

VAT ON HEALTHCARE IN UAE

Impact and Insights

10th December 2018





FROM OUR **CEO**

The UAE's National Agenda 2021 lays special emphasis on the healthcare sector with an aspiration to make UAE a world class healthcare destination. Various published research reports suggest healthcare expenditure projected to reach in excess of US\$100 billion in the GCC, with UAE playing a prominent role.

After the UAE introduced VAT in January 2018, the general sense amongst the healthcare service companies is of, business as usual. This comfort is predominantly arising from VAT levied at zero-rate for a majority of the healthcare services. However, in our experience, there are enough and more scenarios that could be subject to VAT at a higher rate.

With almost one year post VAT implementation, it is crucial to seek absolute clarity on unresolved issues. We may not be too far from the time FTA starts the VAT audits, and any defaults identified by the auditor could be quite damaging, both monetarily as well as socially. An assessment of the status of health of the organization from a VAT perspective is always a good idea for the management to be sure of their tax compliances.

Technology and healthcare go hand in glove, making it critical for the companies to not only use technology in delivering their service offerings, but equally start to use it in managing tax compliances. The volume and complexity of data, multiple use of ERPs from various POS systems and the excessive dependence of humans for accounting makes VAT compliance highly prone to errors. Use of appropriate automated VAT compliance tools should be encouraged by the management to significantly reduce the probability of errors, potentially leading to significant savings.

WTS Dhruva Consultants is delighted to present "VAT on Health Care in UAE – Impact and Insights", a comprehensive VAT guide for companies operating in the healthcare sector. Our Team of VAT experts, researchers with hands on experience of the healthcare industry has covered wide range of topics. This will be relevant and useful to a wide cross section of organizations that comprise of the healthcare value chain.

We hope you will find this publication relevant and feel empowered in your understanding and preparedness to deal with the UAE VAT. I would welcome your comments and suggestions.

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1. Introduction

The National Agenda 2021 released by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and the Prime Minister of the UAE and the Ruler of Dubai has laid special emphasis on the healthcare sector to help make the country a world-class healthcare destination.

“The Government will work in collaboration with all health authorities in the country to have all public and private hospitals accredited according to clear national and international quality standards of medical services and staff.

Furthermore, the National Agenda emphasizes the importance of preventive medicine and seeks to reduce cancer and lifestyle related diseases such as diabetes and cardiovascular diseases to ensure a longer, healthy life for citizens. In addition, the Agenda aims to reduce the prevalence of smoking and increase the healthcare system’s readiness to deal with epidemics and health risks. This will result in the UAE becoming among the best countries in the world in terms of quality of healthcare”.

(UAE National Agenda 2021)

In its endeavour to make UAE as a preferred healthcare destination for the world, the government is not only taking efforts to improve and build a robust healthcare infrastructure (including setting up world class hospitals, clinics etc in the country) but also ensuring all the constituents of the eco-system are geared up to make it happen. And VAT is one such constituent that will play an important role in shaping up the healthcare sector.

If patients end up paying VAT on healthcare services, it will have a significant impact in perceiving UAE as an overall attractive destination for healthcare and will also determine the effectiveness of medical tourism in the country.

VAT in the Region

The Member States of the GCC entered into an agreement (‘GCC Agreement’) to establish a common legal framework for the introduction of a general tax on consumption in the GCC known as VAT, levied on the import and supply of Goods and Services at each stage of production and distribution.

Out of the Member States of the GCC namely,

- a. The Kingdom of Saudi Arabia,
- b. The United Arab Emirates,
- c. The Kingdom of Bahrain,
- d. The Sultanate of Oman,
- e. The State of Qatar, and
- f. The State of Kuwait,



The UAE and The Kingdom of Saudi Arabia (‘KSA’) implemented VAT on January 1, 2018. It is expected that the remaining countries would also be implementing VAT soon.

The VAT laws of UAE and the KSA have extensively defined how VAT applies on healthcare and related supplies of goods and services in their countries. The UAE has predominantly made supplies of healthcare services subject to zero-rate of VAT whereas, KSA has made such supplies subject to VAT at standard rate of 5% when provided by private healthcare entities. The standard rate of VAT in the UAE is 5%.

This report sets out the applicability of VAT on the healthcare sector that typically comprises of the following constituents:



Each of the above constituents is discussed in detail not only for the transactions they undertake with the patients, but also qua each other. In addition, the report also sets out the VAT treatment on certain typical healthcare related medical technology services, e-Health services etc.

Disclaimer

This report should not be considered as an exhaustive compilation of VAT treatment on the healthcare sector and may not necessarily cover all transactions. This report should not be considered as an opinion or clarification and report can neither be defended in the court of law nor be considered as FTA’s views on the healthcare industry.

The contents of this report are based on the information available and common practice.

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2. VAT legislation

The majority of healthcare services under the UAE VAT law have been classified as zero-rated. This effectively means that such services are subject to VAT at 0% but with the eligibility to recover the VAT incurred on the associated costs.

However, certain healthcare services which are not basic or preventive in nature but are more cosmetic are subject to the standard rate of VAT.

UAE VAT Law

Quote

Article (45)

Supply of Goods and Services that is Subject to Zero Rate

14. The supply of preventive and basic healthcare Services and related Goods and Services according to what is specified in the Executive Regulation of this Decree-Law.

Unquote

UAE VAT ER

Quote

Article (41)

Zero-rating Healthcare Services

1. The phrase "healthcare services" means any Service supplied that is generally accepted in the medical profession as being necessary for the treatment of the Recipient of the supply including preventive treatment.
2. A supply of healthcare services shall be zero rated on the condition that the supply shall:
 - a. Be made by a healthcare body or institution, doctor, nurse, technician, dentist, or pharmacy, licensed by the Ministry of Health or by any other competent authority.
 - b. Relate to the wellbeing of a human being.



3. "Healthcare services" do not include any of the following: :
 - a. Any part of a supply that relates to staying in or attending an establishment the principal purpose of which is to provide holiday accommodation or entertainment such that any healthcare service is incidental to the provision of the accommodation or entertainment.
 - b. Elective treatment for cosmetic reasons other than prescribed by a doctor or medical professional for treating or prevention of a medical condition.
4. A supply of Goods is zero-rated if it is a supply of:
 - a. Any pharmaceutical products identified in a decision issued by the Cabinet.
 - b. Any medical equipment identified in a decision issued by the Cabinet.
 - c. Any other Goods not covered by paragraphs (a) and (b) of this Clause which are supplied in the course of supplying a Person with zero-rated healthcare services that are necessary for the supply of such healthcare services.

Unquote

FTA

Vide a specific decree, the Government has set up the FTA to implement, manage, monitor and audit the taxpayers in the UAE. The authority works under the Ministry of Finance.

The taxpayers are required to liaise with the FTA officials for all matters pertaining to VAT. The FTA can be contacted at www.tax.gov.ae

3. Regulators

- I. Ministry and Government Bodies
- II. Dubai Healthcare City Free Zone

The healthcare sector in the UAE is regulated at both the Federal level as well as the Emirate level. In addition, there are two healthcare free zones in Dubai, Dubai Healthcare City and Dubai Biotechnology and Research Park. These two have their own regulatory bodies.

I. Ministry and Government Bodies

The MoHP is a Federal health authority providing comprehensive healthcare to all citizens and residents of the UAE through its preventive and curative health services.

The Federal-level ministry dictates the health standards throughout the UAE. To aid and check the regulations, each Emirate has its separate health authorities which work as the regulatory body for each Emirate. These authorities not only work in the capacity of providing permissions and licences but also ensure provision of high-quality healthcare services in accordance with international standards.

Some of these authorities are:

- The Health Authority Abu Dhabi (HAAD);
- Abu Dhabi Health Services Company (SEHA);
- Dubai Health Authority (DHA);
- Sharjah Health Authority; and
- Dubai Healthcare City (DHCC).

The primary objective of these organisations is to ensure healthcare standards are maintained. This objective is maintained by way of licences, approvals, audits, penalties, inspections, regulations, etc. In addition, such regulatory bodies may have their own hospitals, clinics, etc. providing core healthcare services.

