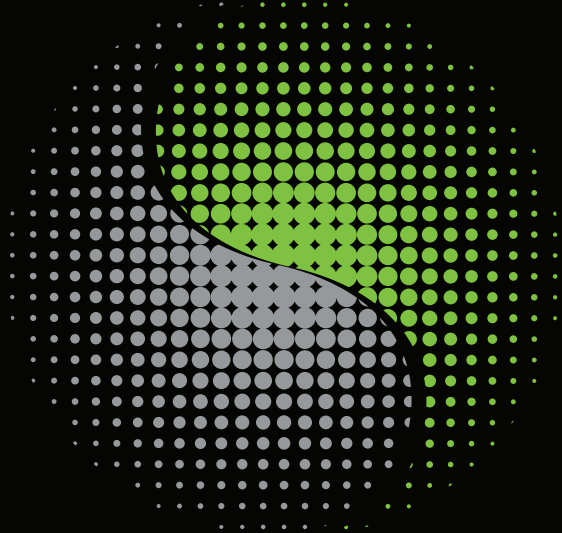


Preparing for VAT in the GCC

Indirect Tax Survey 2017 – Volume 3

With the progressive implementation for Value Added Tax (VAT) in the Gulf Cooperation Council (GCC), Deloitte is running a regular pulse survey to gauge the level of knowledge of VAT within the GCC marketplace and to understand the preparations already underway to get ready for the introduction.

After launching the results of the **first and second survey run in April and again in May**, we summarize in this page the results of our **July** client survey which demonstrates the updated statistics on where businesses are today. There is a great deal to be done for every business to be able to achieve day one compliance. We believe that these results provide some interesting food for thought on the commencement of your implementation journey.



VAT introduction in the GCC

89% of respondents believe that VAT will be introduced eventually or very soon while 11% think that it will never be implemented.

89%

There has been a growing sense of certainty that VAT is coming to the Gulf. Businesses also seem to be more informed about the indirect tax which might be due to the recent governments initiatives. Businesses' uncertainty about being ready by January 1, 2018 has also dropped by more than half.

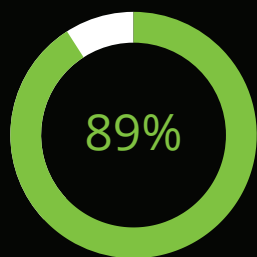
We are reaching a critical point in time for businesses to react to the quickly evolving tax environment.



41%

Increased awareness

41% of respondents feel very well informed about VAT while 52% have heard and know something about it. 7% said that it was the first time they have heard about it or considered it.



89% out of those who have said that they will not be ready by January 1, 2018 are waiting for the law to be published. In the UAE and Saudi Arabia the law is now published, so we assume businesses will now shift their approach.



Readiness for January 2018

50% of businesses said that they will be ready by January 1, 2018 while 44.5% were unsure and 5.5% said that they will not be ready.

50%



78%

Are you concerned?

78% of respondents said that the introduction of VAT concerns them while 15% are not concerned and 7% do not know if they are concerned.



Tax authorities

48% of businesses have concerns about the ability of the authorities to administer VAT compared to 70% in the last survey.

48%

Deloitte.

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