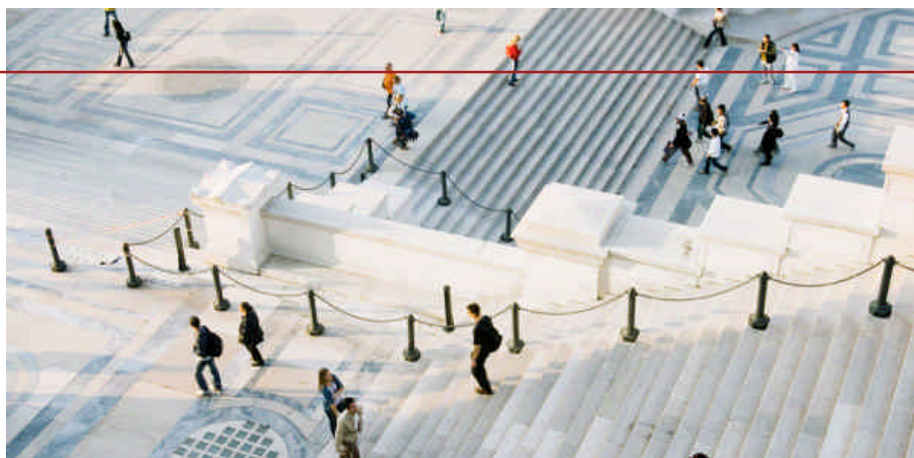


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7% VAT on medicines



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VAT for pharmaceutical industry: recent amendments

On 10 April 2014, Parliament passed a law amending VAT rules for the pharmaceutical industry.*

According to the available draft law:

- Import of registered medicines and goods of medical purpose from the approved list is subject to 7% VAT.
- 7% VAT also applies to import and local supplies of medicines, medical devices and medical equipment used in clinical trials.
- Until 1 June 2014 cash receipts issued in respect of these products are not required to reflect any VAT information. Relevant systems need to be adjusted by this date.

The Law comes into force after its publication, which is expected in the near future.

* *The Draft Law # 4645 dated 7 April 2014*