CIRCULAR 260 - INTRODUCTION OF VAT IN THE UNITED ARAB EMIRATES

Date: November 13, 2017

Dear Business Partner,

As you will be aware, VAT will come into effect in the United Arab Emirates on 1st January, 2018, as per **Federal Law No. (8) of 2017 on Value Added Tax ("VAT Law").**

The UAE Ministry of Finance has issued updates and provided clarification as to how VAT will be applied.
It is now apparent that businesses operating in the UAE free zones, particularly those with clients and customers located in the UAE mainland, will generally be subject to VAT.

Businesses licensed by Dubai Creative Clusters Authority (DCCA) are advised to refer to the VAT section of the UAE Ministry of Finance website for detailed information as to how VAT applies to their individual business, and how to registerfor VAT. If, after reviewing this information, any uncertainty remains, we recommend for business partners to consult with a reputable professional adviser.

We would also like to take this opportunity to remind business partners that they are required to comply with the laws of the UAE including, to the extent applicable, the VAT Law.

Yours sincerely,
Dubai Creative Clusters Authority

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