



Supplies and Services Subject to Zero-Rate Tax and Supplies and Services Exempt from Tax

Education



- Private and public school education (excluding higher education) and related goods and services provided by education institution
- Higher education provided by institution owned by government or 50% funded by government, and related goods and services
- Nursery education and pre-school education
- After school activities supplied by teachers and not for extra charge
- School trips where purpose is educational and within curriculum

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Transportation



- Domestic passenger transportation (including flights within UAE)

VAT rate



* Article (46) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

- International transportation of passengers and goods (including intra-GCC)
- Supply of a means of transport (air, sea and land) for the commercial transportation of goods and passengers (over 10 people)
- Supply of goods and services relating to these means of transport and to the transportation of goods and passengers

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Insurance and Reinsurance



- Life insurance and life reinsurance

VAT rate



* Article (46) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Oil and Gas



- Crude oil and natural gas

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Real estate



- First sale/rent of residential building after completion of construction or conversion
- First sale of charitable building

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

- Sale/rent of residential buildings subsequent to first supply
- Bare land

VAT rate



* Article (46) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Financial services



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

VAT rate



* Article (46) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Other



- Export of goods and services to outside the GCC implementing states

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Precious metals for investment



- ≥99% pure and tradable in global markets

VAT rate



* Article (45) of Federal Decree-Law No. (8) of 2017 on Value Added Tax

Healthcare



- Preventive healthcare services including vaccinations
- Healthcare services aimed at treatment of humans including medical services and dental services
- Medicines and medical equipment as listed in Cabinet Decision

VAT rate



* Cabinet Decision No. (56) of 2017 on Medications and Medical Equipment Subject to Tax at Zero Rate

What is the zero rate?

If you make supplies at the zero rate, this means that the goods are still VAT taxable but the rate of VAT is 0%. You will need to record any zero-rated supplies in your VAT account and report them on your tax return.

What is exempt?

Exempt supplies are not taxable supplies for VAT purposes. VAT is not charged on exempt supplies and the supplier cannot recover any VAT on expenses incurred in making those exempt supplies. Exemptions will also be strictly applied as they are an exception to the normal rule that VAT should be charged.