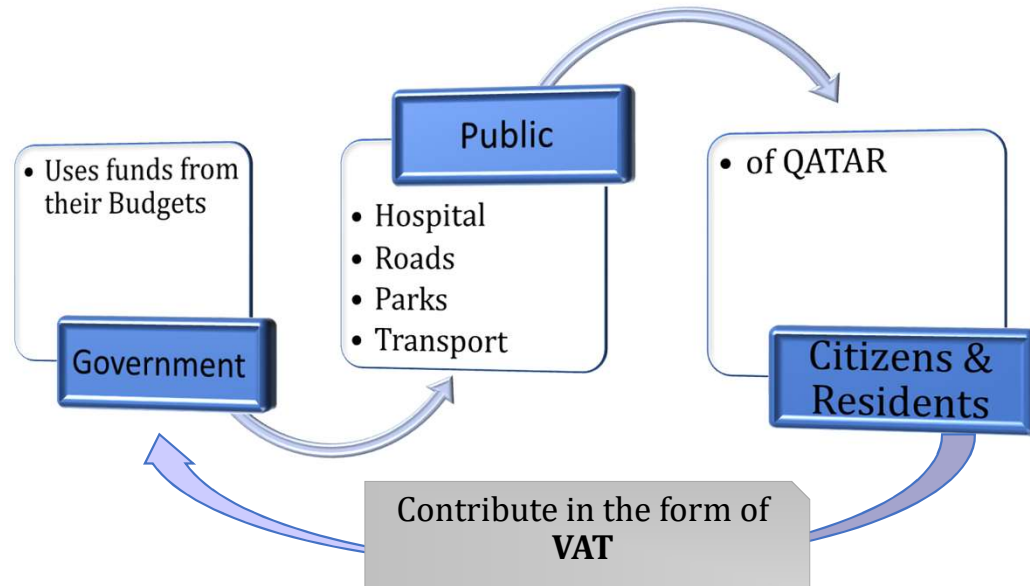


**QATAR VAT _ The
Expectation
Be Prepared in Advance**

Why VAT?

Indirect Tax plays an important role in the economic development of a country by influencing the rate of production and consumption.



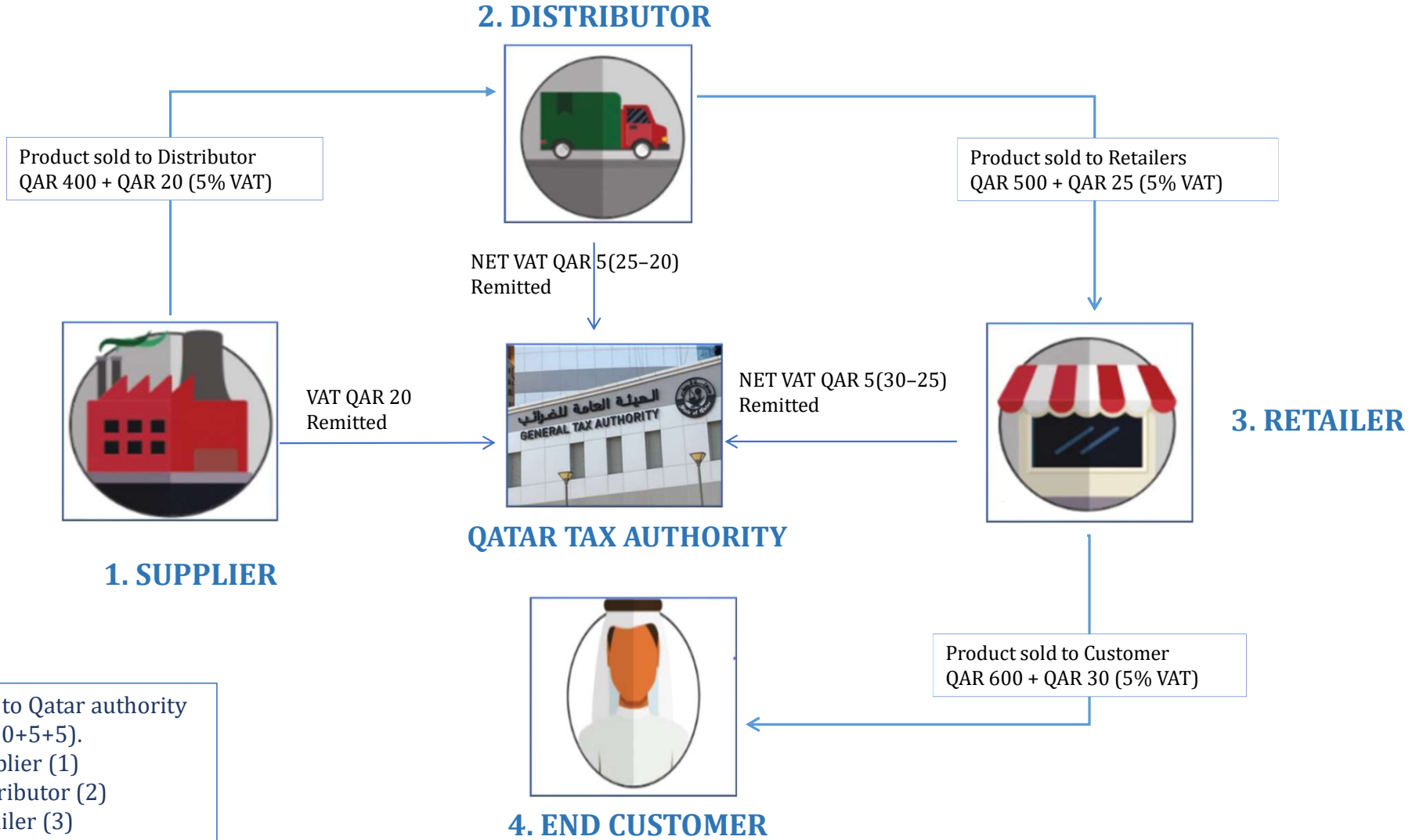
VAT - Indirect tax **charged on consumption** and is **levied on the supply and import** of goods and services.

