

26 January 2022

## Bahrain

### **National Bureau for Revenue (NBR) clarifies impact of VAT rate change on import of goods and services**

Recently, the NBR updated the FAQs on its website clarifying application of the transitional rules on import of goods and services. The KPMG Bahrain tax team has summarized the VAT treatment for transitional import of goods and services in a Tax Alert.

Click [here](#) to access the Tax Alert.

### **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 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.

## Kingdom of Saudi Arabia (KSA)

### **KSA urges GCC countries to complete customs union plan**

KSA's Minister of Finance, HE Mohammed Al Jadaan, in a statement called on the GCC nations to implement a plan to complete the remaining steps for establishing the Customs Union and implementing the Gulf Common Market by 2025.

### **Zakat, Tax and Customs Authority (ZATCA) signed a cooperation agreement with SABIC**

ZATCA recently signed a cooperation agreement with SABIC to enhance cooperation and coordination between the two organizations by transforming the company's warehouse in Jubail Port into a customs facility.

### **ZATCA conducts a virtual workshop on Zakat for financing activities**

On 26 January 2022, ZATCA conducted a virtual workshop about rules for calculating the Zakat due on financing activities.

### **ZATCA adds additional educational journeys on its website**

ZATCA has recently added new educational journeys on its website which includes the VAT educational journeys.

Click [here](#) to access the VAT educational journeys

## United Arab Emirates (UAE)

### **Federal Tax Authority (FTA) shares multiple infographics**

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

- Digital Tax Stamps
- Steps for issuance of hard copy of the VAT registration certificate
- Steps to apply for the producer registration service for manufacturers of designated excise goods subject to the Digital Tax Stamp Scheme

### **FTA shares tax revenue statistics and credit ratings**

FTA recently shared its tax revenue statistics for the period from January 2018 to October 2021 focused on VAT and excise tax collections. It was also announced that the FTA received a rating of Aa2 in creditworthiness by the international credit rating agency Moody's and a rating of AA- by the credit rating agency Fitch.

Click [here](#) to read more.

## Oman

### **Oman Tax Authority (OTA) issues new VAT guidelines**

The OTA has recently issued the following VAT guidelines in Arabic:

- General VAT Guide
- VAT Consumer Guide

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

## Oman ratifies double tax treaty with Qatar

Oman issued Royal Decree No. 4/2022 to ratify the double tax treaty with Qatar that was signed in 2021.

## OTA shares multiple infographics

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

- Tax due date for supply of goods or services
- Proportional deduction of input tax

## OTA holds an introductory webinar on VAT registration

The OTA recently conducted an introductory webinar on VAT registration for Sanad Service Center offices that provide many e-government services in Oman.

*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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