

9 February 2022

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)

Zakat, Tax and Customs Authority (ZATCA) launches new smartphone application

ZATCA has recently launched its new application for smartphones and released its interactive guidelines.

ZATCA reminds taxpayers to file their excise tax returns

ZATCA has reminded taxpayers to file their excise tax returns latest by 10 February 2022.

ZATCA conducts a virtual workshop on Zakat for investments

On 9 February 2022, ZATCA conducted a virtual workshop on applicability of Zakat for various types of investments.

ZATCA stops 5 attempts to smuggle 1.4 million captagon pills

ZATCA recently intercepted and stopped 5 attempts to smuggle more than 1.4 million captagon pills through the Haditha port.

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.

Federal Tax Authority (FTA) shares multiple infographics

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

- Excise tax, goods subject to excise tax and its percentage
- How to issue a commercial activities certificate
- The collateral requirement to register retail stores in the tax refund system for tourists

Dubai Customs confirms implementation of the amended GCC Unified Customs Tariffs

Dubai Customs has confirmed the implementation of the amended GCC Unified Customs Tariffs and issued Customs Notice No 1/2022.

Click [here](#) to access the Customs Notice No 1/2022

Spain and the UAE initiate Investment Protection Agreement (IPA)

Officials from Spain and the UAE have initiated discussions for negotiating an IPA between the two countries.

Oman

Oman Tax Authority (OTA) publishes new VAT guidelines

The OTA has recently published the following guidelines:

- VAT Guide for Transportation Sector
- VAT Guide for Associated (Related) Persons
- VAT Guide for Reverse Charge Mechanism

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

Oman Tax Authority (OTA) signs agreement for tax stamps service

The OTA recently signed an agreement for the provision of digital tax stamps service with De la Rue International to monitor the production and import of excise goods.

Click [here](#) to read more.

Kuwait

Kuwait updates CRS reportable and participating jurisdictions list

Kuwait's Ministry of Finance recently updated the list of reportable and participating jurisdictions under the Automatic Exchange of Information CRS (AEOI-CRS) based on the OECD Automatic Exchange of Information Agreement (2014).

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

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](#).

Mubeen Khadir

Partner - Head of Tax & Corporate Services

T: +973 3222 6811

E: mubeenkhadir@kpmg.Com

Omar Hisham

Senior Manager

T: +973 3840 7759

E: sosaid@kpmg.com

Hasan Khalaf

Manager

T: +973 3636 6462

E: hakhalaf@kpmg.com

Mansoor AlWadaie

Manager

T: +973 3998 8098

E: malwedaie@kpmg.com

Shashank Chandak

Manager

T: +973 3553 1905

E: shashankchandak@kpmg.Com

DaoHan Hung

Manager

T: +973 3907 7964

E: hdaohan@kpmg.com

home.kpmg/bh

© 2022 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry, Commerce and Tourism (MOICT), Kingdom of Bahrain and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Throughout this release, “we”, “KPMG”, “us” and “our” refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.