



## Effects of goods & service tax in UAE and India set as key agenda point for Dubai Diamond Conference

*DMCC publishes new report 'The introduction of VAT: what we know so far'*

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The Dubai Diamond Exchange ('DDE'), a DMCC ('Dubai Multi Commodities Centre') platform, will hold an in-depth discussion on *"The introduction of Goods and Services Tax (GST) on wholesale diamond trading"* on Day 2 of the Dubai Diamond Conference, 17 October. DDE Chairman Peter Meeus and former De Beers executive Tim Dabson will moderate the discussion on a subject that has caused widespread industry debate in India and the UAE.

Leading experts from the diamond and jewellery sectors in India and Dubai will provide insights for the benefit of attendees at the third edition of the biennial Conference. The panel will look at the reasons for the tax being imposed, and if it is aimed at reforming the diamond and jewellery trade in India in a similar vein to the demonetisation programme that was introduced last year. Panellists will also be asked if the Indian government has an overall master-plan for industry reform, and what are the likely effects going forward of the tax for the UAE and India?

The panellists will be Mr. Rajesh Mehta, Chairman, Super Gems Group; Mr. Tawhid Abdullah, Chairman, Dubai Gold and Jewellery Group; Mr. Karim Merchant, CEO and Managing Director, Pure Gold Jewellers; Mr. Praveen Shankar Pandya, Chairman of India's Gem and Jewellery Export Promotion Council (GJEPC); Mr. Alexander Pshenichnikov, Head of Corporate Governance in Precious Metals and Precious Stones, Ministry of Finance of Russia; Mr. Thomas Scaria, Head of Corporate Finance, Joyalukkas Group; and Mr. Rihen Mehta, Chairman, 7Cs Group.

As of 1 July this year, shoppers in India have been paying 3 percent GST which was imposed in a bid to make tax on the gold simpler, but it means that, for the time being, gold jewellery is less expensive in Dubai. The Indian gems and jewellery industry was originally unhappy with the GST rate, but relieved that it was not higher. GCC countries have agreed to impose 5 percent VAT on non-essential luxury goods from January 2018.

**Mr. Pandya** says the GJEPC is looking to see the results of the introduction of the new tax rate. *"We held considerable discussions with government officials during the consultation process."*

*Small businesses are being heavily impacted by compliance issues and we are hoping the government will move to reduce these demands."*

To further support the agenda, DMCC also published its latest report today on ['New consumption taxes in UAE and India - How will they affect the economic landscape?'](#), as part of its Connected Thinking thought leadership programme. What will be the impact for consumers, businesses and trade when UAE implements VAT at 5% on 1 January 2018? The introduction of a goods and services tax (GST) in India on 1 July 2017 prompted similar questions. Will these taxes mean that consumption will take a big hit? To find out more download the report here.

*"In my view, it is clear that for the UAE to sustain its position in the global diamond trade, polished and rough diamonds would need to be exempted and have a zero tariff as is the case in other wholesale centres. Dubai is also a young diamond marketplace and therefore needs to provide incentives and services that not only match but go over and beyond those of other top diamond hubs to continue to attract the trade to the Region,"* concluded **Peter Meeus, Chairman, Dubai Diamond Exchange.**

The Dubai Diamond Conference takes place in Dubai's Almas Tower, the home of the Dubai Diamond Exchange, on October 16-17, and will bring together international leaders of the diamond industry ranging from African Ministers to traders, financiers and world-renowned jewellers. It will enable companies and governments in producing and consuming countries to build relationships and highlight the pivotal role that Dubai plays in the global diamond trade.

For more information and the conference agenda visit <https://www.diamondconference.ae>.

The Dubai Diamond Conference app is available to download via the Apple App Store <http://apple.co/2xMHmo3> and the Google Play Store and <https://hubs.ly/H08M74t0>.

## **About DMCC**

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Headquartered in Dubai, DMCC is the world's most interconnected Free Zone, and the leading trade and enterprise hub for commodities. Whether developing vibrant neighbourhoods with world-class property like Jumeirah Lakes Towers and the much-anticipated Uptown Dubai, or delivering high performance business services, DMCC provides everything its dynamic community needs to live, work and thrive. Made for Trade, DMCC is proud to sustain and grow Dubai's position as the place to be for global trade today and long into the future.

[www.dmcc.ae](http://www.dmcc.ae)

### **About de GRISOGONO**

de GRISOGONO has created a characteristic and immediately recognizable style expressed through High Jewellery, Jewellery and Watch collections. Each creation is unique, while bearing within it the distinctive signatures that reflect the spirit of the Maison. In the course of time, its collections have become icons and sources of inspiration, representing an art that at first glance appears astonishingly simple, yet which takes great skill to master. In 1993, Fawaz Gruosi founded de GRISOGONO. 24 years after propelling the black diamond to the forefront of the international jewellery scene, this designer and aesthete is currently considered one of the most innovative creative forces of his generation. His iconic and daring designs have enabled de GRISOGONO to take its place among the most prestigious names in contemporary luxury.

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