



ZERO-RATED HEALTHCARE SERVICES

INTRODUCTION

The healthcare Sector in the UAE has seen a dramatic expansion over the past decade to meet the evolving needs of the increasing population and the ambition to become a medical tourism hub. **So how will Value Added Tax (VAT) implementation in the UAE affect the healthcare sector?**

The \$17bn (AED64bn) UAE healthcare sector is set to witness 60 per cent growth to reach \$28bn (AED103bn) in 2021 due to an increase in demand for preventive care and digital health, a leading research firm in the region.

The UAE aims to develop a world-class healthcare system as part of the UAE Vision 2021 National Agenda.

□ **Through these slides, we will be covering that how VAT will affect healthcare services.**

VAT brief

Healthcare



Healthcare services (As defined in UAE VAT):

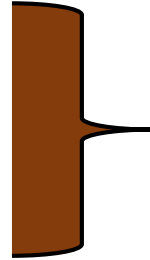
- Generally accepted in medical profession;
- As being necessary for treatment of recipient;
- It includes preventive treatment also.

ZERO-RATED HEALTHCARE GOODS & SERVICES

(1) Healthcare Services are **taxable at zero rate** on the condition that, Supply shall:

➤ **Made by :**

- Healthcare body or Institution;
- Nurse;
- Technical;
- dentist or
- Pharmacy.



**Licensed by Ministry of Health or
by any other Competent Authority.**

➤ Relate to **Well being** of Human Being.

(2) Supply of these goods shall be zero rated:

- **Pharmaceutical products** and any medical equipment identified in **decision of Cabinet.**
- Any other **goods** which are **supplied with** zero-rated healthcare **services.**

(3) These healthcare services are taxable at 5%:

- Any healthcare **service which is incidental** to provision of the accommodation or entertainment.
- **Cosmetic surgery other than prescribed by doctor** or medical professional for treating or prevention of medical condition.

EXAMPLES FOR BETTER UNDERSTANDING:

1. Necessary treatment by Healthcare body or Institution, Nurse, Technical, Dentist or Pharmacy licensed by Ministry of Health.	Zero-rated supply
2. Preventive treatment by Healthcare body or Institution, Nurse, Technical, Dentist or Pharmacy licensed by Ministry of Health.	Zero-rated supply
3. Cosmetic surgery prescribed by medical professional or doctor due to medical condition.	Zero-rated supply
4. Cosmetic surgery other than above.	Taxable at 5%
5. In- Patient charges- (In-patient services by hospital).	Zero-rated supply
6. Ambulance services- (In-patient services by hospital).	Zero-rated supply
7. Food charges- (In-patient services by hospital).	Zero-rated supply
6. Consulting services by Doctor to hospital working on contractual basis.	Taxable at 5%.
8. Medicines & equipment	Zero-rated supply
9. Any other goods supplied with necessary/preventive treatment	Zero-rated Supply

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

THANK

You

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