

12 January 2022

Bahrain

Bahrain Country by Country (CbC) notification and reporting update

The Ministry of Industry Commerce and Tourism (MoICT) has sent an email to Bahrain companies on their CbC notification and reporting obligations indicating that the filing window will be open until 28 February 2022. Ministerial Order (MO) No. (28) of (2021) concerning the Country by Country (CbC) Reporting issued in early 2021 states that CbC obligations apply for financial years commencing **from** 1 January 2021 with the first notification due at the end of December 2021, which now appears to be extended to 28 February 2022.

However, recent correspondence from the MoICT has stated that they consider the first reporting year to be 2020 (ie the CbC information that needs to be reported by the 28 February 2022 deadline is for the year ending 31 December 2020). The MoICT has also stated that they have directly approached the entities that have to file the CbC notification and report. We make the following observations:

1. Under Article 2 of the MO the first reporting year is 31 December 2021 **not** the financial year ended 2020.
2. Under Article 3(a) of the MO the CbC **notification** deadline for the year ended 31 December 2021 was 31 December 2021 (which now appears to be extended to 28 February 2022).
3. Under Article 4 of the MO, the CbC **reporting** deadline for the year ended 31 December 2021 is 31 December 2022 – we assume this remains unchanged.
4. The National Bureau for Revenue (NBR) is yet to release any information on the specific requirements for CbC notifications through their [International Tax Information Exchange System \(ITIES\) portal](#). The ITIES portal through which the CbC notifications and reporting is to be done allows only for reporting but does not seem to allow entities only wishing to make a notification.
5. The NBR page on CbC reporting still states 'coming soon'. When you log into the NBR ITIES portal a new [CbC reporting guide](#) is available - however the guide is still unclear on whether notifications will still be required for Bahrain CEs of MNE groups headquartered outside Bahrain.

For entities that have received the email from the MoICT in relation to their CbC obligations, please contact us for further guidance.

NBR asks taxpayers to change their password for NBR's portal

On 8 January 2021, the NBR sent communication emails to taxpayers regarding the mandatory requirement of changing the NBR portal passwords. The communication highlighted the step-by-step process for changing the password on the NBR portal.

Authorities urged to act on establishments who increase prices for items not subject to VAT

As per local news reports, citizens and residents have urged the relevant authorities to step-up inspection campaigns to take necessary steps against traders and commercial outlets who use the VAT rate increase to exploit consumers by raising pricing of basic consumer goods which are not subject to VAT.

Imported livestock added to the list of zero-rated basic food items

In accordance with the directive of HRH Prince Salman Bin Hamad Al Khalifa, the Crown Prince and Prime Minister, the list of zero-rated basic food items which includes 94 food items has been expanded to include imported live cattle.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) urges taxpayers to submit excise tax and withholding tax returns

ZATCA calls taxpayers to submit their excise tax returns for the preceding months, November and December 2021 by 15 January 2022 and withholding tax returns for December 2021 by 10 January 2022.

ZATCA adds additional educational journeys on its website

ZATCA has recently added more educational journeys on its website which includes:

- Air, land and sea imports
- Steps to file withholding tax returns

United Arab Emirates (UAE)

Federal Tax Authority (FTA) shares multiple infographics

The FTA has recently shared a number of infographics on its social media platforms including the following:

- The documents required for the transfer of incorrectly paid tax amounts to the correct TRNs
- Channels to submit request for inquiries and feedback to the FTA
- Terms and conditions of the amendment of tax agent records

The UAE Council of Ministers (CoM) publishes Cabinet Resolution for penalties relief

The UAE CoM has recently published Cabinet Resolution No. 105 of 2021 regarding controls and procedures of administrative penalties relief, instalments and return for taxpayers.

Oman

Oman Tax Authority (OTA) publishes oil and gas VAT guideline

The OTA has recently published a guideline outlining the VAT treatment of the oil and gas industry in Oman.

Click [here](#) to access the guidelines

Kuwait

VAT implementation discussions resurface

As reported by Kuwaiti news agencies, the latest Government work program which includes proposals such as introduction of VAT, Excise Tax Law and Unified Tax Procedures Law.

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

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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