

29 July 2021

Bahrain

Tax Evasion Crimes Unit reports 124 cases since its inception date

According to a report in the Bahrain Gulf Daily News the Tax Evasion Crimes Unit has reported 124 cases since its inception in February. These include seven excise tax evasion cases for a total unpaid amount of more than BD600,000 and 117 customs duty evasion cases of BD13,000.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) issues the English version of the withholding tax (WHT) guideline

ZATCA has published its WHT guideline in English. Click [here](#) to access it.

ZATCA stops an attempt to smuggle over 2.1 million pills of illegal drugs

On 23 July 2021, ZATCA reported that it had foiled an attempt to smuggle over 2.1 million pills of illegal drugs which were hidden by the smuggles in a shipment of tomato paste. Click [here](#) to read more (in Arabic).

Egypt publishes English and Arabic synthesized texts of Egypt-KSA income tax treaty

The Egyptian tax authority recently published the English and Arabic synthesized texts of the Egypt – KSA income tax treaty of 2016, displaying the modifications made to the treaty by the MLI.

United Arab Emirates (UAE)

UAE supports Inclusive Framework Two-Pillar Approach towards taxing the digital economy

On 26 July 2021, a public statement from Ministry of Finance (MoF) has been released which states that UAE is fully committed to working collaboratively with the OECD and IF members to combat base erosion and profit shifting and to further advance the technical discussions to ensure that a fair and sustainable outcome can be achieved. Click [here](#) to read more.

Hungary and UAE sign Investment Protection Agreement (IPA)

On 15 July 2021, Hungary and UAE have signed an IPA in Abu Dhabi.

Kuwait

Mauritanian Council of Ministers approves tax treaty with Kuwait

On 20 July 2021, the Mauritanian Council of Ministers approved the Kuwait – Mauritania income and capital tax treaty of 2009.

KPMG Tax Insights

Have you considered the VAT and regulatory considerations of CR 'renting' – a situation where the party who holds the Commercial Registration (CR owner) and licence to operate a business grants a third party the right and licence to operate the business.

Such situations give rise to complex VAT issues and may also constitute non-compliance with Bahrain Commercial Laws.

The KPMG Bahrain Tax & Corporate Services team has prepared a Tax Insights piece outlining the typical scenario where such a situation may arise and some of the key VAT and other regulatory considerations for Bahrain businesses.

Click [here](#) to access the English version of the latest KPMG Tax Insight on CR renting and click [here](#) to read the Arabic version.

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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