

Ref: PPS/EC/SS/MS/JS/17-18/December/047

17th December 2017

Dear Parents,

Sub: VAT in the UAE Effective 1st January 2018

As you may be aware, VAT will be effective in the UAE from January 1, 2018.

VAT is a consumption tax which will be charged at the standard rate of 5% on all goods and services in the UAE, except those, specifically zero-rated or exempted.

It is our understanding that the supply of Main Educational Services would be zero rated whereas other Educational Services and Goods would attract the standard VAT rate of 5%.

Accordingly, please note that effective **1st January 2018**, Pristine Private School shall be issuing VAT compliant invoices bearing 5% VAT charge on Education related Goods and Services that are considered exceptions to zero-rated Education Services like Uniforms, Electronic Devices, Food and Beverages etc.

For further information on VAT and its impact on the Education related goods and services, please read the following links:

Khaleej Times - Guide: How VAT will impact education sector in UAE:
<https://goo.gl/WbixL9>

Ministry of Finance – VAT FAQ: <https://goo.gl/ETNcYY>

Ministry of Finance – Federal Law No. 8 of 2017 on VAT: <https://goo.gl/uAcgcJ>

Ministry of Finance – UAE Cabinet Decision (52) of 2017 on the executive regulations of the Federal Decree Law No. (8) of 2017 on Value Added Tax: <https://goo.gl/5qnaUp>

Truly Yours,
Shagufta Kidwai
Principal