

# VAT Treatment on Selected Industries

## EDUCATION



	VAT rate
Private and public school education (excluding higher education) and related goods and services provided by education institution	0%
Higher education provided by institution owned by government or 50% funded by government, and related goods and services	0%
Education provided by private higher educational institutions, and related goods and services	5%
Nursery education and pre-school education	0%
School uniforms	5%
Stationery	5%
Electronic equipment (tablets, laptops, etc.)	5%
Renting of school grounds for events	5%
After school activities for extra fee	5%
After school activities supplied by teachers and not for extra charge	0%
School trips where purpose is educational and within curriculum	0%
School trips for recreation or not within curriculum	5%

## HEALTHCARE



	VAT rate
Preventive healthcare services including vaccinations	0%
Healthcare services aimed at treatment of humans including medical services and dental services	0%
Other healthcare services that are not for treatment and are not preventive (e.g. elective, cosmetic, etc)	5%
Medicines and medical equipment as listed in Cabinet Decision	0%
Medicines and medical equipment not listed in Cabinet Decision	5%
Other medical supplies	5%

## OIL AND GAS



	VAT rate
Crude oil and natural gas	0%
Other oil and gas products including petrol at the pump	5%

## TRANSPORTATION



	VAT rate
Domestic passenger transportation (including flights within UAE)	Exempt
International transportation of passengers and goods (including intra-GCC)	0%
Supply of a means of transport (air, sea and land) for the commercial transportation of goods and passengers (over 10 people)	0%
Supply of goods and services relating to these means of transport and to the transportation of goods and passengers	0%

## REAL ESTATE



	VAT rate
Sale and rent of commercial buildings (not residential buildings)	5%
First sale/rent of residential building after completion of construction or conversion	0%
First sale of charitable building	0%
Sale/rent of residential buildings subsequent to first supply	Exempt
Hotels, motels and serviced accommodation	5%
Bare land	Exempt
Land (not bare land)	5%
UAE citizen building own home	5% (recoverable)

## FINANCIAL SERVICES



	VAT rate
Margin based products (products not having an explicit fee, commission, rebate, discount or similar)	Exempt
Products with an explicit fee, commission, rebate, discount or similar	5%
Interest on forms of lending (including loans, credit cards, finance leasing)	Exempt
Issue, allotment or transfer of an equity or debt security	Exempt

## INVESTMENT GOLD, SILVER AND PLATINUM, JEWELLERY



	VAT rate
≥99% pure and tradable in global markets	0%
<99% pure	5%
Jewellery	5%

## INSURANCE AND REINSURANCE



	VAT rate
Insurance and reinsurance (including health, motor, property, etc)	5%
Life insurance and life reinsurance	Exempt

## FOOD & BEVERAGES



	VAT rate
Food and beverages	5%

## TELECOMMUNICATIONS AND ELECTRONIC SERVICES



	VAT rate
Wired and wireless telecommunications and electronic services	5%

## GOVERNMENT ACTIVITIES



	VAT rate
Sovereign activities which are not in competition with the private sector undertaken by designated government bodies	Considered outside VAT system
Activities that are not sovereign or are in competition with the private sector	VAT rate dependent on good/service ignoring provider

## NOT FOR PROFIT ORGANIZATIONS



	VAT rate
Activities of foreign governments, international organisations, diplomatic bodies and missions acting as such (if not in business in the UAE)	Considered outside VAT system
Charitable activities undertaken by societies and associations of public welfare which are listed by Cabinet Decision	Considered outside VAT system
Activities of other not for profit organizations (not listed in Cabinet Decision) which are not business activities	Considered outside VAT system
Business activities undertaken by the above organizations	VAT rate dependent on good/service ignoring provider

## FREE ZONES



	VAT rate
Supplies of goods between businesses in designated zones	Considered outside VAT system
Supplies of services between businesses in designated zones	VAT rate dependent on service ignoring location
Supplies of goods and services in non-designated zones	VAT rate dependent on good/service ignoring location
Supplies of goods and services from mainland to designated zones or designated zones to mainland	VAT rate dependent on good/service ignoring location

## OTHER



	VAT rate
Export of goods and services to outside the GCC implementing states	0%
Activities undertaken by employees in the course of their employment, including salaries	Considered outside VAT system
Supplies between members of a single tax group	Considered outside VAT system
Any supplies of services or goods not mentioned above (includes any items sold in the UAE or service provided)	5%
Second hand goods (e.g. used cars sold by retailers), antiques and collectors' items	5% of the profit margin

