



VAT Percentage on discounted items



How is VAT calculated when there is a promotional campaign and/or during sales/discounts?

In case of discounts on the regular sale price or reduction of prices during seasonal promotions or for campaigns such as 'Buy 1, Get 1 free,' VAT will be applicable and included in the discounted price and not the original price.

Example when buying a handbag:

Handbag price before discount: AED 250.00

TAX INVOICE	
ABC LLC Street, Emirate, UAE TRN 101234567890003	
Item	250.00
Total before VAT	238.10
VAT incl.	11.90
Total	250.00
Date: 02/01/2018	

Original price of the bag (including 5% VAT)

Amount of tax charged

Handbag price after discount: AED 210.00

TAX INVOICE	
ABC LLC Street, Emirate, UAE TRN 101234567890003	
Item	250.00
Discount	40.00
Total before VAT	200.00
VAT incl.	10.00
Total	210.00
Date: 02/01/2018	

Original price of the bag (including 5% VAT)

Amount of tax charged

Handbag price after discounts (including 5% VAT)