

Bahrain & GCC Tax News



11 November 2024

Bahrain

Cabinet approves signing of income tax treaty with the United Arab Emirates (UAE)

On 5 February 2024, the Bahraini Cabinet approved a memorandum submitted by the Ministerial Committee for Legal and Legislative Affairs on a draft law ratifying an agreement that encourages and protects investments. The memorandum also included a draft income tax treaty to prevent tax evasion and avoidance between Bahrain and the UAE. Further developments will be reported as they occur.

Click [here](#) to view the news issued by the Court of the Crown Prince on the matter.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax, and Customs Authority (ZATCA) reminds taxpayers about cancellation of fines and exemption of penalties initiative

On 4 February 2024, ZATCA issued a press release reminding taxpayers to benefit from ZATCA's cancellation of fines and exemption of penalties initiative, which ends on 30 June 2024.

Click [here](#) to view the press release.

ZATCA's guideline on tax treatment of software payments for income tax purposes

In January 2024, ZATCA had released a guideline for taxation of software payments in the context of domestic income tax law. KPMG KSA has recently released a Tax Alert summarizing the key clarifications provided in the guideline.

Click [here](#) to view the Tax Alert.

Click [here](#) to view ZATCA's guideline for the Taxation of Software Payments in the context of domestic Income Tax Law.

KSA and Kuwait express interest in signing tax treaty

According to a statement published by the KSA government on 31 January 2024, Kuwait and KSA have expressed mutual interest in concluding a tax treaty.

KSA and Serbia conclude tax treaty for the avoidance of double taxation

On 8 February 2024, KSA and Serbia concluded a tax treaty following a successful round of negotiations held in Riyadh from 5 to 8 February 2024.

Organization for Economic Cooperation and Development (OECD) recognizes UAE Free Zone regime under domestic Corporate Tax as 'non-harmful'

On 5 February 2024, the OECD released their 'Harmful Tax Practices – Peer View Results', recognizing the UAE's free zone regime as 'not harmful'.

Click [here](#) to view the OECD's 'Harmful Tax Practice – Peer View Results'.

FTA issues VAT Public Clarification on use of SWIFT messages by financial institutions

On 5 February 2024, the FTA issued VAT Public Clarification VATP036 clarifying its position on the acceptability of SWIFT messages for documentation and input tax recovery.

Click [here](#) to view the FTA's latest VAT Public Clarification.

Federal Tax Authority (FTA) updates charities list

On 1 February 2024, the FTA updated their list of UAE charities that are eligible to recover input VAT.

Click [here](#) to view the updated charities list.

FTA launches second phase of Corporate Tax awareness campaign

On 6 February 2024, the FTA announced the launch of the second phase of their Corporate Tax awareness campaign and hosted a Corporate Tax awareness session for SMEs in Abu Dhabi.

FTA conducts tax violations webinar

On 8 February 2024, the FTA hosted a virtual awareness session for taxpayers in Arabic on tax violations and crimes.

Investment Protection Agreement (IPA) between the UAE and the Philippines enters into force

On 2 February 2024, the IPA between the UAE and the Philippines (signed on 9 June 2022) has entered into force.

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

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