



## VAT refund claims in the UAE -

Unlocking cash flow

May 2026



100 years in the Middle East

## Overview

Many businesses in the United Arab Emirates (UAE) have Value Added Tax (VAT) credit sitting unclaimed, not because they are not eligible, but because the process is often deprioritised or seen as complex. With recent changes introducing a five-year time limit on refund claims, these amounts may no longer be recoverable if action is not taken in time.

Delays might arise as a result of business process deficiencies, or perhaps a hesitation to request such payments. Due to recent VAT law changes which introduce a five-year statute of limitations for claiming refund payments, continued delays in requesting repayment may lead to VAT refunds becoming blocked for earlier historic periods. If your business has historic VAT credit it has not yet claimed, or received, from the Federal Tax Authority (FTA), prompt action may be required. Key actions include:

### **Act fast:**

Refunds unclaimed within five years become ineligible.

### **Transitional rule compliance:**

Taxpayers with refunds approaching five years old by 1 January 2026 must file refund requests by 1 January 2027.

The FTA is actively encouraging refund submissions, viewing unclaimed refunds as indicative of potential compliance deficiencies. Based on our experience, should a business have a right to VAT recovery, refund claims are approved by the FTA provided the necessary documentation is submitted in line with the FTA's requirements.

## How does this benefit your business?



### **Boost cash flow:**

VAT refund claims enhance working capital.



### **Ensure compliance:**

Addressing VAT claims proactively aligns with FTA expectations.



### **Establish recovery basis:**

Claiming historical VAT refunds can speed up and smooth future refund applications.

## How can Deloitte support?

Deloitte has extensive experience helping businesses manage refund claims, supported by a dedicated UAE VAT refund team with a proven track record of guiding claims through to successful receipt, and providing insight into the FTA's preferred process and documentation requirements.

We begin with a tailored review to assess VAT refund eligibility and establish the legal basis. This provides businesses with clear visibility into the potential success of their claims. There is no one-size-fits-all approach to dealing with refund claims, and we apply a flexible approach depending on the progress and ongoing interaction with the FTA. Our support typically includes:

- Guidance on eligibility and documentation.
- Comprehensive VAT return and records review.
- Process and documentation improvement advice.
- Direct liaison with the FTA and management of your claim.
- Reconciliation of recovered amounts against claims.

## Our value proposition

Flexible fee models, including fixed budget or success fee options, providing you with budgetary certainty and a clear cost / benefit view on the value we deliver.

## Next steps

Should you wish to explore the possibility of a refund or review your current VAT position, please feel free to reach out to your regular Deloitte contact or a member of our VAT team in the UAE.

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