Supply by a Government entity does not qualify as a taxable supply when:

- the activity is conducted in its sovereign capacity; and
- the activity is not in competition with the private sector.

'Government entity' includes Federal and local ministries, Government departments, Government agencies, authorities and public institutions in the State.

In the absence of a definition for 'sovereign', applying the common parlance test, any activity that is done as part of the State should qualify



as a sovereign function. Issuing licences and permits, approving hospitals under the MoHP and similar other functions carried out by the regulatory bodies should be covered under sovereign in nature, outside the scope of VAT.

Any activity by a Government entity in its 'sole capacity' with or without consideration does not qualify as a supply for VAT purposes. Where a Government entity performs an activity in the open market (that is also allowed for other private players), this activity will be considered a supply subject to VAT.

Where an authority or Ministry formed by the Government operates to perform functions that can be performed only by such authority, they should be considered as operating in a sovereign capacity. Such activities should not be considered a supply and thus, not subject to VAT.

It is expected that vide a Cabinet Decision, a list will be issued that will cover all such Government entities/bodies, along with the list of their activities that would not be considered a supply. Currently, this list has not yet been issued.

The entities that will be on the list would need to be VAT registered with the FTA. The primary reason to get these designated Government bodies registered for VAT is to make them eligible for a refund of VAT they would incur on their procurements and not unnecessarily lead to a cost.

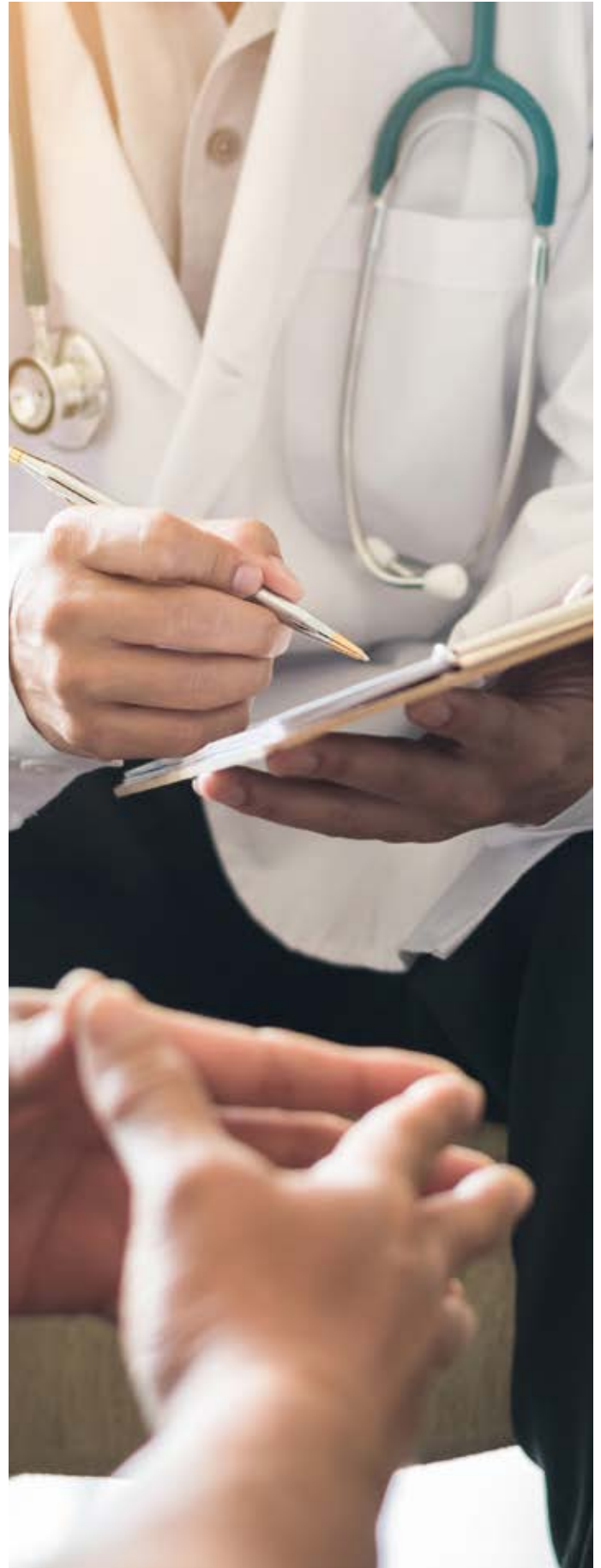
II. Dubai Healthcare City Free Zone

The DHCC is a free zone that has been built to create a health and wellness destination under the able direction of HH Sheikh Mohammed Bin Rashid Al Maktoum. The DHCC is governed by the Dubai Healthcare City Authority (DHCA) and regulated by an independent regulatory arm – Dubai Healthcare City Authority – Regulation (DHCR).

DHCA, by virtue of being a regulated authority engaged in assisting healthcare and pharma companies set up in the DHCC, also needs to follow the guidelines outlined above in the UAE VAT law applicable to 'government bodies'. The functions of DHCA that fulfil the conditions to qualify as a government body are outside the scope of VAT. Some such functions include formation of companies, granting licences to operate within the DHCC, etc. The functions that are either not performed in a sovereign capacity, or performed in competition with the private sector, are subject to VAT. These include acting as mediators in obtaining visas, assistance in obtaining health insurance for employees of the companies located in the DHCC, etc.

The UAE VAT law outlines separate provisions for tax entities located in the designated free zones in contrast to those located in the non-designated ones. The non-designated free zone entities are typically for VAT purposes regarded as business entities in the UAE mainland. The VAT applicable on such entities is a function of the activities they perform and has no relevance to the area in which they are located.

Since the DHCC is a non-designated free zone, all entities located in the DHCC are subject to UAE VAT on the basis of their activities and have no specific exemptions granted to them by virtue of being located in a free zone. The VAT treatment on such entities shall be discussed in the next section.



“ ENTITIES IN DHCC ARE SUBJECT TO VAT LAW ”

4. Healthcare service providers

- I. Primary Healthcare Services
- II. Technology Driven Services
- III. Ancillary Services

Healthcare service providers include the hospitals and medi-clinics (providing both primary and technology driven services) and the diagnostic clinics. In the UAE, healthcare services are provided both by the government-owned hospitals and clinics as well as private players.

I. Primary Healthcare services

The UAE VAT legislation zero-rates healthcare services supplied within the country. Zero-rating allows healthcare service providers to charge VAT at 0% with a corresponding eligibility to fully recover VAT paid on their procurements.

For a healthcare service to be zero-rated, the service should be generally accepted in the medical profession as being necessary for the treatment of the 'recipient of the supply', including any preventive treatment.

This condition is subject to meeting the following requirements:

1. The services must be provided by a healthcare body or institution, doctor, nurse, technician, dentist, or pharmacy registered with the MoHP or with any other competent authority;
2. The services must relate to the well-being of a human being and should not be for an elective treatment for cosmetic reasons; and
3. The supply should not be for providing holiday accommodation or for entertainment.

RECIPIENT OF
SERVICE IMPORTANT
DETERMINING
FACTOR OF
TAXABILITY



Most healthcare related services are zero-rated in the UAE. This includes basic and primary healthcare services, diagnostic services and other connected services.

The service providers, i.e. hospitals or clinics, need to ensure any elective cosmetic treatment undertaken by a patient is subject to the standard rate of VAT.

Example: A person was hospitalised for treatment of facial injuries in an accident. After the required surgery, the patient wanted special treatment to remove the scars of the surgery. While the initial treatment (including surgery) for the facial injury would be covered as "curative care", the subsequent treatment to remove scars should be treated as "elective treatment" not to be covered in zero-rated health care services.

Who is the 'recipient' of healthcare services

Zero-rate applies only when the underlying healthcare service is necessary 'for the treatment' of the 'recipient of the supply'. In the absence of a definition, identifying who is a 'recipient' becomes a matter of debate, typically when the transactions are between two hospitals or clinics or between a hospital and a doctor.

