Bahrain & GCC Tax News

07 September 2023

Bahrain

inistry of Industry and Commerce (MOIC) issues circular on Economic Substance (ES) filing window

The MOIC has released circular dated 13 August 2023 clarifying that the ES filing window for entities carrying out any of the listed relevant entities for fiscal year 2022 will be open from 13 August 2023 to 13 September 2023. MOIC has also highlighted in the circular that entities that fail to submit the ES return (if applicable) within the filing window will be subject to penalties.

The MOIC has also shared an ES supporting documents guide along with the circular which also contains clarifications on frequently asked questions regarding the ES form.

For a copy of the MOIC circular and the ES supporting documents guide, please contact us.

Bahrain Corporate Income Tax (CIT) – How to calculate 'taxable income'?

On 23 May 2023, the Bahrain Minister of Finance and National Economy confirmed the introduction of CIT in Bahrain during the weekly parliamentary session. Bahrain is expected to implement a standard CIT regime similar to other jurisdictions. With the UAE implementing CIT from 1 June 2023, we have entered a new era for tax in the region with Bahrain currently being the only GCC country without a broad-based CIT. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

In our latest publication, we have discussed what CIT is, what Bahrain CIT regime may look like and how 'taxable income' is calculated based on general principles and CIT laws of some of the other GCC countries.

Click here to read our latest Tax Insights on Bahrain CIT and calculation of 'taxable income'.

Kingdom Saudi Arabia (KSA)

KSA's Council of Ministers approves tax treaty with Sri Lanka

The income tax treaty between KSA and Sri Lanka, signed on 26 January 2023, has been approved recently by the Saudi Arabian Council of Ministers.

KSA and Switzerland's Investment Protection Agreement (IPA) takes effect

The IPA between KSA and Switzerland entered into force on 2 August 2023. The amending protocol, also signed on that date, has updated the IPA.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes guideline on CIT registration of juridical persons

The FTA has recently released a guideline to assist taxpayers with registration of juridical persons for UAE CIT.

Click here to view the guideline.

UAE and Thailand hold second round of negotiations for Comprehensive Economic Partnership Agreement (CEPA)

A second round of discussions for a CEPA between UAE and Thailand was held in Bangkok from 18 to 20 July 2023. The fourth round is scheduled to take place in Bangkok at the end of September 2023.

Qatar

Qatar ratifies tax treaty with Uzbekistan

The tax treaty between Qatar and Uzbekistan, signed on 6 June 2023, was ratified on 28 August 2023, by Decree No. PP-288, as recorded in the National Legislation Database of Uzbekistan on 29 August 2023.

Qatar ratifies Investment Protection Agreement (IPA) with Uzbekistan

The IPA between Uzbekistan and Qatar, which was signed on 6 June 2023, was ratified on 28 August 2023, by Decree No. PP-287, as recorded in Uzbekistan's National Legislation Database on 29 August 2023.

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