

Subject: Value Added Tax (VAT) Implementation

Dear Business Partner,

The Federal Tax Authority (FTA) in the United Arab Emirates (UAE) has passed its Value-Added Tax (VAT) legislation confirming that VAT will be implemented, effective 1st of January 2018.

VAT is charged at a standard rate on all consumption goods and services in the UAE except those which are exempted or zero-rated. Our systems will be designed to ensure that VAT is charged, collected and deposited in accordance with the VAT legislation. VAT in the UAE will be introduced at a standard rate of 5%.

As per the UAE VAT Law, if you are VAT registered, you can claim back the VAT you pay TECOM Group and/or its entities (refer to list full list in Appendix 1) by netting it against the VAT collected from your own customers.

Please note that values of all TECOM Group commercial documents are exclusive of VAT unless explicitly indicated otherwise.

All TECOM Group entities have applied for VAT registration and accordingly our invoices will be subject to VAT starting 1st of January 2018. For your records, please note that we will communicate to you our tax registration number (TRN) once we receive it.

Our customer invoices will be issued against their VAT registration number. Please make sure to update your details and add your entity's VAT registration number **as soon as it is available to you**. In the event that we do not receive your details in a timely manner, we will continue to invoice you as agreed in our contract(s). This may affect your ability to claim back the VAT you pay us.

Please note that additional post-dated cheques, or, payments will be required to balance the VAT charges applicable to our agreements as of 1 January 2018.

For more information on VAT legislation in the UAE, please visit the [FTA's website](#).

Regards,
TECOM Group