

Bahrain

National Bureau for Revenue (NBR) successfully migrates its core systems

On 6 July 2021, in a press release the NBR announced that it has successfully migrated its core systems from AWS Ireland to Bahrain region. This migration is in line with the instructions of Information & eGovernment Authority. Click [here](#) to read more.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) publishes 3 main steps to comply with first stage of e-invoicing

On 7 July 2021, ZATCA published 3 main steps for taxpayers in KSA to enable them to comply with the requirements of the first stage (issuance and preservation stage) of e-invoicing. Click [here](#) to read more (in Arabic).

ZATCA reminds taxpayers to submit their tax returns

ZATCA has reminded KSA taxpayers to submit their tax returns by the following deadlines:

- taxpayers subject to withholding tax to submit their June 2021 tax returns latest by 10 July 2021
- taxpayers subject to excise tax to submit May and June 2021 tax returns latest by 15 July 2021

Click [here](#) to read more (in Arabic).

ZATCA receives over 11,000 applications for the “Capacity Building” program

On 8 July 2021, ZATCA announced that more than 11,000 applications have been received from candidates interested in joining the fourth edition of ZATCA's "Capacity Building" program. Click [here](#) to read more (in Arabic).

ZATCA publishes circular on the real estate sector

ZATCA has published circular No. 2106002 regarding the refund mechanisms for real estate developers. Click [here](#) to access the circular (in Arabic).

ZATCA issues withholding tax guideline in Arabic

On 6 July 2021, ZATCA has issued a withholding tax guide in Arabic. Click [here](#) to access it.

United Arab Emirates (UAE)

Germany terminates tax treaty with UAE

The German Ministry of Finance has recently announced that the Germany - UAE income tax treaty of 2010 will be terminated on 31 December 2021.

Oman

Oman Tax Authority (OTA) suspends Country-by-Country (CbC) filing facility until further notice

OTA has announced that local filing requirements for Multinational Enterprises (MNEs) and their subsidiaries and branches operating in Oman have been suspended until further notice. The OTA has clarified that all relevant entities will be required to comply with all other obligations under the CbC regulations. Click [here](#) to read more.

Subsequently, the OTA issued an alert on 14 July 2021 clarifying that the above suspension applies only to qualifying MNEs with an Ultimate Parent Entity (UPE) resident outside Oman. The alert explicitly clarified suspension does not apply to qualifying MNEs with Oman-based UPE. Also, the requirements for submitting CbC notification is not suspended.

Oman publishes the ratified GCC agreements for excise tax and VAT

Oman has recently published in its official Gazette the ratifications of the GCC unified agreements for excise tax and VAT.

Click [here](#) to access the ratified unified agreement for VAT and click [here](#) to access the ratified unified agreement for excise tax.

Oman's Ministry of Energy & Minerals issues circular for VAT treatment for Oil & Gas sector

After obtaining clarity from the OTA, Oman's Ministry of Energy & Minerals issued circular no. MEM/US/116/2021/3616 regarding the VAT treatment for the upstream and midstream activities in the Oil & Gas sector.

The circular clarifies that VAT applies on supplies made to operators and contractors in the upstream and midstream activities, but the OTA will refund the VAT. In relation to using the JSRS to satisfy OTA requirements of registration, the Ministry is in discussions with OTA and shall provide a way forward soon.

KPMG Tax Insights

Country by Country Reporting

As highlighted in our previous [Tax Alert](#), Bahrain has ratified the Multilateral Competent Authority Agreement (MCAA) on the automatic exchange of CbC reports and issued the resolution for the exchange of CbC reports. CbCR applies to all businesses that have a legal entity or branch in Bahrain and are members of a Multinational Enterprise (MNE) group with annual consolidated revenue of at least BHD 342 million (USD 906 million)

The KPMG Bahrain tax team has prepared a handy decision tree for determining an entity's CbCR notification and reporting obligations. Click [here](#) to access it.

Future of Tax & Legal – Webcast series – Global minimum taxation



Join our next webcast on Thursday 22 July 2021: Insights into New Pillar 1 and Pillar 2

As a part of our ongoing Future of Tax & Legal webcast series, we are pleased to invite you to an upcoming webcast, *Insights into New Pillar 1 and Pillar 2*, on Thursday 22 July 2021. This webcast will provide a global perspective with speakers from the US, Europe, the UK, China and Australia.

[Register now](#) 

Suggested audience: Heads of Tax, Tax Directors, Heads of Finance and other business leaders.



The KPMG Bahrain tax team wishes all our readers a blessed and safe Eid. The KPMG Bahrain office will be closed from Tuesday 20 July to Thursday 22 July.

The above is for general information only and is not intended to address the circumstances of any particular scenario. Please seek professional advice in relation to your particular circumstances.

For a detailed discussion on how the above updates may impact your business, [contact us](#).

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Setting up a new business? Expanding or restructuring an existing one?

KPMG can assist with selecting the most suitable legal entity and support you with all required regulatory approvals and licenses. We provide commercially focused regulatory and business advice for organizations to maintain compliance with the Bahrain Commercial Companies Law, Central Bank of Bahrain rulebook, other local regulations and leading industry practices.

Click [here](#) to learn more about KPMG Corporate Services

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