATION OF THE SCHEME

Under the scheme, the reseller is not required to charge VAT on the full supply value of eligible supplies. Instead, VAT is calculated and reported only on the profit margin, in accordance with the method prescribed by the FTA, which helps eliminate the cascading effect of VAT.



ELIGIBLE GOODS

The scheme is applicable only to the following categories of goods, provided such goods were previously subject to VAT:

- **Second-Hand Goods**
- **Antiques**
- **Collectors' Items**



ELIGIBLE TRANSACTIONS

THE SCHEME CAN BE APPLIED IN RESPECT OF THE FOLLOWING TRANSACTIONS:

The Reseller supplies Eligible Goods which were either purchased from a non-registrant or from a Taxable Person who calculated the VAT on the supply of the Eligible Goods by applying the Scheme.

The Reseller supplies Goods for which Input Tax was not recovered based on Article 53 of the VAT Executive Regulation.



How **BAM** can help



Review transactions to assess eligibility under the scheme.

Advise on the applicable VAT reporting procedures.

Assist in maintaining the required supporting documentation.

Support accurate VAT reporting in line with FTA guidelines.

CONTACT US

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