In a normal situation of a patient visiting a hospital, the recipient is clearly identifiable (i.e. the patient). All healthcare services provided to the patient directly should be zero-rated.

The VAT treatment may vary where the hospital enters into a contract with a specialist external doctor to visit and treat the patient, but the contract to serve is not between the patient and the doctor, rather between the hospital and the doctor. The patient is the beneficiary of the services that the doctor provides contractually to the hospital.

This situation can typically arise in the following cases:

- (i) Agreement between hospital and diagnostic clinic; and
- (ii) Agreement between hospital and doctor.

A. Agreements between hospital and diagnostic clinic

One of the key components of healthcare services is undertaking diagnostics/testing. Since diagnostics is a specialised service requiring extensive investments in creating an infrastructure, separate clinical and diagnostic laboratories have been established only to assist the larger hospitals. These clinics typically provide services of X-Ray, MRI, blood tests, etc.

The diagnostic clinics provide services to both hospitals as well as to individual patients requiring specialised services. Where an individual patient approaches the diagnostic clinic to have his blood samples tested, the contract is directly between the patient and the clinic. The results of the test are shared with the patient.

Another situation is where a hospital contracts with a diagnostic clinic to receive results of blood samples of patients treated by the hospital.

Does the term recipient mean the actual patient undergoing the medical treatment, or does it mean the contractual recipient, i.e. the hospital in the above examples? Will the hospital become a 'recipient' because the results are received by the hospital and the fee for such results is also paid by the hospital and not directly by the patient (though the patient is consequently charged for the tests later)?

In the context of VAT, a recipient of goods and services is determined on the basis of the following parameters:

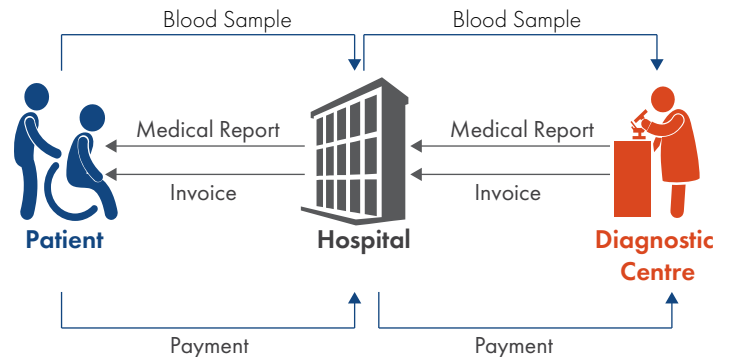
- Who enters into a contract with the supplier of goods/services;
- Who directs the supplier for delivery of goods and services;
- Who consumes the goods and services supplied; and
- In case of any negligence, who can sue the supplier.

Applying the above test principles, an interpretation is possible that the hospitals are the actual recipient of the services and since the healthcare services are to be zero-rated only when they are for the treatment of the recipient, services of the diagnostic clinic should not be zero-rated.

This interpretation, treating the contractual recipient as the actual recipient of healthcare services, will lead to application of VAT on all principal-to-principal transactions.

Another possible interpretation is that since the underlying benefit of the services is always received by the patient undergoing treatment, the services of the diagnostic clinic, whether contracted with the patients directly, or with the hospitals, should be zero-rated. The issue will therefore need to be monitored until greater clarity is available.

The above issue is explained below with the help of an illustration:



B. Agreements between hospital and doctors

Agreements between a hospital and doctor can take place in the following ways:

B.1 Doctors hired by the hospitals

Doctors hired by the hospitals as employees are not subject to VAT on the portion of the salary earned from the employer hospital. This is on the basis that salaries received from employers is not subject to VAT.

The hospitals may also hire the services of individual specialist doctors who may either be located in the UAE or overseas. The specialist doctor enters into an agreement with the hospital and works on either a fixed remuneration or on a profit-sharing basis. This results in two kinds of supplies:

Between the hospital and the patient:

The supply is provided by the hospital entity to the patient. The fiduciary as well as the contractual recipient of the supply is the patient. This transaction should be zero-rated provided the supply is in relation to the well-being of the patient and not for any elective cosmetic treatment.

DOCTORS ON
EMPLOYMENT OR
DOCTOR-HOSPITAL OR
HOSPITAL-HOSPITAL
AGREEMENT LEADS TO
DIFFERENT TAXABILITY

Between the hospital and the specialist doctor:

This will again be tested on the principles of who is the recipient of the supply? Should the contractual recipient, i.e. the hospital, be regarded the recipient of the service, the transaction will be subject to the standard rate of VAT.

However, should the patient be treated as recipient of the supply by the specialist doctor (despite not having received the services contractually), the fee charged by the specialist doctor should be zero-rated.

B.2 Overseas doctors

Hospital often engage specialists who are not residents of the UAE. These specialists are hired for a specific treatment and visit the country and perform the treatment on the patient. The treatment typically happens inside the facility located in the UAE and the fiduciary arrangement with the patient is similar to the one mentioned above.

The difference is that the doctor physically enters the UAE and performs the activity while not being a resident of the UAE. In this case, the following are the issues that need analysis:

1. Is this supply considered to be an import of service or is the doctor physically performing services inside the UAE?
2. Will this transaction be subject to VAT under the reverse charge mechanism or should the specialist doctor be required to undertake VAT registration?

B.3 Outsourcing of doctors by a hospital

This results in one hospital sending on secondment/hiring its specialist doctor to the other hospital. The specialist doctor performs his function to treat the patient but his service is received indirectly by the patient and directly by the hospital.

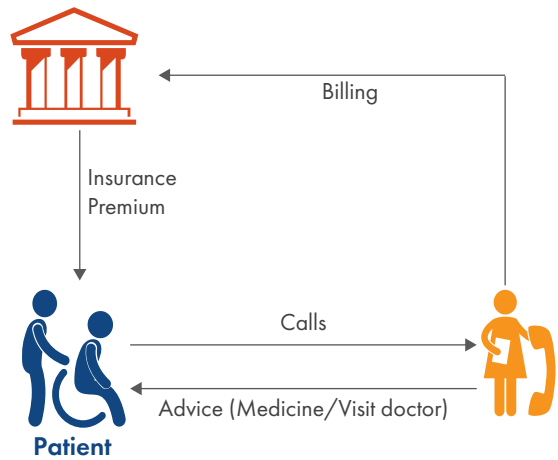
In these scenarios, the hospital that employs the specialist doctor will charge the other entity a fee for sending on secondment/hiring the services of the specialist. This arrangement is typically principal-to-principal and the issue of whether the contractual recipient will be considered as the actual recipient of the services will again become a factor.

These arrangements should typically be classified as manpower supply subject to standard rate of VAT.

II. Technology driven services

The UAE's technology driven market is set to grow swiftly in the coming years. The lack of availability of specialist doctors and the rising insurance costs have led to the emergence of tech-enabled services that include tele-medicine and e-healthcare.

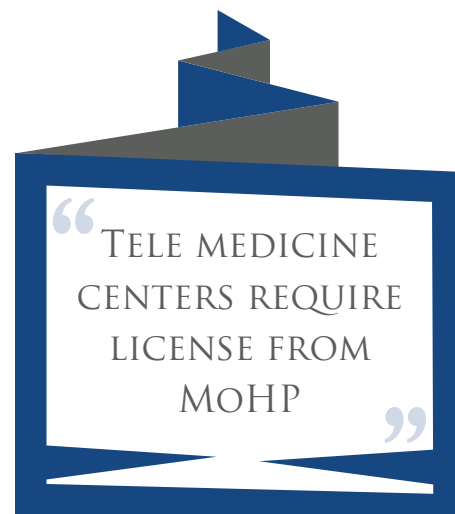
A. Tele-medicine



There is increasing adoption of tele-medicine in the UAE, which allows the patients to remotely consult doctors and the doctors to consult fellow doctors using technology. This reduces the patient's efforts to visit hospitals and also allows hospitals to reach patients in remote areas.