Effective date : Expected to be effective from January 2020.

The GCC Countries agreed to Implement VAT at standard rate of 5%. Accordingly, it is expected that same rate will be imposed in Qatar also (Subject to some exceptions).

VAT is charged at the time of purchase of selected goods or consumption of services, consumers pay the VAT cost. In turn, businesses pay the Qatar Tax Authority the VAT collected from their customers' and recovers the VAT they paid to their suppliers.

How does VAT works?



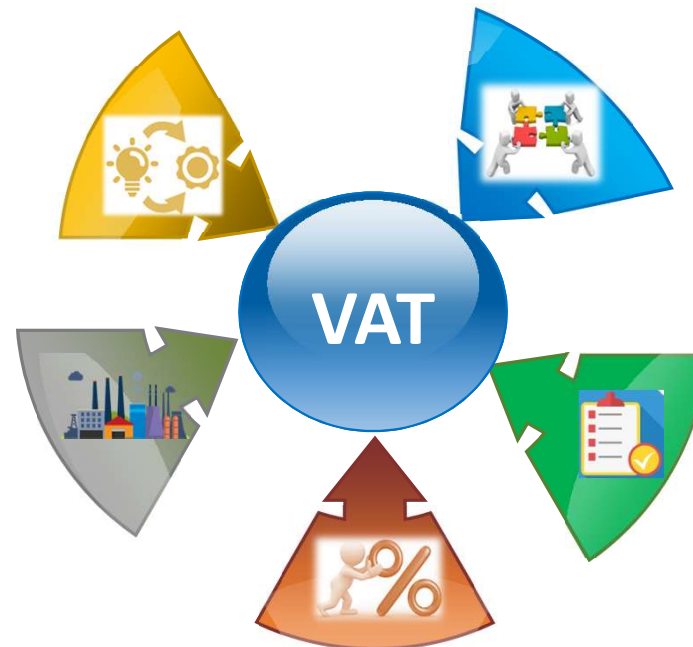
QATAR VAT

Implementing soon.... BE PREPARED

Effective date is not certain yet, this is the best chance for us to be prepared well in advance. Preparation is key because VAT liabilities are self-assessed, VAT can add an extra cost to businesses if a business is not prepared. Moreover, non-compliance with the tax laws may attract severe penalties. With no doubt, we can say that the implementation of VAT would require a total revamp of all the present practices and would assert a higher degree of financial transparency as well as accounting discipline.

Industries affected

- VAT will impact most industries, but majorly
- Consumer Products
 - Industrial products
 - Technology, media and telecommunications
 - Financial sector
 - Real estate sector
 - Services sector



Types of taxes

As adopted by UAE, KSA & Bahrain we expect following types of rate in OMAN VAT.

