Subject: Value Added Tax ("VAT")

Dear Vendor,

As you may be aware, VAT will be introduced in the UAE on 1st January 2018. The UAE Tax Authorities has published the UAE VAT Law (Federal Decree-Law No. (8) of 2017 on VAT) and the Executive Regulations (Cabinet Decision No. (52) of 2017). The United Arab Emirates ("UAE") and the Kingdom of Saudi Arabia are expected to implement their VAT legislation with effect from 1 January 2018, with the other four GCC members expected to introduce their VAT systems by 1 January 2019.

New York University in Abu Dhabi Corporation ("NYUADC") greatly value the business we do together and we are reaching out to you to ensure that our business collaboration is not hampered in any way upon the introduction of VAT.

The introduction of VAT will impact all businesses established or operating in the UAE and all private individuals. Those businesses required to be registered for VAT in the UAE will have to ensure compliance with the VAT legislation/regulations. This will require a change in business systems and processes as the business will need to calculate the applicable VAT, issue valid VAT invoices, prepare and submit VAT returns and account and pay VAT to the UAE Tax Authorities as required.

In anticipation of the implementation of the VAT system effective from 1 January 2018 and to ensure that NYUADC make payments to you in a timely and accurate manner, you will be required to issue NYUADC a valid VAT invoice, as applicable under the legislation. NYUADC will not settle any payments against a non-compliant VAT invoice.

Tax invoice (view sample invoice)

There are two types of invoices as per Article 59 of the Cabinet Decision No. (52) of 2017 on the Executive Regulations of the Federal Decree-Law No (8) of 2017 on Value Added Tax ("Executive Regulations"), a simplified tax invoice and a full invoice. A simplified tax invoice may be used when the recipient of the supplies is not a VAT registrant or where the recipient of the supplies is a VAT registrant but the consideration for the supply does not exceed AED10,000. A full tax invoice must be used for all other types of transactions that require invoicing.

Simplified Tax invoice requirements

A simplified tax invoice must include the following:

- The words “Tax Invoice” clearly displayed on the invoice.
- The name, address, and Tax Registration Number of the Registrant making the supply.
Standard Tax invoice requirements

A full tax invoice must include the following:

- The words “Tax Invoice” clearly displayed on the invoice.
- The name, address, and Tax Registration Number of the Registrant making the supply.
- The name, address, and Tax Registration Number of the Recipient where he is a Registrant.
- A sequential Tax Invoice number or a unique number which enables identification of the Tax Invoice and the order of the Tax Invoice in any sequence of invoices.
- The date of issuing the Tax Invoice.
- The date of supply if different from the date the Tax Invoice was issued.
- A description of the Goods or Services supplied.
- For each good or service, the unit price, the quantity or volume supplied, the rate of Tax and the amount payable expressed in AED.
- The amount of any discount offered.
- The gross amount payable expressed in AED.
- The Tax amount payable expressed in AED together with the rate of exchange applied where the currency is converted from a currency other than the UAE dirham.
- Where the invoice relates to a supply under which the Recipient of Goods or Recipient of Services is required to account for Tax, a statement that the Recipient is required to account for Tax, and a reference to the relevant provision of the Decree-Law.

Registered Name: New York University in Abu Dhabi Corporation - Abu Dhabi
Tax Registration Number: 100323059400003
Registered Address: P.O. Box 129188, Saadiyat Campus, Building A4, Saadiyat Marina District, Abu Dhabi, UAE
Contact Office: Accounts Payable, nyuad.fiance@nyu.edu, +971-2-628-4000

Please note that VAT can only be added where the supply to you is taxable at the standard rate of VAT.

Contracts that straddle the VAT implementation date

With respect to our contracts with you that span the VAT implementation date, it is necessary for us to agree upon how to determine the value of goods that deliver and services that take place following 1st January 2018. The value of goods supplied and proportion of services completed post 1st January 2018 only will be subject to applicable VAT rates in accordance with UAE VAT Law
Next steps

Your continued supply of goods or services to NYUADC will be your acceptance of the terms of this letter and the requirement to provide a valid Tax Invoice.

We thank you for your support and your collaboration in 2017. In 2018, we look forward to a more efficient and productive business relationship with you.

Thanks,

NYUAD Vendor Management