KPMG

# Bahrain & GCC Tax News

**25 October 2023**

## Bahrain

### KPMG Tax Seminar on the changing tax landscape in Bahrain and the region

On 23 October, KPMG Bahrain's tax team hosted a seminar focusing on the changing tax landscape in Bahrain and the region. Our expert speakers led engaging discussions covering BEPS Pillar 2, e-invoicing, corporate tax and transfer pricing. With more than 200 business leaders and finance professionals attending the session, the seminar provided an in-depth discussion on key aspects of the upcoming developments in tax in Bahrain and the region.

Click here to access the materials presented at the seminar.

*Whilst the date of implementation of CIT or e-invoicing in Bahrain has not yet been announced, our seminars are intended to provide Bahrain businesses with insights on leading practice. Businesses that act proactively will be better prepared to deal with the challenges of the rapidly evolving tax landscape.*

### Introduction of Carbon Border Adjustment Mechanism (CBAM) regulation for specified goods

The European Union (EU) has introduced the CBAM regulation which applies to specified imports of goods (identified by their CN code) into the EU within the following 6 emissions-intensive sectors: electricity, iron and steel, cement, aluminum and fertilizers and hydrogen. The CBAM comes into effect on 1 October 2023 with a transitional period that runs until 31 December 2025, during which the obligations of the EU importer shall be limited to reporting obligations. The first quarterly report is due by 31 January 2024.

Bahrain businesses that are exporting CBAM covered goods to the EU should assess the impact that the CBAM regulations will have on their operations.

For a discussion about how CBAM impacts your business, please contact us.

## Kingdom of Saudi Arabia (KSA)

### Zakat, Tax and Customs Authority (ZATCA) representatives meet with Qatar's General Tax Authority (GTA) counterparts

On 24 October 2023, ZATCA and the GTA representatives held a meeting where they exchanged experiences from the work done in their respective jurisdictions.

### ZATCA signs Memorandum of Understanding (MoU) with General Entertainment Authority (GEA)

ZATCA has recently announced the signing of an MoU with the GEA aimed at exchanging information and enhancing co-operation and coordination between the 2 parties.

### ZATCA Governor meets European Union (EU) Ambassador

HE Suhail Abanmi, the Governor of ZATCA, held a meeting with HE Christophe Farneau, the Ambassador of the EU to KSA, where they discussed areas of common interest and ways to enhance co-operation between the 2 parties.

## United Arab Emirates (UAE)

**Federal Tax Authority (FTA) releases Corporate Income Tax (CIT) transfer pricing guide**

The FTA has recently released a CIT transfer pricing guide.

Click here to view the transfer pricing guide.

**Ministry of Finance (MoF) issues new Ministerial Decision on issuance of tax residence certificates**

The MoF recently issued Ministerial Decision No. 247 of 2023 regarding the issuance of tax residency certificates for the purposes of applying international tax treaties.

Click here to view Ministerial Decision No. 247 of 2023.

**FTA conducts tax support initiative for taxpayers**

The FTA conducted a tax support initiative for taxpayers in the UAE on 24 and 25 October 2023 in Ras Al Khaima to answer any tax related inquiries and questions.

**UAE and Philippines commence negotiations for a Comprehensive Economic Partnership Agreement (CEPA)**

According to a press release dated 5 September 2023 published by the government of Philippines, the representatives of the UAE met with their counterparts from Philippines on the sidelines of the ASEAN Economic Community Council Meeting, held in Jakarta on 3 September 2023, and discussed a CEPA between them, which is currently being negotiated.

**UAE initiates CEPA with Korea**

On 14 October 2023, the UAE and Korea initiated a CEPA following a successful round of negotiations held in Seoul from 2 to 5 October 2023. The agreement is now awaiting signature by both countries.

**Dubai Customs (DC) and Dubai South announce 'remote inspection' project at GITEX Global 2023**

DC and Dubai South have jointly announced the initiation of their new 'remote inspection' project at GITEX Global 2023. The new project is designed to expedite business operation and reduce time required for customs inspections.

## Qatar

**Qatar ratifies tax treaty with Egypt**

According to a press release dated 19 October 2023 published by the government of Egypt, the President of Egypt signed Decree No. 254 of 2023 ratifying the Qatar - Egypt Income Tax Treaty (2023). The decree was initially published in Official Gazette No. 42 on 19 October 2023.

**EU Code of Conduct Group (CoCG) removes Qatar from list of non-cooperative jurisdictions**

The EU CoCG has confirmed the removal of Qatar from Annex 2 of the EU Ecofin Council decision on the list of non-cooperative jurisdictions. Qatar was initially included in the list due to certain features of its tax regime.

For a detailed discussion on how the above updates may impact your business, contact us.

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