Standard VAT rate will be 5% in all six GCC countries. Which is significantly low as compared to rest of the world.

Zero rated tax : Supplies are taxable but at Zero rate of VAT

Exempt : VAT is not levied on some goods and services.

Steps to perform NOW.

- Make the needed changes to the IT systems
- Develop more efficient processes
- Incorporate a robust accounting system that has VAT module
- Identify how VAT will influence the business model and operations.
- Get professional help for right ways to implement systems perfectly
- Negotiations with new and existing vendors for reduced prices
- Take initiative to provide training to operational staff
- Reviewing and updating contractual arrangements with vendors and customers including appropriate clause of VAT implementation to determine each party is aware of its responsibilities for paying and accounting for VAT

Post Implementation Actions

- VAT registrations, collection, payments and returns filing need to be performed without delay
- Resolve transition related issues
- Maintain accurate financial and other records in an orderly manner
- Maintain proper invoicing system

Sector wise VAT impact

As adopted in the UAE, KSA and Bahrain, we have set out below sector-specific VAT treatment at the time of writing (note these will change and evolve so check if you have specific questions or want to apply rules to individual transactions):

Sector	Kingdom of Saudi Arabia	United Arab Emirates	Kingdom of Bahrain
Real estate	Residential rental: Exempt All other real estate: Taxable	The first supply of residential buildings within (3) years of its completion: Zero-rated. The first supply of buildings converted from non-residential to residential: Zero-rated. Residential rental: Exempt Bare land: Exempt New housing: Zero rated All other real estate: taxable	All real estate supplies are exempt
Insurance	All non-life insurance: Taxable Life insurance: Exempt	All non-life insurance: Taxable Life insurance: Exempt	All non-life insurance: Taxable Life insurance: Exempt
Financial services	Fee based services: Taxable An implicit Margin based services: Exempt	Fee based services: Taxable Margin based services: Exempt	Fee based services: Taxable Margin based services: Exempt
Food items	All taxable	All taxable	Basic Food Item Exempted
Education	Taxable	Specified services: Zero rated	Specified services: Zero rated
Health	<ul style="list-style-type: none"> • Taxable (Private Healthcare Providers) • Services provided by government healthcare providers are considered to be provided in the capacity of a public body. These activities will therefore fall outside the scope of VAT 	Specified services: Zero rated	Specified services: Zero rated
Medicines and medical equipment	Zero-rated (qualified medicines and qualified medical equipment)	Zero-rated (identified in a decision issued by the Cabinet)	Zero-rated (qualified medicines and qualified medical equipment)
Local transport	Taxable	Exempt	Zero Rated
Oil and gas	Taxable	Specified products: Zero-rated	Specified products: Zero-rated
Export	Zero-rated	Zero-rated	Zero-rated
International transport	Zero-rated	Zero-rated	Zero-rated
Precious Metal and Stone	<ul style="list-style-type: none"> • Zero-rating to the first supply of a qualifying metal by its producer or refiner as defined • Zero-rating on any grant, assignment or surrender of a right, interest or claim with respect to any supply of a qualifying metal for investment as defined 	Zero-rating the supply or import of investment precious metals	Zero-rating the supply or import of investment precious metals

About us & Services we offer

Since 3 Decades, our group has made a remarkable presence as a Chartered accountant firm in India, Dubai and Bahrain. Our sincere efforts to assist our clients in Auditing, Accounting, Taxation , IFRS advisory helps them to capitalize new opportunities. Our professionals are committed in addressing the needs and requirements of our client so that we can offer customized solutions.

How can we assist you ?

Here is an indicative glimpse of services we offer, in light of a dynamic and evolving regulatory environment surrounding

Value Added Tax:

- Pre Implementation guidance
- Registration
- Planning & implementation
- Return Filing
- Advisory & Consultancy
- Maintenance & Compliance of Statutory Records
- Tax Agency Services

Other Corporate Services

- Audit & Assurance
- Book keeping / Account Outsourcing
- Company Formation
- Management Consultancy Services
- Project report & Feasibility study

We would be ecstatic to have you as our client. For any assistance or query, feel free to contact us.

*Thank
you*



We appreciate you for going through this information and welcome you to connect with us.



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