KPMG

Bahrain & GCC Tax News

19 December 2023

Bahrain

TBR continues its VAT registration campaign to raise awareness

The NBR has recently launched a campaign for raising awareness among Bahrain businesses regarding their VAT registration obligations once they exceed the mandatory registration threshold of BHD 37,500/- in value of annual supplies. NBR has reiterated that businesses who do not comply with their VAT registration obligations may be subject to criminal penalties.

Click here to read more about Bahrain VAT registration obligations.

GCC and Korea (Rep.) hold ninth round of negotiations for a Free Trade Agreement

According to a press release published by the Ministry of Trade, Industry and Energy of Korea (Rep.), a ninth round of negotiations for a Free Trade Agreement took place in Riyadh between the GCC and Korea (Rep.) from 11 to 13 December 2023.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax, and Customs Authority (ZATCA) releases general guide on Special Integrated Logistics Zone Regulations

On 10 December 2023, ZATCA released a new guide on the regulations for Special Integrated Logistics Zone (“SILZ”).

Click here to read the guide (currently available in Arabic only).

ZATCA encourages taxpayers to benefit from its Exemption of Fines Initiatives

ZATCA has called on taxpayers in KSA to benefit from the cancellation of fines and exemption of financial penalties initiative, which will expire on 31 December 2023.

Recent publications from ZATCA

ZATCA has recently issued the following publications:

- Essence of Zakat Base in modern corporations, including a summary (available in English and Arabic). Click here to view the summary in English.
- Clarification on VAT treatment of loyalty programs (in Arabic only and accessible here).
- Application of Real Estate Transaction Tax (RETT) in relation to transfer of joint ownership (in Arabic only and accessible here).

KSA and Hong Kong negotiate Investment Protection Agreement (IPA)

On 7 December 2023, KSA and Hong Kong signed a memorandum of understanding, launching formal negotiations for an IPA, in Hong Kong.

ZATCA Governor meets with Ambassador of the Kyrgyz Republic (Kyrgyzstan)

HE the Governor, Suhail Abanmi recently met with the Ambassador of Kyrgyzstan, Mr. Ulugbek Maripov, during which they discussed several common topics and ways to enhance bilateral co-operation between the 2 nations.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) releases new Corporate Tax (CT) guide for extractive and non-extractive natural resource businesses

On 12 December, the FTA released a new CT guide on the Taxation of Extractive Business and Non-Extractive Natural Resource Business (CTGEPX1).

Click here to view the FTA's most recent CT guide.

FTA announces new feature for tax assessments

The FTA recently announced that taxpayers can now submit additional documents when requesting a tax assessment review through email (assessmentreview@tax.gov.ae). The request must specify the reasons for submission and must be presented within 50 business days from the date a taxpayer is notified of a tax assessment.

UAE signs IPA with both Tonga and Barbados

The UAE Ministry of Foreign Affairs recently announced that the UAE has signed IPAs with both Tonga and Barbados, on the sidelines of the COP28 conference in Dubai.

UAE and Belarus hold second round of negotiations for free trade in services and investments

According to a press release dated 29 November 2023 published by the Belarus Ministry of Economy, the second of negotiations for an agreement on free trade in services and investments between UAE and Belarus was held virtually from 27 to 29 November 2023. Both parties also discussed the possibility of updating the IPA between them, which had been initially signed in March 2000 and was enforced from February 2001.

UAE and Colombia initiate Comprehensive Economic Partnership Agreement (CEPA)

According to a press release dated 5 December 2023, the UAE and Colombia have initiated a CEPA following the successful conclusion of negotiations held on the sidelines of the COP28 conference in Dubai.

UAE Cabinet approves tax treaty with Guyana

On 10 December 2023, the UAE Cabinet approved the Guyana – UAE Income and Capital Tax Treaty (2022).

Tax treaty between UAE and Czech Republic approved by Czech Parliament

On 13 December 2023, the Czech Chamber of Deputies approved the Czech Republic – UAE Income Tax Treaty (2023). The Czech Senate approved the treaty on 23 August 2023 – therefore, the treaty is considered as approved by the Czech Parliament. The treaty will be presented to the President of the Czech Republic for ratification and will replace the current Czech Republic – UAE Income and Capital Tax Treaty (1996) once in force and effective.

Swiss Council of States approves protocol to tax treaty with UAE

On 14 December 2023, the Swiss Council of States approved the amending protocol (signed over a year prior) to the Switzerland – UAE Income Tax Treaty (2011).

Oman

Tax treaty between Oman and Russia approved

On 7 December 2023, the Russian Federation Council (the upper chamber of the Russian parliament) approved the Oman – Russia Income Tax Treaty (2023). In order for the treaty to be ratified by Russia, the law still needs to be approved and signed by the Russian President.

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