The patient needing medical advice calls up the tele-medicine centre to explain their problem. The call centre is operated by the healthcare entity. The calls are received by staff of the tele-medicine centre who are trained to give advice on basic health-related problems. In case of a common issue such as a cough/cold, the person at the tele-medicine centre is generally able to prescribe the medicine. Only in the case that the issue requires a physical examination is the patient referred to a doctor for treatment in the hospital. The healthcare entity charges for each call received/time spent on the call.

A healthcare body or institution is able to zero-rate its services only when such body or institution is licensed by the MoHP or by any other competent authority. It is important that the tele-medicine centres that are either already operational, or being newly set up, are licensed.



B. Technology and Apps

Since technology and healthcare have always been closely connected, it is not surprising that developers are creating mobile apps that allow customers to find doctors, interact with them digitally or even monitor their glucose levels and heartbeat without any physical interaction.

While the mobile apps allow ease of interaction for the customers, what is important to note is how the transactions are structured between the app operator, doctors and the customers, and whether any transaction between them becomes subject to VAT as a non-healthcare service.

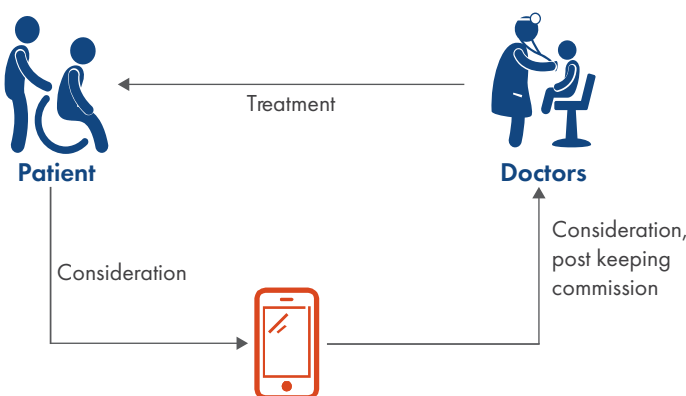
A healthcare mobile app earns its revenues in the following ways:

- a. Fee for downloading the app;
- b. Ad revenues from hospitals, clinics and doctors that advertise for their services; and
- c. Revenue share with doctors for using the app to provide healthcare services.

While the fee for downloading the app and ad revenues have their own VAT treatment that are typically related to providing electronically supplied services, the app operator and doctors should pay special attention to point no. (c) above while recognising their revenues:

- i. Whether the service provided through the app is a healthcare service or a technology service; and
- ii. How the transactions are structured between the app and the customer and simultaneously between the app and the doctor.

The apps that allow customers to interact with doctors and receive advice for a fee should be mindful of how the revenues are recognised for VAT. Typically, the app collects the fee from the customer directly and retains a portion as its commission. The remaining portion of the fee is remitted to the doctor for the healthcare services provided to the customer.



Since zero-rating of VAT applies only when the healthcare service is provided by a licensed authority or a doctor, any contractual arrangement to even assist a healthcare service between the app and the customer may result in disregard of zero-rating of VAT. This



is on the basis that contractually as well as fiduciary, the service is provided by the app and not by the doctor. Whether such services will qualify as electronically supplied services or healthcare services needs to be analysed.

The app operator and the doctors need to be clear on structuring the transactions in a way which should adequately reflect the correct intention of the parties, including the way invoicing happens between them.

The apps that help customers manage their glucose levels and heartbeat also need to analyse whether the fee charged (if any) to the customers is for a healthcare service or technology-based advisory services. There are apps that allow customers to pick and choose their diets, take advice on dietary requirements and even get customised diet plans to suit their lifestyle. If these services are charged to the customers, the app operator should be able to clearly identify healthcare and non-healthcare services and give them the appropriate VAT treatment.

Certain healthcare apps now allow doctors and medical students to access information and knowledge on a range of conditions, enabling doctors and students to have a complete encyclopaedia of health on their mobiles. To create this repository, the app hires the services of specialist doctors. Whether the services of doctors to create a repository can qualify as healthcare services under the UAE VAT law eligible for zero-rate of VAT needs analysis. Since the services are not necessary for the treatment of the recipient, the fee charged by the doctors from the app may be subject to the standard rate of VAT.

If the doctors are not registered for VAT and if their non-salary income earned from the hospitals exceeds the threshold limit for VAT registration, they would be obliged to undertake registration and manage VAT compliances.

III. Ancillary healthcare

A. Additional Services

The hospitals, clinics and other service providers generate revenues from other ancillary services that are not necessarily 'core healthcare related'. These are primarily additional services provided for a minimal charge.

Though the services are intrinsically linked to the provision of healthcare services, the underline supply is not directly linked to the well-being of the patient. Consequently, these additional supply(ies) should be carefully classified and be subject to the standard rate of VAT.

Such services include:

- Providing additional beds and food for the patient's relatives;
- Parking fees (in case parking operated by the healthcare entity);
- Registration fee (when not adjusted against preventive healthcare services rendered); and
- Fees for providing health reports on CDs, etc.

B. Trainings and Seminars

The majority of large hospitals are often involved in conducting trainings, seminars, writing medical journals, etc. These seminars discuss the key integral aspects of diseases, awareness of the industry, new technology, treatment techniques, etc.

Though the activities are related to healthcare, in themselves they do not provide any well-being treatment to any individual. Such activities are mostly for a consideration and consequently qualify as standard-rated taxable supplies.

C. Ambulance Services

Ambulance services constitute a core offering of the healthcare service provider's bouquet of services. While the healthcare services are zero-rated for VAT, providing passenger transport services is VAT exempt. Whether the ambulance service is a passenger transport service or a healthcare service can sometimes become a matter of discussion.

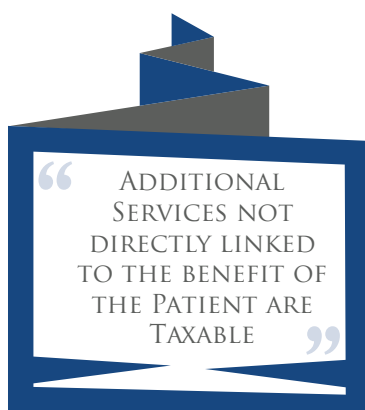
Passenger transport services include transport of passengers by land



in a qualifying means of transport that has been defined as a motor vehicle, including a taxi, bus, train, tram or similar means of transport, designed or adopted for transport of passengers. The ambulance, though it is a mode of transporting patient from one destination to another, is also a specialised motor vehicle. The qualifying means of transport is designed to provide medical assistance to the patient while transporting them.

The primary intention to hire an ambulance is to treat the patient or provide medical assistance while transporting the patient to the healthcare facility. Thus, the ambulance is in a way a healthcare facility inside the motor vehicle. If the intention is to transport the patient from one place to another, any kind of motor vehicle can be used, whereas an ambulance is specific kind of motor vehicle which is used for providing healthcare assistance while transporting the patient.

Identifying and providing the correct VAT treatment for ambulance services will be important. Though both healthcare and passenger transport services do not levy any VAT on the customers, the eligibility of the hospital to recover VAT on costs will change should the ambulance services qualify as VAT-exempt passenger transport services.



D. Leasing Transactions

Leasing of vacant areas in the hospital including cafeterias, pharmacies, shops, ATMs, parking lots, etc. qualify as supply of commercial space, subject to the standard rate of VAT.

E. Medical Spas

Medical spas, or medi-spas as they are usually called, are a unique blend of medicine and aesthetics providing cosmetic treatments that are medically recommended and supervised. Typically facial and skin treatments such as anti-wrinkle treatment, acne therapy, hair removal and laser procedures are conducted there.

The services offered by medi-spas are generally elective and for cosmetic reasons. Though the medi-spa centres are managed and supervised by well-trained doctors along with beauty aestheticians, VAT on their services should apply at the standard rate of VAT. This is on the basis that any healthcare service that is elective and for cosmetic reasons does not qualify for zero-rate VAT.

