

23 February 2022

Bahrain

National Bureau for Revenue (NBR) updates list of excise goods

The NBR has recently updated the list of excise goods available on its website.

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

Bahrain and Israel to negotiate tax treaty

As per a statement issued by the Israeli Ministry of Foreign Affairs, leaders of the two nations have agreed to initiate negotiations for signing a tax treaty as well as an Investment Protection Agreement.

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.

Will Bahrain introduce Corporate Income Tax (CIT)?

With the United Arab Emirates announcing the introduction of a Corporate Income Tax (CIT) effective mid-2023, there are some questions for Bahrain businesses to consider for a potential introduction of CIT in Bahrain.

In the latest edition of our [Tax Insights](#), KPMG Bahrain tax partner, Mubeen Khadir, has shared his thoughts on various aspects related to a potential introduction of a CIT in Bahrain including key impact areas and what businesses can do now to ensure a smooth transition.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) approves proposed amendments to Real Estate Transaction Tax (RETT) Regulations

On 18 February 2022, ZATCA approved certain proposed amendments to the RETT Regulations in relation to exemptions and tax payment due dates for specific real estate transactions.

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

ZATCA conducts virtual workshop on Zakat in the transport, manufacturing & communications sector

On 23 February 2022, ZATCA conducted a virtual workshop regarding Zakat calculations for taxpayers working in the transport, manufacturing, and communications sector.

ZATCA conducts a live awareness session on electronic invoicing

On 16 February 2022, ZATCA conducted an awareness session on electronic invoicing through a live broadcast.

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.

No plans to introduce personal income tax

As per news reports, UAE's Minister of State for Foreign Trade, HE Dr Thani bin Ahmed Al Zeyoudi, has confirmed that the UAE government does not have plans to introduce any tax on personal income of individuals.

Click [here](#) to read more.

Federal Tax Authority (FTA) shares multiple infographics

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

- Terms and conditions for the reconsideration request service.
- Terms and conditions for tourist VAT refund service.
- Expo 2020 refund request for VAT incurred on imported goods

India and UAE sign a Comprehensive Economic Partnership Agreement (CEPA)

On 18 February 2022, India and the UAE signed a CEPA aimed at benefitting trade between the two nations. Several sectors, such as gems and jewellery, leather, plastic products, agriculture products, medical devices, pharmaceutical products, and automobiles will benefit from the CEPA.

FTA updates voluntary disclosure user guide for VAT & excise tax

FTA has recently published the updated voluntary disclosure user guide for VAT and excise tax. The key changes include revisions to various voluntary disclosure forms applicable to different taxpayer categories.

Click [here](#) to access the updated voluntary disclosure user guide.

Oman Tax Authority (OTA) conducts VAT seminar

On 21 February 2022, the OTA conducted a VAT awareness session in Sohar in collaboration with the Oman Chamber of Commerce & Industry.

OTA conducts live broadcast on VAT on real estate

On 16 February 2022, the OTA conducted a live broadcast on to raise awareness of application of VAT in the real estate sector.

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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