



DETERMINATION OF PARTS AND PIECES OF ELECTRONIC DEVICES

DECISION SUMMARY

The Federal Tax Authority ('FTA') of UAE has recently issued a Ministerial Decision ("Decision") specifying "The criteria that should be followed in determining the Pieces and Parts related to Electronic Devices". It is noted that said Decision is effective from 30 October 2023.

As per the said Decision, the Pieces and Parts are considered related to electronic devices only if any of the following criteria is fulfilled:

- When the Pieces and Parts are normally used for the manufacturing or production of Electronic Devices, and are considered necessary for the normal operation of the Electronic Devices.
- When the Pieces and Parts are "not" normally used for the manufacturing or production of Electronic Devices but are normally necessary for the operation of the Electronic Devices, such as chargers, power cords, battery packs and other similar Pieces and Parts.
- When the Pieces and Parts that are a replacement of Pieces and Parts that meet the criteria in both the above cases.

OUR REMARKS

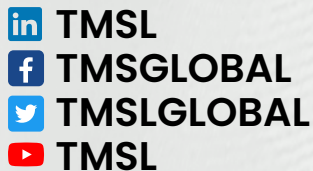
The following are the cases that shall not be considered:

- It is pertinent to note that the Pieces and Parts which are not necessary for the electronic devices and are merely used to enhance the functioning or enjoyment of Electronic Devices.
- SIM cards and other external smart cards that share similar characteristics or serve the same purpose.

DISCLAIMER:

The information contained herein is of a general nature and is therefore not intended to address the circumstances of any particular individual / entity. It is meant for general guidance only and has been presented in a summarized form. Although, we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The interpretations, conclusions, comments, remarks represent author's opinion only. It may contain unintended inaccuracies / mistakes that we have tried to avoid, However, the possibility of a human error cannot be ruled out. TMSL Management Consultancies Co. will not accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication.

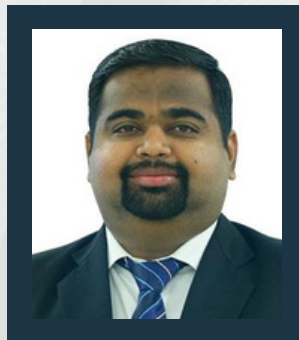
Attention of the readers is also invited to MoFs press-release dated 19 May 2023 per which "a number of post circulating on social media and other platforms that are issued by private parties, contain inaccurate and unreliable interpretations and analyses of Corporate Tax". The Ministry reminded that official sources of information on Federal Taxes in the UAE are MoF and FTA only. Therefore, analyses that are not issued by them are unreliable and may contain misleading interpretations of the UAE CT Law. The readers are requested to factor in the same and also the fact that this post is not commissioned by MoF or FTA.

SOCIAL:**OFFICE ADDRESS:**

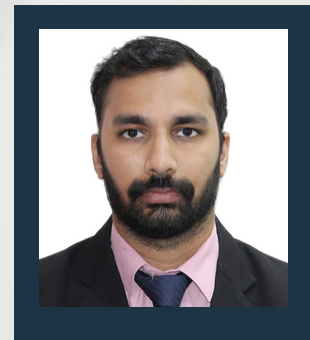
Office No MF-24 plot 293,
Belshalat Buiding - Commercial,
Al Baraha Dubai UAE.
PO Box 77106

OUR LEADERS

RAVI CHITNIS
ravi.chitnis@tmsglobal.com



PRATIK SHAH
pratik.shah@tmsglobal.com



PIYUSH BAID
piyush.baid@tmsglobal.com

CONTACT: WWW.TMSLGLOBAL.COM | INFO@TMSL.IN

Ravi Chitnis | Pratik Shah | Piyush Baid
+971 50 654 4867 | +971 55 957 8232 | +971 54 449 5785