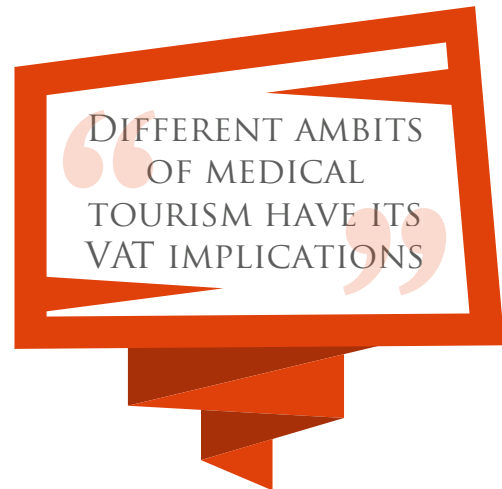
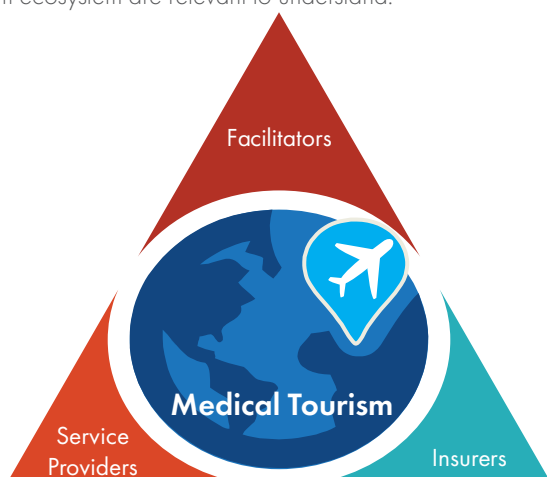
What needs to be ensured is that any cosmetic treatment prescribed by a doctor or a medical professional for treatment or prevention of a medical condition is taxed at the zero rate of VAT. Identification and classification of such services supplied along with elective treatments may pose challenges and should be carefully treated.

Example: A massage treatment to alleviate pain for a person suffering from slipped disc could be classified as "curative treatment" while a general relaxation massage should be treated as spa services subject to the standard rate of VAT.

F. Medical Tourism

Medical tourism, or medical travel as it is commonly known, is a process of travelling to country other than the patient's country of residence to obtain medical care.

From a VAT perspective, the following components of the medical tourism ecosystem are relevant to understand:



F.1 Service Providers

Where the patient directly approaches the service provider, VAT on healthcare services shall apply under the normal rules.

In cases involving travel intermediaries, the service provider needs to be careful in identifying whether the services are provided to the patients or to the travel intermediaries. Typically, the intermediary may only act as an agent on behalf of the patient who would charge a fee for his liaison and other services. The service providers in such cases would continue to provide healthcare services to the patients and decide the applicability of VAT accordingly.

F.2 Facilitators

Facilitators will be engaged in providing assistance to the foreign facilitators in arranging for services including travel, stay and local co-ordination with the service providers.

Where the facilitators charge a single fee from the overseas facilitator, the services should qualify as export of services subject to VAT at zero rate. However, services relating to booking of hotels, etc. may not qualify as export on the basis these relate to real estate and thus are consumed in the UAE. Characterisation of the income as a composite supply or multiple supply is important for VAT determination.

Example: Rashid Medical Tourism Company was contacted by Mrs. Hussain from Lebanon to arrange for treatment of heart surgery in Dubai. The company arranged for travel of Mrs. Hussain from Lebanon to Dubai, interim hotel accommodation and also arranged for the required surgery. Apart from the cost of arranging the above aspects, the company charged a fee for its services. In this case the amount charged by the hospital should become zero-rated and all other expenses should be subject to normal treatment of tax depending upon the invoicing by the hospital.

F.3 Insurers

Applicability of VAT on Insurers has been discussed in detail in Chapter 5.

G. Composite supplies and Mixed supplies

VAT treatment on the provision of two supplies that are bundled together for a single price can be complex. In the healthcare sector, identifying the right supply becomes important when multiple supplies consist of both zero-rated and standard-rated.

This becomes challenging when a patient receives a basic healthcare service but may also end up opting for cosmetic treatment as part of the overall service package.

Such scenarios are generally experienced in the following illustrative cases where patients are charged one single price for the entire treatment. The appropriate VAT treatment needs to be applied in such cases:

- i. Zero-rated primary healthcare service along with a standard-rated cosmetic treatment; or
- ii. Zero-rated primary healthcare service along with standard-rated pharmaceutical goods; or
- iii. Standard-rated provision of a VIP room in the hospital along with zero-rated basic healthcare treatment.

Large hospitals offer health packages for a single price that include provision of rooms, healthcare treatment and medicines to patients and a bed & breakfast facility to the guests who stay in the hospital during the treatment. The majority of the services are zero-rated for VAT, but certain services fall in the category of standard-rated VAT.

The UAE VAT law legislates how such supplies need to be treated for VAT:

- A composite supply is a single supply comprising several elements. The constituents of a composite supply could be separate supplies if they were supplied separately, but when they are supplied together, they are treated as a single composite supply.
- There should be one principal constituent and the remaining constituents should be necessary but incidental and should be a means to better enjoy the principal constituent.
- The rate of VAT and other results (such as time or place of supply) applicable to the principal constituent is applied to the entire supply (even if the constituent parts have more than one VAT liability when supplied separately).

**VAT ON BUNDLED
SUPPLIES CAN BE
COMPLEX**



- A multiple supply is several separate supplies in one package. A multiple supply is a number of supplies that are made together, but each supply has a separate character so that each constituent retains its own individual VAT characteristics. The rate of VAT and other results is individually determined in a multiple supply and each supply is treated accordingly.

Example: A hospital charges 500 AED per day for bed charges, which specifically includes an additional bed and food for the attendant. If any amount is charged separately for the attendant, it would be taxable at the standard rate of VAT. If it is not separately charged, it may be considered as a composite supply and take on the character of the principal supply.

5. Payer of healthcare services - The Insurer

Insurance is an integral part of the healthcare industry. As per the UAE employment guidelines, health insurance is mandatory for a residency visa. Due to medical insurance being extended to employees and dependents, approximately 90% of the transactions of the healthcare entities are with the insurance companies.

This section of the report is about how healthcare service providers deal with the insurance companies and the applicability of VAT on transactions between the patient, the service provider and the insurance company.



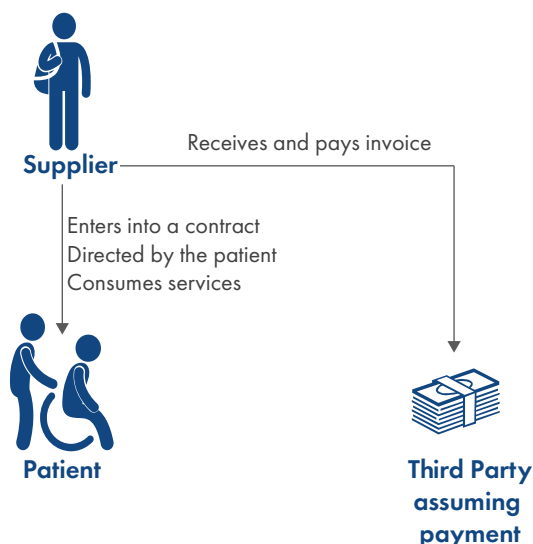
I. Who is the recipient of healthcare services

In the context of transactions between the patient, service provider and the insurance company (that pays for the services), it is vital to understand the relationship between all of them.

When a patient is admitted to the hospital:

- He/she enters into a contract with the hospital;
- Directs the hospital for providing relevant healthcare services;
- Consumes the services directly that are provided by the hospital; and
- In case of any negligence by the hospital, is in a position to sue the hospital.

Though the payment for services is made by the insurance company, the recipient of healthcare services is the patient. The insurance company only acts on behalf of the patient to make a payment.



In the above example, the healthcare services provided to the patient shall be zero-rated (other than any cosmetic treatment). The service

provider should issue a tax invoice with zero rate of VAT to the patient and a copy of the invoice should be sent to the insurance company for payment.

In a situation where the services are subject to the standard rate of VAT, the tax invoice should be issued in the name of the patient (as actual recipient) and a copy sent to the insurance company for payment (with the reference of the patient).

