UAE TAX | VAT · COMPLIANCE

Supplier due diligence and input VAT: FTA Decision No. 13 of 2026

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From 1 October the FTA can refuse a VAT refund when a purchase is linked to tax evasion and the buyer failed to run the required checks.

FTA Decision No. 13 of 2026 sets the measures, procedures and conditions taxable persons must apply to verify the validity and integrity of their supplies. It was issued in July and published in August.

Why it matters

Press and adviser commentary reads the rule this way: if goods or services you bought are linked, anywhere in the supply chain, to tax evasion, the FTA can deny the related input VAT. That applies where you knew, and also where you should have known because you skipped the checks the Decision lays out.

Checks to build into onboarding

- Verify the supplier's tax registration number and status.
- Keep contracts, delivery evidence and proof of payment for each material purchase.
- For large relationships, the reporting describes extra steps, including written confirmation from a UAE bank that the supplier holds an account, and a check of public reputation. Reporting cites suppliers above AED 375,000 a year; confirm the threshold in the Decision.
- Keep the evidence in a supplier file that you can produce at audit.

Treat this as a procurement control, not only a tax task. Finance, procurement and tax should own it together.

Sources

• FTA legislation page (Decision No. 13 of 2026)
• Arabian Business report

Important. This summary is for general information and is not tax, legal or financial advice. It is based on public Ministry of Finance and Federal Tax Authority publications and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

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