

Bahrain & GCC Tax News



1 March 2023

Bahrain

National Bureau for Revenue (NBR) announces expansion of Digital Stamps Scheme to additional tobacco products

With issuance of the NBR Chief Executive Decision No. 3 of 2023, the NBR has recently announced expansion of the Digital Stamps Scheme to specified tobacco products including electronically heated tobacco products, jirak, chopped or pressed tobacco. The third phase of the scheme under which the notified products are covered will come into effect on 14 May 2023.

Customs agent sentenced to 5 years imprisonment for tax evasion

The Chief Prosecutor for Prosecution of Financial Crimes and Money Laundering has recently announced that a customs clearance agent has been sentenced to 5 years in prison along with fines totaling up to BHD 30,000/-. The convict was found guilty of evasion of customs duties and VAT on 25 import transactions.

Netherlands expresses interest in revising tax treaty negotiations with Bahrain

The Dutch Ministry of Finance has recently sent a letter to the lower house of the Bahraini parliament expressing interest in reviving negotiations with Bahrain for a tax treaty.

KPMG Tax Seminar on UAE corporate income tax (CIT) and e-invoicing

We are pleased to invite you to our first Tax Seminar of 2023 hosted by our experts from Bahrain and the UAE on 8 March 2023 at Downtown Rotana Hotel, Manama from 8:30 AM to 1:30 PM. During the seminar, our expert speakers will cover:

- Scope of the UAE CIT, exemptions, free zone taxation and foreign tax credits
- Impact of CIT on Bahrain businesses with operations in the UAE
- Potential introduction of CIT in Bahrain
- Basics of e-invoicing and key features of the KSA e-invoicing model
- Potential introduction of e-invoicing in Bahrain
- Practical steps Bahrain businesses can take to ensure readiness

Click [here](#) to register. For assistance with seminar registration, please contact Khalid Seyadi (kseyadi@kpmg.com).

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) approves amendments to Excise Regulations

ZATCA's board of directors have recently approved the proposed amendments to Excise Regulations that were published last month for public consultation.

KSA and Pakistan sign agreement for customs cooperation

The Federal Cabinet of Pakistan has recently approved an agreement with KSA for customs cooperation in the areas of prevention of tax evasion, commercial fraud, prohibited goods trading and money laundering.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) to host Masakani virtual workshop

The FTA has recently announced that they will be hosting a Maskani virtual workshop regarding the VAT refund scheme for newly built residences for UAE nationals on 2 March 2023.

Dubai Customs (DC) extends temporary increase in import duty on rebar and wire rod

DC has recently issued Customs Notice No. (01/2023) to extend the temporary increase in the import duty applicable on rebar and wire rod. Earlier in 2022, the import duty rate was increased from 5% to 10%. The recent notice extends the rate increase until 7 November 2023.

Click [here](#) to read Customs Notice No. (01/2023).

FTA publishes Ministerial Decision and VAT Public Clarification regarding electronic commerce supplies

The FTA has recently published Ministerial Decision No. 26 of 2023 on 'Criteria and Conditions for Electronic Commerce for Purposes of Keeping Records of the Supplies Made' and a VAT Public Clarification VATP033 on 'Amendments to Emirates' Reporting – Electronic Commerce Supplies by Qualifying Registrants'.

The Public Clarification discusses the Ministerial Decision and provides guidance on how to determine which supplies are considered taxable supplies made through electronic commerce, and under which Emirate such supplies should be reported in the VAT return.

Click [here](#) to view Ministerial Decision No. 26 of 2023

Click [here](#) to view VAT Public Clarification VATP033

Qatar

Qatar and Egypt sign double taxation agreement

The Qatari Minister of Finance and the Egyptian Minister of Finance have recently signed a double tax treaty aimed at facilitating trade and increasing investment opportunities between the 2 nations.

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

home.kpmg/bh

© 2023 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry and Commerce (MOIC), 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.