II. Whether the insurance company can recover VAT charged by the hospital

The Insurance Guide published by the FTA outlines the principles to be used for recovery of VAT on costs incurred by the insurance companies.

The following principles should be applied in respect of determining which party may recover the VAT incurred:

- If the insurer provides a payment to the insured which is in the nature of compensation for costs incurred by the insured (e.g. in repairing a car), the input tax in respect of the costs will be recoverable by the insured (subject to the normal recovery rules).
- If the insurer incurs the cost of acquiring goods or services itself, then the input tax in respect of the costs will be recoverable by the insurer.

It is clear that unless the insurance company is the recipient of services, recovery of VAT is not allowed for the insurance company.

III. When will the patient not be a recipient of healthcare services

As discussed above, for a person to qualify as a recipient of the services, it is important that the person not only contractually enters into a contract to receive such services but also instructs the service

provider to deliver the services.

Where a company contracts with a healthcare service provider to visit their premises and conduct health checks for its employees, the company should qualify as the service recipient since the service provider is bound to provide services to the company. Though the underlying benefit of the service is received by the employees, they cannot ask for any additional service nor do they make payment for such services.

IV. How should invoices be issued by the service provider

Instances may arise where the patient has an insurance policy that covers defined ailments with an underlying assured amount and the patient may end up receiving services beyond the defined ailments or the value of services consumed exceeds the assured value.

In such cases, the insurance company shall only reimburse the hospital to the extent of the assured value and the remaining amount shall be settled by the patient directly.

Example: Mohammed has an insurance policy with Oman Insurance Company. Mohammed is injured and his legs have to be amputated. His policy with Oman covers a maximum amount of AED 300,000. Mohammed approaches a hospital directly for the operation and asks them to send the invoice to Oman Insurance for payment.

The total cost of the operation is AED 500,000, out of which AED 400,000 is for the operation and AED 100,000 is towards providing cosmetic surgery to make the amputated part of the leg look reasonable. The cosmetic surgery has been specifically asked for by Mohammed and is not primary in nature. The hospital has informed Mohammed about them charging VAT at the standard rate of VAT on AED 100,000.

Mohammed is required to pay AED 200,000 plus the standard rate of VAT (5%) on AED 100,000 (i.e. AED 5,000) to the hospital and the remaining amount of AED 300,000 shall be reimbursed by the insurance company.

V. What is the date of supply of healthcare services

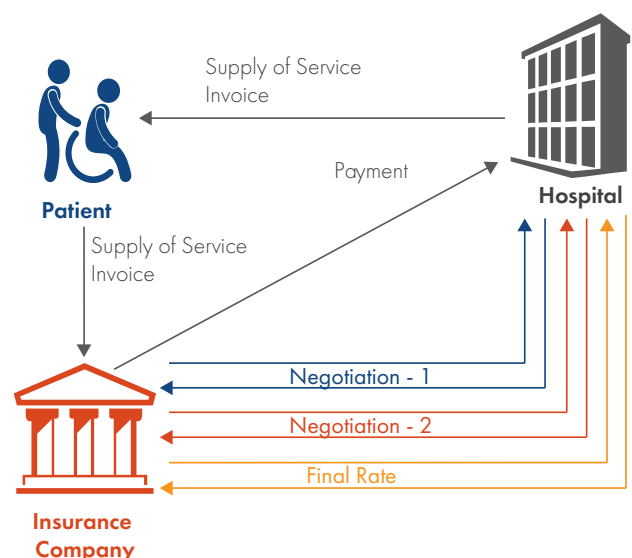
For healthcare service providers, services come to an end or are considered complete when the patient is discharged from the hospital. Since the majority of the healthcare services in the UAE are zero-rated, the question of payment of tax is not a matter of concern, though this assumes significance while reporting the income in the VAT returns.

VI. Changes in invoice values by the insurance companies

While the patient is in the hospital, the amount debited to his or her account is typically at the rack rates, whereas the amount recovered from the insurance company may be different. This is due to the different pricing arrangement with the insurance company.

The hospital is required to fill out a form on the online portal of the insurance company for its recovery. This form is the essence of the claim which may be rejected in the absence of supporting documents/rate charged, etc. Thereafter, the hospitals rectify the claims and resubmit through the portal. This cycle continues for some period till it is accepted by both the parties and finally the amount is received by the hospital.

It is worth noting that in case the date of supply is the date of discharge of the patient, the hospital may have to issue a number of credit notes at each level of negotiation for each patient. Consequently, this would result in additional compliance for the healthcare entities.



6. Suppliers of medical equipment, accessories and medicines

I. Accessories

II. Manufacturing and Import of Goods

III. Free Samples

Supply of pharmaceutical products and medical equipment are zero-rated only if such products are covered in a Cabinet decision.

In addition, goods not covered in a Cabinet decision may still qualify for zero-rating where such goods are supplied in the course of supplying a person with zero-rated healthcare services that are necessary for the supply of such services.

Example: While treating a patient in Hamid Healthcare, medicine XYZ was administered during the course of treatment. The medicine does not qualify for zero-rating of VAT as per the Cabinet's decision. Since this medicine was administered during basic healthcare treatment on the patient, the value of the medicine should be subject to the zero rate of VAT. However, if this medicine is sold in the pharmacy on a standalone basis, it would be subject to the standard rate of VAT.

The Cabinet has issued Decision No. 56 of 2017 on "Medications and Medical Equipment Subject to Tax at Zero Rate". For any product to qualify for zero-rate of VAT, the following tests have to be satisfied:

1. The medication/equipment should be registered with the MoHP and imported with its permission; and
2. The goods should meet the definition of 'medication' and 'medical equipment'.

For them to qualify, 'medication' goods should inter alia have a biological effect on the human body. The term 'medical products' include all devices, instruments, motors, implants, detectors or systems and should achieve the intended objective in or on the human body.

The responsibility to determine whether the products qualify for zero-rating rests with the supplier of these goods. It is important that adequate care and professional help is taken to ensure the products that are supplied at zero rate do fall under the category outlined in the Cabinet Decision.

I. Accessories


The VAT treatment of some goods which may not strictly qualify as 'medication' is unclear though these goods may be registered with the MoHP. A classic example is 'gloves' used while supplying healthcare services starting from examination of the patient to performance of surgery.

Though gloves are used by doctors and nurses for safeguarding against infections, they are neither applied to or on the human body to provide a biological effect nor are they a device used for an intended objective on the human body.

Another example is 'mouthwash' which is also registered with the MoHP but which is a general hygiene products that can be used by anyone and bought from any pharmacy. Reading strictly by the definition of the terms 'medication' and 'medical products' it appears that this may not qualify, though sometimes it is prescribed by doctors for medical purposes.

It is important that if the suppliers of these products are unsure of the VAT treatment, they should approach the FTA for necessary clarification. An incorrect classification could lead to significant costs and cash flow issues for the supplier.





ZERO RATED
IMPORTS OF
GOODS REQUIRE
DISCLOSURE IN
THE VAT RETURN

II. Manufacturing and Import of Goods

The zero-rating of VAT shall apply at each stage of the supply chain, from manufacturing or import until the product is actually used by/on the patients.

Import of zero-rated goods is not subject to any payment of VAT on imports, but they are required to be disclosed in the VAT returns under the reverse charge mechanism. The importer should ensure the correct VAT treatment at importation.

Goods that do not qualify for zero-rate on imports are subject to VAT at the standard rate of VAT. These are subject to reverse charge provisions provided in the VAT legislation.

III. Free samples

Distributing medicines, medical equipment and other healthcare devices is a common practice in the pharmaceutical/healthcare industry. This generosity is a strategy to entice doctors and the patients on new drugs and other products.

A supply of goods and services without consideration is a 'deemed supply' subject to VAT. The value of the supply is equal to the total cost incurred by the supplier to make that deemed supply. Resultantly, the VAT on goods that are zero-rated shall be zero. The supplier shall still have to issue a tax invoice with 0% VAT and disclose in his VAT return.

