Bahrain & GCC Tax News

07 January 2024

Bahrain

Minister of Finance & National Economy meets with the parliament's Financial and Economic Affairs Committee to discuss potential introduction of Corporate Income Tax (CIT)

As per local news reports, H.E. Sheikh Salman Bin Khalifa Al Khalifa, the Minister of Finance and National Economy met with the Financial and Economic Affairs Committee of the Council of Representatives to discuss plans of widening the scope of taxes and the potential introduction of a CIT regime in Bahrain. The draft CIT law is expected to be presented to the legislative authority in March 2024. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

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

Kingdom of Saudi Arabia (KSA)

Saudi Cabinet issues detailed regulations on regional headquarters (RHQ) requirement

On 26 December 2023, KSA's Council of Ministers' Decision No. 461 was issued in relation to the RHQ program which took effect on 1 January 2024. The regulations are crucial for government entities contracting with foreign companies that do not have RHQs in KSA.

Zakat, Tax, and Customs Authority (ZATCA) reminds wave three taxpayers of Phase 2 e-invoicing deadline

ZATCA recently reminded taxpayers falling in the third wave of Phase 2 (integration phase) to ensure their systems are integrated with ZATCA's platform by 31 January 2024.

Click here to view ZATCA's roll-out phases for the implementation of e-invoicing.

ZATCA announces Real Estate Transaction Tax (RETT) platform

ZATCA recently announced that individuals and establishments can use RETT platform to register a real estate transaction.

Click here to view the RETT user manual.

Recent publications from ZATCA

On 31 December 2023, ZATCA issued the following publications:

- Income tax rules for resident individuals (in Arabic only and accessible here).
- The impact of VAT on private education (in Arabic only and accessible here).

ZATCA conducts over 20 panels with taxpayers and customers during Q4 2023

ZATCA recently announced that during Q4 2023, a series of 24 panel discussions were conducted with taxpayers and customers, including importers, exporters, and customs brokers.

Click here to view the press release dated 3 January 2024.

United Arab Emirates (UAE)

UAE and KSA among five new countries to join Brazil, Russia, India, China, and South Africa (BRICS)

On 1 January 2024, the UAE and KSA along with Egypt, Iran and Ethiopia joined the BRICS bloc – doubling the number of the original members of the intergovernmental organization.

Oman

Oman Tax Authority (OTA) announces a 'Tax Liability Settlement Initiative'

The OTA recently announced that as of 2 January 2024, the 'Tax Liability Settlement Initiative' for taxpayers with outstanding tax liabilities due before 1 January 2020 will come into effect for a period of six months.

All settlement requests should be sent by email to the OTA at mubadara@taxoman.gov.om after filling out the application form online at the OTA's website.

OTA discovers several excise tax violations in local markets

As part of OTA's ongoing campaign to enhance the awareness of the local excise tax rules, judicial officers conducted field inspections and found several local markets violating guidelines and conditions of the Digital Tax Stamp Scheme on tobacco products.

Qatar

General Tax Authority (GTA) to conduct excise tax obligations webinar for local businesses

The GTA recently announced they will conduct a webinar for local business' obligations on excise tax on 7 January 2024 at 1:00 pm.

Click here to register for the GTA's webinar.

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

© 2024 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry and Commerce (MOIC), Kingdom of Bahrain and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited,
a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Throughout this release, "we", "KPMG", "us" and "our" refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.