

6 October 2021

Bahrain

NBR simplifies process for disposal of obsolete stock

The NBR has simplified the process for disposal of obsolete stock for meeting the conditions of Article 46B of the VAT Law which provides that a taxable person will not be required to adjust input VAT if evidence is provided that the goods have been lost, damaged or stolen.

With effect from 3 October 2021, regardless of the value of obsolete stock being disposed of, VAT registered suppliers will no longer be required to submit an advance notice to the NBR prior to disposing of obsolete stock without consideration to avoid adjusting the input VAT deducted on such stock.

Bahrain Government to continue to bear VAT on utilities after rate increase

As reported by local news agencies, the Minister of Finance and National Economy, Shaikh Salman bin Khalifa Al Khalifa, confirmed that the Government will continue to bear the VAT on electricity and water bills of citizens.

Draft legislation for VAT rate increase referred to the parliament

A draft amendment bill for giving effect to the increase in VAT rate from 5% to 10% has been referred to the Council of Representatives for review. The bill was unveiled during the weekly meeting of the Cabinet of Ministers, chaired by the Crown Prince and Prime Minister, HRH Prince Salman Bin Hamad Al Khalifa.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) publishes bilingual ready reckoner

ZATCA has recently published a bilingual ready reckoner/glossary of key concepts in the areas of zakat, taxes and customs with reference to the relevant legislation.

Click [here](#) to access the bilingual ready reckoner.

ZATCA continues tax inspection campaign to uncover violations

On 29 September 2021, ZATCA reported that it had discovered over 1,000 tax violations throughout KSA after conducting almost 4,000 inspections. ZATCA reiterated its commitment to engage in field visits to ensure compliance with tax laws and regulations.

ZATCA proposes amendments to the VAT Implementing Regulations on account of e-invoicing

ZATCA has proposed certain amendments to KSA's VAT Implementing Regulations to align them with the e-invoicing (FATOORAH) regulations. The draft amendments were published on 27 September 2021 for public consultation. Interested parties, stakeholders, and taxpayers have been encouraged by ZATCA to share their feedback and suggestions on the draft amendments latest by 23 October 2021.

Click [here](#) to access the amendments (in Arabic).

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes new infographics

The FTA has recently published new infographics on their website and social media accounts to raise awareness on the following topics:

- Tax agent and tax agency registration process
- Process of obtaining Certificate of Commercial Activities
- VAT refund for new homes
- Filing of nil VAT returns

FTA issues VAT Public Clarification on bad debt relief

The FTA has issued VAT Public Clarification VATP024 regarding adjustment on account of bad debt relief which discusses the conditions which must be met in order for the taxable supplier to claim benefit under the bad debt relief scheme.

Click [here](#) to access the Public Clarification.

Recent tax treaty developments

Below is the summary of the most recent tax treaties developments for UAE:

- Cambodia and UAE hold first round of negotiations for tax treaty
- Tax treaty between St. Vincent and the Grenadines and UAE Enters Into Force
- Ukraine ratifies protocol to tax treaty with UAE

KPMG webinar on Bahrain VAT rate change

Join us to learn more about how the proposed VAT rate change to 10% could impact your business and how to ensure your organization and team's readiness.

Date: Sunday, 10 October 2021

Time: 10:00 AM to 11:00 AM (AST)

Platform: Cisco Webex

The free session will cover:

- How the transitional rules will operate
- Key Risk Areas (KRAs) for all businesses
- Industry specific considerations
- Practical steps you could incorporate now to ensure readiness prior to the proposed effective date of 1 January 2022.

Please register by [clicking here](#). For more information and assistance, please contact Khalid Seyadi on kseyadi@kpmg.com

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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