It is important to note samples or gifts are not considered deemed supply if:

- The value of such samples does not exceed AED 500 for each recipient in a 12-month period; and
- Total VAT payable by the supplier on all deemed supplies for each person in a 12-month period does not exceed AED 2,000.

7. Land purchase/ lease for healthcare service providers

For healthcare service providers, one of the most prominent costs is building the infrastructure. The infrastructure can either be leased or built on land that is owned/ leased by the service provider.

Renting or purchasing a commercial property is a taxable supply subject to VAT at the standard rate of VAT. The VAT paid on procurement should be recoverable by the healthcare entities.

If the entity wishes to build its own infrastructure, then the following shall be the key aspects:

Purchase of Bare Land

Procurement of bare land is exempt from VAT. The FTA has issued a guide on Real Estate which defines and clarifies what should qualify as bare land.

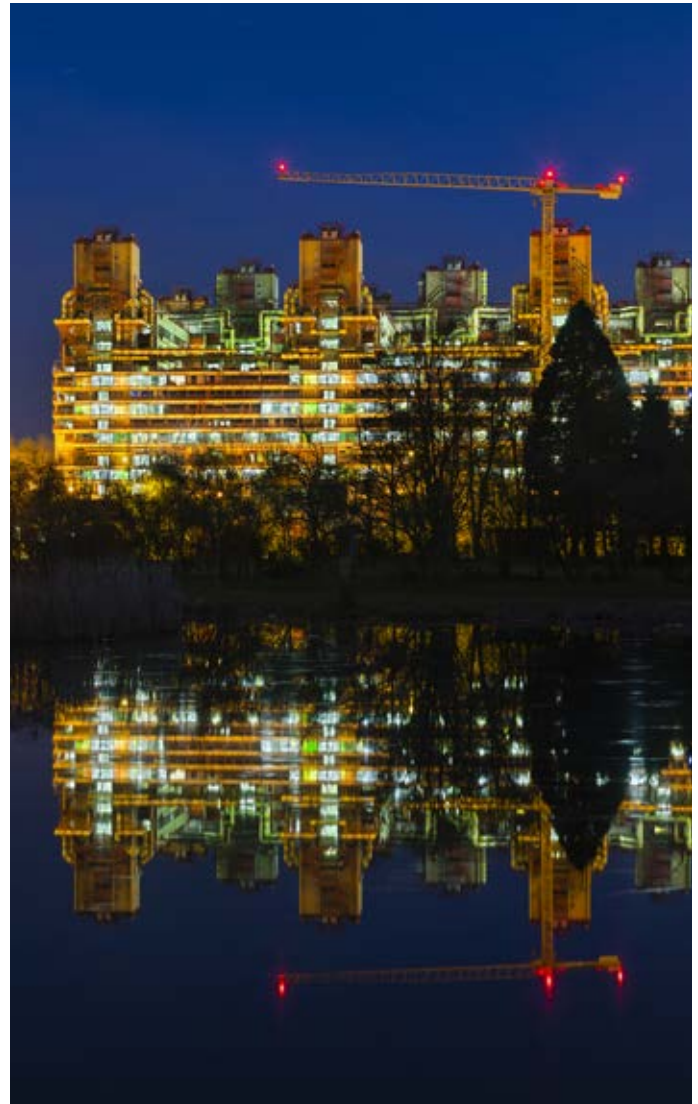
Lease of Bare Land

Leasing of land can either be on a long-term basis without a right to build over the land or under a 'Musataha right'.

A 'Musataha right' is a right under the land laws of the UAE that confers upon the owner a right to build a building on the land of another. The owner of a Musataha right owns the buildings which they have developed on the land, and those buildings, together with the Musataha right, can be disposed of under the UAE land laws.

For foreign healthcare service providers, being granted a Musataha right not only entitles them to own a property on a long-term basis (typically 50 years with a right to extend it for another 49 years) but also a right to build infrastructure on the land. The infrastructure is owned by the right holder until the time the Musataha agreement is effective.

“LEASE OF MUSATAHA
LAND UNTIL
CONSTRUCTION REACHES
THE SURFACE LEVEL IS
EXEMPT”



The taxability of Musataha agreements that involves lease of bare land for development is quite complex. Lease of bare land until any construction commences and reaches the surface level is exempt from VAT. For the period thereafter, the lessor of the land is obliged to charge VAT on the lease rental at the standard rate of VAT.

Even where the healthcare service provider was granted a Musataha right before the introduction of VAT (i.e. before January 1, 2018) and the lease rental is paid in 2018 and onwards, the lessor shall charge VAT on the lease rental. It is important to note where the lease rental was paid in advance in 2017, the lessor shall still be obliged to charge VAT on such lease rental where the construction has reached above the ground level.

8. VAT compliances

REGISTRATION, DATE,
TIME & PLACE OF
SUPPLY, INVOICING
FORMATS, RETURNS,
DUE DATES ARE
IMPORTANT
REQUIREMENTS

Registration

A person residing in the UAE or in an VAT implementing State is required to obtain registration if the total value of all supplies exceeds the mandatory registration threshold i.e. AED 375,000 over the previous 12-month period. The Application for registration should be filed within 30 days of being required to register.

A person can apply for registration voluntarily if the total value of supplies or expenses subject to tax exceeds the voluntary registration threshold of AED 187,500 over the previous 12-month period.

Date and Time of Supply

Date of Supply is the date when the obligation to pay tax arises.

As per Article 25 of UAE VAT Law:

Date of Supply of goods shall be the earliest of any of the following:

a.	Date on which goods were transferred	If transfer was under supervision of supplier
b.	Date on which recipient took possession of goods	If transfer was not under supervision of supplier
c.	Date of completion of assembly or installation of goods	Where goods are supplied with assembly or installation
d.	Date on which recipient of goods accepted the supply; or Date no later than 12 months after the date on which goods were transferred or placed at the recipient of goods disposal.	If the supply was made on a returnable basis

e.	Date on which goods were imported under Customs legislation
f.	Date of receipt of payment
g.	Date on which the tax invoice was issued

Date of supply of services shall be the earliest of any of the following:

a.	Date on which provision of service was completed
b.	Date of receipt of payment
c.	Date on which tax invoice was issued

In case of periodic payment or consecutive invoices, date of supply shall be the earliest of any of the following provided it does not exceed one year from the date of provision of goods and services:

a.	Date of issuance of any tax invoice
b.	Date payment is due as shown on tax invoice
c.	Date of receipt of payment

Invoicing and Credit Notes

Tax Invoice

This is a written or an electronic document which recorded the occurrence of Taxable Supply with details. A registrant making a taxable supply shall issue an original tax invoice and deliver this to the Recipient of Goods or Recipient of Services.

To issue a tax invoice, there are particulars which are required to be mentioned on the invoice for the purpose of obtaining input tax credit and these are mentioned under Article 59 of the UAE VAT ER.

Tax Credit Notes

A registrant shall issue an original Tax Credit Note when there is a reduction of Output Tax in relation to any supply made and deliver the same to the Recipient of Goods or Recipient of Services.

There are particulars which are required to be mentioned on tax credit notes as per Article 60 of the UAE VAT ER.

Input VAT Deduction

Input VAT deduction means the provision to deduct the value of VAT paid on inward supplies from the value of VAT paid on outward

supplies. The credit of input tax shall be available to the registered person subject to some conditions. Such input tax for which credit can be claimed is referred to as recoverable input tax.

VAT incurred on expenses is eligible to be recovered for the following supplies:

- a. Taxable supplies;
- b. Supplies that are made outside the State which would have been taxable supplies had they been made in the State;
- c. Specific exempt supplies provided outside the State.

VAT Returns

Every taxable person is required to file a VAT return on the FTA portal on or before the 28th day of the month following the tax period concerned and the payment of VAT shall be made before such due date of filing the return.

The VAT return shall be submitted online through the VAT tab after logging into the FTA e-services portal.

The standard Tax Period for a taxable person shall be a period of three calendar months ending on the date that the FTA determines, and the FTA may at its discretion assign a different Tax Period to a certain group of taxable persons. For example, in some cases monthly VAT returns are required to be filed.

