

2 February 2022

Bahrain

Shop owners ordered to pay nearly BHD 1 million in unpaid VAT and penalties

As per news reports, three shop owners dealing in vape and tobacco products have been ordered by the Lower Criminal Court to pay BHD 476,000/- as unpaid VAT and an additional BHD 476,000/- as penalty for VAT evasion offences.

National Bureau for Revenue (NBR) releases VAT return filing guidelines for tax periods in 2022

The NBR has released VAT return filing manual applicable for tax periods in 2022. The NBR has also released a manual for simplified VAT return filing.

Click [here](#) to access the VAT return filing manual

Click [here](#) to access the simplified VAT return filing manual

NBR publishes Q4 2021 results

The NBR recently published results for Q4 2021 on its website which includes statistics on the number of registered taxpayers, VAT returns submitted, violations etc.

Click [here](#) to view Q4 2021 statistics results

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) issues decision to reclassify VAT field violations

ZATCA has recently issue a decision to reclassify the table of VAT violations where on detection of a violation, ZATCA will begin with alerting and educating the taxpayer before imposing a fine and granting the violator up to three months to correct the violation. The decision does not extend to non-field violations such as tax evasion, non-filing of returns, non-payment of tax etc.

Click [here](#) to the access the simplified guide on the decision to reclassify VAT field violations.

United Arab Emirates (UAE)

UAE to introduce corporate tax for financial years starting on or after 1 June 2023

The UAE Ministry of Finance (MoF) has recently announced introduction of federal corporate tax on the net income or profit of corporations and other businesses effective from financial years starting on or after 1 June 2023. The rate of tax will be 0% on taxable income up to AED 375,000/- and 9% on taxable income above AED 375,000/-. It has also been announced that a different tax rate will apply for large multinationals that meet criteria set with reference to OECD BEPS Pillar Two.

Click [here](#) to access the FAQs published by UAE MoF.

Click [here](#) to access the Tax Flash released by KPMG's UAE member firm.

Click [here](#) to access the webpage of KPMG's UAE member firm for UAE corporate tax, with resources available in both English and Arabic.

FTA issues public clarification on extension for redetermination of administrative penalties

The FTA has recently issued Public Clarification TAXP004 which replaces Public Clarification TAXP002. Public Clarification TAXP004 clarifies the scope of Cabinet Decision No. 108 of 2021 which extends the period within which a tax registrant can benefit from the penalty redetermination.

Click [here](#) to access Public Clarification TAXP004.

Qatar

Qatari free zones no longer considered as harmful tax regimes

According to the recent consolidated peer review results published by the OECD Forum on Harmful Tax Practices, three preferential tax regimes in Qatar are no longer considered as harmful by the OECD:

- Qatar financial center (QFC)
- Qatar free zone at science and technology park
- Qatar free zone areas

Click [here](#) to access the consolidated peer review results published by the OECD.

Qatar introduces new passengers tax at airports

Qatar has introduced a new passengers tax at airports which will include tax for security and air freight infrastructure. The new tax will be applied to all tickets issued on or after 1 February 2022.

Click [here](#) to read the full article.

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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