

**Deloitte.**



**Value Added Tax in the GCC**  
Insights by industry | Volume 2

1926 Ninety years in  
the Middle East



# Introduction

With the progressive implementation of Value Added Tax (VAT) throughout the GCC from January 1, 2018, the time does appear to be upon us all to start looking in detail at the potential impacts it will have on businesses, whether from an organizational, operational, commercial or financial perspective. VAT is often described as being cost-less for businesses. While as a general statement this may have an element of truth, in many (though not all) cases it is not cost-less from the perspective of a business preparing for change and managing their new obligations.

To help businesses in the GCC understand the potential impacts of the implementation of, and operation under, VAT, Deloitte Middle East has been issuing short papers in a number of volumes designed to provide a greater understanding of the impacts of the tax on specific industry types. We try, where possible, to outline the scenarios which are most likely together with possible responses to them, in order to give a fuller flavor of the changes to be expected.

This second volume contains insight into the impacts of VAT on the real estate and construction, tourism, and oil and gas industries, and provides key considerations for the appropriate structure of a VAT function based on a European benchmark developed in collaboration with the specialist global

indirect tax recruiters Beament Leslie Thomas (BLT). In addition, this volume discusses technology considerations with the aim to reduce the uncertainty for businesses and to highlight the key areas that organizations should focus on as they embark on their journey to VAT readiness.

*The first volume* provided an overview of how businesses should go about shifting from thinking to implementing, and putting themselves in a position to submit accurate, on-time VAT returns. Moreover, it looked at the retail, automotive, MICE (meetings, incentives, conferences and events) and financial services industries. The third volume will contain insight into the impacts of VAT on telecommunications and internet businesses, exporters, family offices, and finally the outcome of our VAT survey.

## Contacts

Should you have any questions about these papers or just want to speak to us, please feel free to contact anyone in our VAT team. If you want us to consider your particular industry as part of our series, we would be pleased to take your suggestion.

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