

Temporary Zero-rating of Certain Medical Equipment

Application of Tax at the Zero Rate on Certain Medical Equipment

The Federal Tax Authority (FTA) released decisions regarding the temporary zero rating of supplies of certain personal protective equipment.

The decision concerns the temporary application of VAT at the 0% rate on certain supplies and imports of medical equipment. The Ministerial Decision No. 380 of 2020 ("Ministerial Decision") issued by the Minister of Health and Prevention on 6 December 2020 (with effect from 1 September 2020) specifies the medical equipment that are zero-rated in accordance with the Cabinet Decision. Such medical equipment are limited to below:

- Medical face masks
- Half filtered face masks
- Non-Medical "community"
- Single-use gloves
- Chemical disinfectants and antiseptics

A supply or import of above medical equipment may be zero-rated **within 6 months** from the **effective date of the Cabinet Decision**. The dates will be determined as below,

- In case of imports, the date on which such medical equipment are imported into the State
- In case of supply within the state, the date of delivery to the recipient or the date on which they are placed at the recipient's disposal.

Since effective date is 1 September 2020, so it will apply from start of this period till the end of February 2021 i.e. 28 February 2021.

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If you would like to discuss any VAT matters, please drop us an email at info@premier-brains.com or call us at +971 4 3542959.

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