

24 November 2021

Bahrain

Shura Council to vote on amendments to infrastructure levy law

As per news reports, the Shura Council is set to vote on three sets of proposed amendments which feature a cap on collected tax and exemption on new residential projects, places of worship, societies and cemeteries.

Bahrain VAT rate increase

The National Bureau for Revenue (NBR) is yet to issue transitional rules for the VAT rate increase. However, with less than 30 working days to the proposed increase of the VAT rate to 10% effective 1 January 2022, business can already take steps to ensure they are prepared well before the effective date. KPMG Bahrain conducted a webinar in October on what businesses should be doing - click [here](#) to access the recording of the webinar as well as the presentation.

Businesses may have taken VAT costs less seriously as errors at 5% or the inability to claim input VAT may have not had a material impact on their finances. However, with the rate set to double, VAT should become a material consideration for most businesses because errors and the inability to claim input VAT is likely to have a significant impact. Whilst we await the transitional rules from the NBR, the KPMG Bahrain tax team have prepared a number of Tax Insights to assist Bahrain businesses as they prepare for the VAT rate increase:

- [Key issues for businesses to consider as a result of the VAT rate change](#)
- [Transitional VAT treatments and invoicing](#)

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) approves amendments related to e-invoicing

ZATCA has recently approved the proposed amendments to Articles 53, 54, 66 of the KSA VAT Implementing Regulations which are related to e-invoicing. The amendments will take effect on 4 December 2021 – the start date for Phase 1 of e-invoicing in KSA.

ZATCA publishes Zakat General Guide (2nd edition)

ZATCA recently published the second edition of the Zakat General Guide. The guidelines includes the explanation of key concepts under Zakat, its implementation and tax payer's responsibilities and obligations.

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

ZATCA publishes Zakat guidelines on equity investments

ZATCA has issued special Zakat guidelines regarding the types of investments referred to in the provisions of Article 5 of Zakat Regulations.

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

ZATCA announces penalties applicable on violation of e-invoicing rules

ZATCA has announced the various penalties which will be imposed as a result of non-compliance with the e-invoicing provisions.

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

ZATCA held its third virtual e-invoicing workshop

ZATCA concluded its third virtual workshop on e-invoicing on 22 November 2021. The workshop covered an introduction, the implementation timelines as well as the requirements under the e-invoicing rules followed by a Q&A session.

United Arab Emirates (UAE)

UAE establishes Economic Substance Reporting Committee (ESR Committee)

By way of Ministerial Resolution No. 129 of 2021, the UAE Ministry of Finance has established a permanent ESR committee to coordinate the efficient implementation of ESR requirements in the UAE as well as evaluate difficulties faced in the implementation and suggest solutions.

FTA issues updated guidelines on reconsideration requests

The FTA has recently issued updated guidelines regarding reconsideration requests and announced that this service will be available on the e-services portal instead of FTA's website with effect from 19 November 2021.

Click [here](#) to access the guidelines.

Oman

Oman and Qatar sign tax treaty

During the 2 day visit of Oman's Sultan HRH Haitham bin Tariq Al Said to Qatar, Oman and Qatar have signed an income tax and capital gains tax treaty as well as an investment protection agreement.

Kuwait

Luxembourg approves tax treaty with Kuwait

The Luxembourg Chamber of Deputies (LCD) have recently approved the tax treaty with Kuwait during a parliamentary session.

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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