Refunds

The basic and preventive healthcare services are zero rated in the UAE. Thus the service providers shall be eligible to recover the input VAT incurred on procurements (except which is specifically disallowed). The input VAT can be adjusted towards any output VAT liability and the remaining accumulated input VAT can be claimed as a refund. The FTA has outlined procedures for claiming the refund and more details can be sought from the FTA's website.

Voluntary Disclosure

Voluntary Disclosure (VD) is a form provided by the FTA in which a taxable person or a taxpayer notifies the FTA of an error or an omission in a Tax Return, Tax Assessment or Tax Refund Application.

If there is an error which resulted in calculation of tax payable being less than required by more than AED 10,000 than the taxable person shall file VD before 20 business days from the date when the person became aware of the error. Example: if the paid tax was AED 8,000 and actual tax is calculated at AED 20,000 hence the difference in tax payable is more than AED 10,000.

If there is an error resulting in calculation of tax payable tax being less

than required by AED 10,000 or less then the taxable person has two options:

- a. Obligated to submit a Tax Return – the person shall correct the error in the Tax Return of the tax period in which such error has been discovered before the due date for submission of the Tax Return;
- b. Not obligated to submit a Tax Return – the person shall make VD to the FTA within 20 business days from the date when the person became aware of the error.

Penalties

Cabinet Decision No. Cabinet Resolution No. (40) of 2017 on Administrative Penalties for Violations of Tax Laws in the UAE has been issued which specifies the list of penalties that are applicable on every instance of non-compliance with the UAE VAT Law.

Designated Zone

A Designated Zone (DZ) is a specific fenced geographic area and has security measures and customs clearance in place for entry and exit of individuals and movement of goods to and from the area. DZs are considered as outside the State for the purpose of VAT unless otherwise specifically mentioned.



9. Information technology to manage compliances

For every healthcare service provider updating its IT/ERP system with the relevant VAT and tax codes it is critical to ensure correct compliance with the law.

The IT systems in the healthcare industry are complex. Different entities use different kinds of Hospital Information Systems (HIS) including those used for inventory, patient records, billing, patient accounts, etc. Different ERPs are used either because of the number of POS systems used in different hospitals/clinics and integrated into one ERP or where the organisations have inherited legacy systems while growing inorganically.

VAT is a transaction tax where every transaction needs to be recorded and given the appropriate VAT treatment. It is imperative that all kinds of transactions are carefully coded in the ERP masters to capture the correct VAT treatment while billing.

A large number of reputed ERPs are able to manage data and put them into a format capable of complying with the VAT laws. From experience, the inconvenience for companies managing a large quantum of data is typically because of the following:

1. Use of heterogenous systems;
2. Source data are not VAT ready;
3. Evolving law without a corresponding updation of the ERP system;
4. Complex data management;
5. Human errors at the time of making entries in the ERP; and
6. Cross-functional co-ordination.

It is critical that the healthcare service providers use appropriate VAT automation tools and technologies that enable them to be fully VAT-compliant. This is all the more critical when the current ERP systems are unable to generate reports that are mandated by the FTA. One such report that ERPs are generally unable to create (at a transaction level) is the FAF file. It is likely that the tax inspectors may ask for the FAF file to audit the transactions.

Since the penalties prescribed in the VAT legislation are onerous, any kind of negligence regarding this may prove costly and have a direct impact on the bottom line of the companies.



10. Concluding thoughts

The Government of the UAE is focusing heavily on the healthcare sector to ensure it becomes world-class in the years to come. It is critical that businesses are also up-to-speed with the Government's intentions and initiatives not only on the operational and business but also on the tax initiatives.

Globally, tax is slowly and gradually taking the importance in the Boardrooms and it will not be too far even for the companies operating in the UAE. The CFOs and the Tax Heads of healthcare entities should gear up to face the FTA officials who would shortly commence the tax audits.

It is imperative that the management not only ensure the correct VAT treatment is applied on their supplies, but also the treatment is reflected in the VAT returns as per the law. Representations to FTA on matters requiring clarifications should be filed as soon as possible to ensure full compliance with the law.

Often, due to voluminous transactions, the authenticity of the tax data gets compromised and is not properly reviewed. The need of the hour is also to allocate adequate budgets to implement a robust IT infrastructure to support the VAT compliances.



Glossary of terms

FAF	FTA Audit File
FTA	Federal Tax Authority
GCC	Gulf Cooperation Council
MoHP	Ministry of Health and Prevention
POS	Point of Sale
UAE	United Arab Emirates
UAE VAT ER	Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax
UAE VAT Law	Federal Decree-Law No. (8) of 2017 on Value Added Tax
VAT	Value Added Tax

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Nimish is an Indirect tax expert with over 15 years of experience in successfully navigating complex transactions in varied sectors including telecom, real estate, healthcare, e-commerce and manufacturing. He has actively led the delivery of VAT-technical projects for clients in the GCC in sectors including telecom, aviation, real estate, oil & gas and healthcare.

He has extensive experience in advising clients on indirect tax structuring, devising options at the time of setting up operations, and managing the tax and regulatory complexities of local operations.

He has also worked on the European VAT in sectors including aviation and financial services.

Nimish has significant experience in providing Indirect tax technical advice to a variety of clients and has led projects involving indirect tax health checks and due diligence for large multinationals. He has written several technical articles and research papers on GST, Customs, VAT and service tax which have been featured in leading financial dailies and tax web portals.

Nimish has handled various indirect tax disputes in VAT, Service tax and Customs in India. He has helped clients draft tax appeals before various appellate authorities and win litigations on various issues including classification of goods and services, valuation and assessment of taxes.

Ujjwal is a Commerce graduate and a qualified lawyer with over 9 years of experience in Indirect Tax. In the course of his career, he has worked with firms such as PwC and KPMG where he helped clients navigate complex transactions.

Ujjwal has successfully implemented VAT projects for clients in the GCC and GST projects for clients in India. In UAE, he has expertise in sectors including real estate, healthcare, automobile, consumer electronics, ports, and logistics.

He has extensive experience in Indirect tax advisory and has handled projects on indirect tax health checks and due diligence for various multinationals. Ujjwal has authored many articles on indirect tax which have been published on various platforms.

He has expertise in transaction structuring to help optimise tax savings and has managed compliances for several large conglomerates across different regions. He has also helped handle indirect tax disputes for various clients, draft tax appeals, as well as litigate on complex matters. In some cases, he has been instrumental in representing the client in court and winning landmark judgments.

About WTS Dhruva

WTS Dhruva Consultants is part of Dhruva Advisors LLP, India. Dhruva Advisors LLP is a boutique tax and regulatory services organization. We work closely with regulators on policy issues and with our clients on tax advocacy and advisory matters. Dhruva Advisors is headquartered in India, with 11 offices across Bahrain, UAE, India, USA and Singapore. Globally, we are a team of over 300 Tax Professionals comprising Chartered Accountants and Tax Attorneys, led by 25 Partners. Over 40 of these tax specialists are based in the GCC region.

We are a member firm of WTS Global, a network of selected tax and specialist regulatory organizations that operates in more than 100 countries. WTS members have won various global accolades, including European Tax Awards and Asia Tax Awards.

Key differentiators:

- Strategic approach to complex problems;
- Specialized, in-depth, and robust advice;
- Strong track record of designing and implementing pioneering solutions;
- Trailblazers in tax controversy management;
- Long history of involvement in policy reform;
- Technical depth and quality;
- Partner-driven approach.

Our recognitions

- Dhruva Advisors has been named “India Tax Firm of the Year” at International Tax Review’s Asia Tax Awards for both 2017 and 2018
- Dhruva Advisors has been named India Disputes and Litigation Firm of the Year 2018 at ITR’s Asia Tax Awards, 2018
- Named European Indirect Tax Firm of the Year at International Tax Review’s European Tax Awards 2018.
- Awarded European Indirect Tax Firm of the Year 2017 at International Tax Review’s European Tax Awards 2017.
- Awarded Asia Tax Policy Firm of the Year 2017 at International Tax Review’s Asia Tax Awards 2017.
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