

# VAT - Frequently Asked Questions (FAQs)

## What is Value Added Tax (VAT)?

VAT is an indirect tax applied on the consumption of goods and services (unless exempted). An indirect tax is a tax which is collected for the government by an intermediary (such as a business) from the payer of the tax (the consumer).

## When is VAT charged?

VAT is charged at each stage of the supply chain. VAT registered businesses will charge and add VAT to the value of goods and services they supply. VAT will ultimately be incurred and paid for by the end consumer.

## How much is VAT in the UAE?

VAT will be imposed on most of the domestic supplies of goods and services at a standard rate of 5% with few exemptions and zero-ratings applied to certain specified goods and services. VAT will be chargeable at the standard rate (5%) on our taxable supplies.

## Who must register for VAT in the UAE?

Businesses registered in the United Arab Emirates and engaged in any business activity whose turnover exceeds the mandatory VAT registration threshold specified by the UAE authorities must register for VAT. Please refer to the websites of the [UAE Ministry of Finance](#) and the [UAE Federal Tax Authority](#) for further information on registration requirements.

## How will the VAT implementation impact other Banking relationships you may have with Barclays?

Please contact your Relationship Manager for further clarification.

## Which Corporate Banking products are subject to VAT?

Based on the UAE VAT legislation, financial services conducted in return for a fee, commission, discount, rebate or similar shall be subject to VAT. For corporate banking products:

- Payments & Cash Management - including, but not limited to: account service fees, payments & collection charges, channel service fees, implementation and other charges; and
- Trade and Working Capital - including, but not limited to commission on bank guarantees, avalization, letter of credit (import / export), import/export collection and LC Confirmations.

## Disclaimer

The contents of this FAQ document are for information purposes only, are subject to change and are not intended to provide tax advice. Neither Barclays nor any of its directors, officers, employees, representatives or agents, accepts any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this communication or its contents or reliance on the information contained herein, except to the extent this would be prohibited by law or regulation. © Copyright Barclays PLC 2018 (all rights reserved).