

Bahrain & GCC Tax News



15 June 2023

Bahrain

National budget approved by Shura Council

As per local news reports, the Shura Council has unanimously approved the general State Budget for 2023-2024 following a lengthy debate in which new numbers were introduced.

Introduction of Corporate Income Tax (CIT) in Bahrain

On 23 May 2023, the Minister of Finance and National Economy of Bahrain, HE Shaikh Salman bin Khalifa Al Khalifa, during the weekly parliamentary session stated (as reported by the local press):

“It is a global direction to impose corporate taxes and Bahrain is committed to complying with the move..... We firmly believe that companies should contribute to the sustainability of the economy and financial development of the country..... The issue is a matter of when, not if, as we continue to work with the OECD [Organisation for Economic Co-operation and Development] on getting things right as we ensure that it wouldn't have an economic impact that affects employment, economic growth and investments.”

In our latest publication, we have discussed what Bahrain CIT regime may look like, key impact areas and what steps Bahrain businesses can take to ensure a smooth transition. Click [here](#) to read our latest Tax Insights on introduction of CIT in Bahrain.

National Bureau for Revenue (NBR) announces Digital Stamp Scheme implementation for specified tobacco products

The NBR has recently announced that starting 18 June 2023, all waterpipe tobacco “molasses” products in the local market must have digital stamps.

NBR conducts VAT virtual workshop

The NBR has recently announced that they conducted a VAT implementation virtual workshop on 7 June 2023 through MS Teams.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax & Customs Authority (ZATCA) launches public consultations on proposed amendments

ZATCA has recently published the following public consultations on proposed amendments to various KSA tax laws and regulations:

- [Public consultation on amendments to VAT Law](#)
- [Public consultation on amendments to VAT Executive Regulations](#)
- [Public consultation on amendments to Real Estate Transaction Tax Regulations](#)
- [Public consultation on amendments to Income Tax Law](#)
- [Public consultation on amendments to Executive Regulations of Income Tax Law](#)

Proposal to grant VAT exemptions to Special Economic Zone (SEZ) entities

KSA government has announced the proposal to grant VAT exemptions on transactions between entities within SEZs or between different SEZs, as well as a tax reduction for a period of 20 years within SEZs.

United Arab Emirates (UAE)

Ministry of Finance (MoF) issues decisions regarding UAE CIT

The UAE MoF has recently published the following decisions for the implementation of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses:

- [Ministerial Decision No. 139 of 2023](#) on qualifying activities and excluded activities.
- [Cabinet Decision No. 55 of 2023](#) on qualifying income for free zone entities.
- [Cabinet Decision No. 56 of 2023](#) on non-resident person's nexus in the UAE.

Federal Tax Authority (FTA) conducts tax support initiative workshop

The FTA recently conducted a two-day tax support initiative workshop on 13 and 14 June in Dubai for providing taxpayers the opportunity to meet with FTA's representatives and raise any tax related inquiries and questions.

FTA conducts webinars to discuss registration for CIT

On 7 and 14 June, the FTA conducted webinars to provide guidance to taxpayers on how to register for UAE CIT through the Emaratax portal.

FTA publishes updated Private Clarifications Guide

The FTA has recently published an updated version of the Private Clarifications Guide.

Click [here](#) to view the updated Private Clarifications Guide

MoF launches new FATCA/CRS system

The UAE MoF has recently announced that the new FATCA/CRS system is now live. Relevant financial institutions in the UAE can now register for the calendar year 2022.

Click [here](#) to register.

MoF announces progress in tax treaty negotiations with Russia

The MoF has recently announced that the second round of negotiations on the double taxation agreement between the UAE and Russian Federation was held successfully.

Oman

Oman signs tax treaty with Russia

The Oman government has recently announced that Oman and the Russian Federation have signed a tax treaty.

Qatar

Qatar and Uzbekistan sign tax treaty and Investment Protection Agreement (IPA)

On 6 June 2023, Qatar and Uzbekistan signed a tax treaty and an IPA in Samarkand, Uzbekistan.

General Tax Authority (GTA) announces timelines for notification of specified contracts

The GTA recently announced that taxpayers must notify GTA within 30 days from the date of conclusion of certain specified contracts or agreements entered with non-residents.

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

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