

Applicability of UAE VAT for Designated Zone

What is a Designated Zone?

Designated Zone: Any area specified by a decision of the Cabinet upon the recommendation of the Minister, as a Designated Zone for the purpose of the Decree-Law. **(As per Article 1 of Executive Regulation)**

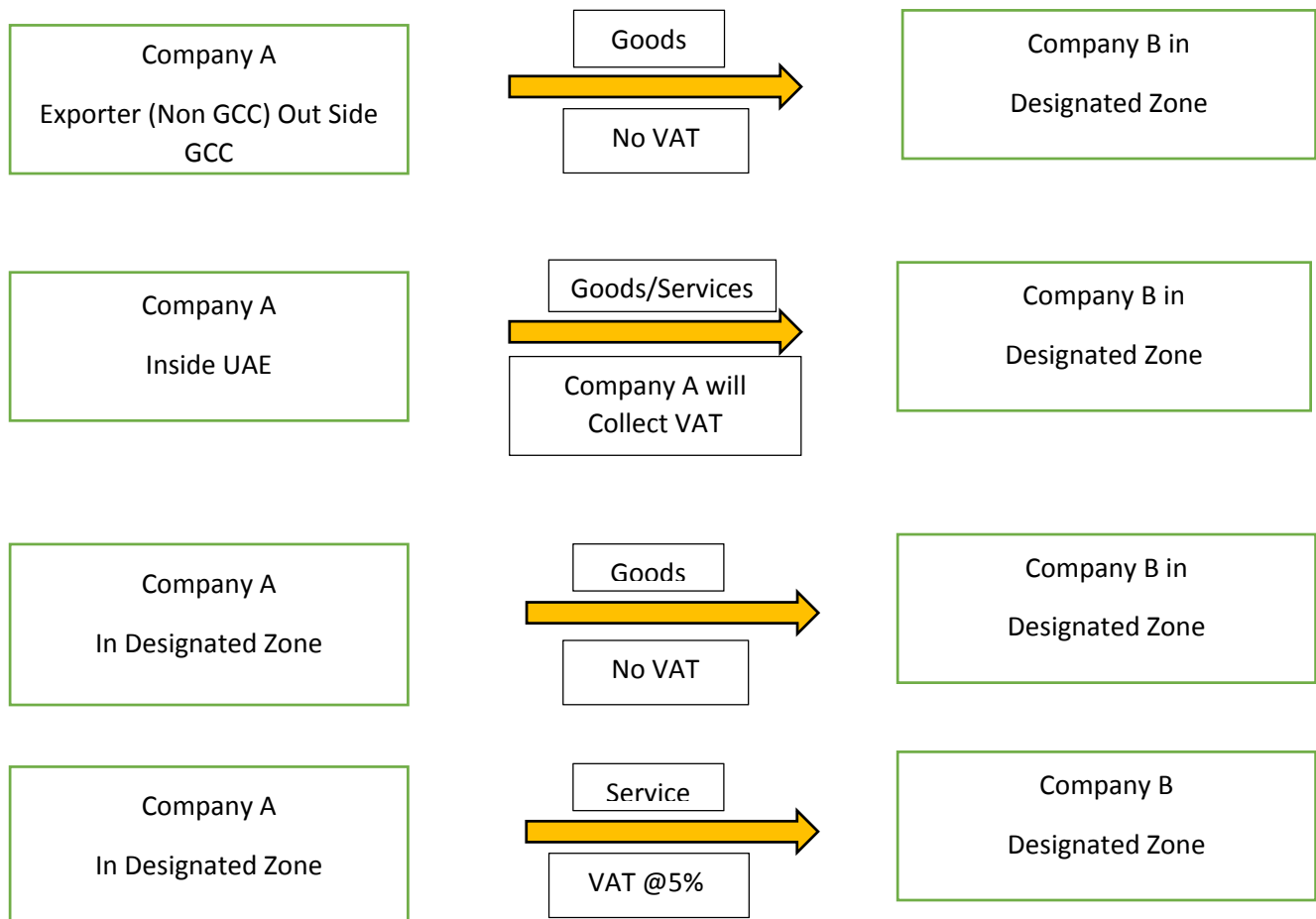
The Designated Zone is a VAT free Zone which is considered to be outside the State of UAE for the purpose of VAT. As a result, on any transfer of goods between Designated Zones, VAT will not be levied

There are 20 free zone across the country that are treated as Designated Zone.

Conditions for Designated Zone (As per Article 51 of Executive Regulation)

- The Designated Zone is a specific fenced geographic area and has security measures and Customs controls in place to monitor entry and exit of individuals and movement of goods to and from the area.
- The Designated Zone shall have internal procedures regarding the method of keeping, storing and processing of Goods therein.
- The operator of the Designated Zone complies with the procedures set by the Authority.

How the Purchase are handled in Designated Zone



How the Sale are handled in Designated Zone

