

*The following supplies of goods or services are exempted from payment of VAT*

<i>No</i>	<i>Type of Goods or services exempted from payment of VAT</i>	<i>The law that allows exemption of goods and services from payment of VAT</i>
1.	The sale of dwelling used for at least two years and the lease of a dwelling	Value Add Tax Proclamation No 285/2002
2.	The rendering of Financial services	Value Add Tax Proclamation No 285/2002
3.	The Supply or import of national or foreign currency (except for that used for numismatic purposes) and or securities	Value Add Tax Proclamation No 285/2002
4.	The import of gold to be transferred to the National Bank of Ethiopia	Value Add Tax Proclamation No 285/2002
5.	The rendering by religious organizations of religious or church related services	Value Add Tax Proclamation No 285/2002
6.	The rendering of educational services provided by educational institutions as well as child care services of children at pre-school institutions	Value Add Tax Proclamation No 285/2002
7.	The supplies of electricity, kerosene and water (except for those supplies of water bottled by a factory).	Value Add Tax Proclamation No 285/2002
8.	Supplies by the post office authorized under the Ethiopian postal proclamation, other than services rendered for a fee or commission	Value Add Tax Proclamation No 285/2002
9.	The provision of transport	Value Add Tax Proclamation No 285/2002
10.	Permits and license fees	Value Add Tax Proclamation No 285/2002
11.	The supply of goods or services by a workshop employing disabled individuals if more than 60 percent of the employees are disabled	Value Add Tax Proclamation No 285/2002
12.	supply of books	Value Add Tax Proclamation No 285/2002
13.	Supply of food grain e.g. Teff, Wheat, Maize, Sorghum and other cereal.	Circular Ref. No. 003/16/28/635 Dated 09/07/2000 E.C.
14.	Materials for making mosquito net such as fiber (thread), label, plastic for packing and polypropylene bag	Circular Ref. No 003/16/28892 dated 08/07/2001 E.C.
15.	Purchase of the production of pickle, wet blue, and crests by leather factories.	Circular Ref. No 00./16/26/28/860 dated 10/02/2001 E.C.

16.	Import of mosquito net and import of cloth, immersed in chemical, for sewing mosquito net	Circular Ref. No. 03/16/28/785 10/02/2001
17.	Import of wheat by the government	Circular Ref.No.03/16/28/914 Dated 11/02/2000 E.C.
18.	Import of palm oil	Circular Ref. No .03/16/28/9644 dated 25/07/1994 E.C.
19.	Supply of bread and milk	Circular Ref.No. .03/16/28/889 dated 09/05/1995 E.C.
20.	Medicine, Medical supplies, and medical kits	Circular Ref. No .03/16/28/889 dated 09/05/1995 E.C.
21.	Supply and import of agricultural raw materials such as fertilizer, seeds of superior quality, insecticides	Circular Ref. No re3/16/28/930 Dated 28/06/1995 E.C.
22.	payment of pension fund	Circular Ref. No .03/18/28/961 Dated 01/09/1995 E.C.
23.	The sale of air-tickets to customers by travel agents	Circular ref. No. 03/16/28/13 Dated 01/25/1996 E.C.
24.	Enjera (local staple food)	Circular Ref. No. 03/16/28/171 Dated 11/10/1997 E.C.
25.	Publication of books	Circular Ref. No. 03/16/28/185 Dated 05/09/1997 E.C.
26.	Animal skin or hides sold to shoe factories by a leather factory after the tanning process is done.	Circular Ref. No. 03/16/28/227 Dated 08/11/2000 E.C.
27.	The supply or import of fuel gas	Circular Ref. No. .03/16/28/227 Dated 25/12/2007 E.C.

**N.B.**

For further information about the list of transactions exempted from Value Added Tax, readers are advised to refer article 8 stipulated in VAT proclamation No.285/2002 /Amended) and articles from 19 to 33 placed in council of ministers regulation No.79/2003.

The foregoing goods and services from items 1 to 11 inclusive are exempted from VAT under the VAT proclamation while transactions on items 13 through 27 are made exempted by Ministry of Finance and Economic Development pursuant to the power bestowed to it by article 8/4/ of the proclamation mentioned above.