

Bahrain & GCC Tax News



29 March 2023

Bahrain

National Bureau for Revenue (NBR) conducts 495 inspection visits in 2023

The NBR has recently announced that they have successfully conducted 495 inspection visits in the local markets of various governorates during the months of January and February this year. The inspections have led to detection of several violations resulting in imposition of administrative fines under the Bahrain VAT and Excise Tax legislations.

Cabinet approves draft state budget for 2023 and 2024

The Cabinet has approved the 2-year draft state budget which has now been referred to the Parliament. The Parliament and the Shura Council's finance and economic affairs committees will now review the proposed state revenues and expenditures.

Highest GDP growth recorded since 2013

As per the preliminary national accounts data from the Information and eGovernment Authority, Bahrain's real GDP has grown by 4.9% in 2022 compared to 2021. This is the highest ever GDP growth recorded for Bahrain since 2013. The growth has been largely driven by the non-oil sector's contribution to the GDP which has grown by 6.2%, the highest growth rate from the sector in 10 years.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) announces third wave of e-invoicing integration

ZATCA has recently announced the criteria for selection of targeted taxpayers for the third wave of phase 2 (integration phase) of e-invoicing. Taxpayers with annual supplies exceeding SAR 250 million during 2021 or 2022 will be required to integrate their e-invoicing solutions with ZATCA's FATOORA portal from 1 October 2023.

Click [here](#) to view the press release.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes updated input VAT apportionment guide

The FTA has recently published the updated input VAT apportionment guide VATGIT1 to clarify the general rules and special methods available for the apportionment of input VAT including the procedure for applying for the special methods to the FTA.

Click [here](#) to view the guide.

FTA announces minimum requirement for digital tax stamps orders

The FTA has recently announced that the minimum number of digital tax stamps to be ordered is 70,000 stamps for cigarettes and 5,000 stamps for waterpipe tobacco and electronically heated cigarettes.

UAE and Georgia sign Free Trade Agreement

According to a press release from the Ministry of Economy and Sustainable Development of Georgia, UAE and Georgia have signed a Free Trade Agreement following a successful third round of negotiations held in Tbilisi from 15 to 17 March 2023.

French Court rules on provisions of UAE – France tax treaty

The French Supreme Administrative Court has recently ruled on certain provisions of the UAE – France income, capital and inheritance tax treaty clarifying methods for elimination of double taxation under the treaty.

Qatar

General Tax Authority (GTA) extends deadline for 2022 tax returns submission

The GTA has extended the deadline for submitting tax returns for 2022 tax year from 30 April 2023 to 31 May 2023. The extension does not apply to taxpayers operating in the oil and gas or petrochemical sectors or have accounting period end dates other than 31 December.

Qatar and Turkmenistan sign Investment Protection Agreement (IPA)

On 20 March 2023, Qatar and Turkmenistan signed an IPA in Doha.

For a detailed discussion on how the above updates may impact your business, [contact us](#).

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