

# Bahrain & GCC Tax News



6 October 2024

## Bahrain

### FAQs on the Domestic Minimum Top-Up Tax (DMTT)

On 1 September 2024, Decree-Law No. (11) of 2024 (DMTT Law) regarding the implementation of tax on Multinational Enterprises (MNEs) located in Bahrain was released. Bahrain is the first GCC country to implement a DMTT (effective 1 January 2025) aligned with the Organization for Economic Cooperation and Development (OECD) Base Erosion Profit Shifting (BEPS) Pillar Two Inclusive Framework.

The rules prescribed under the Bahrain DMTT Law are complex and will have a direct impact on MNE Groups operating in Bahrain. With less than 3 months to implement, it is advisable for MNE Groups to assess the impact on their Bahrain operations for a smooth transition.

Following our previous [Tax Alert](#) on the introduction of the Bahrain DMTT Law, the KPMG Bahrain tax team has prepared Frequently Asked Questions (FAQs) in relation to the Bahrain DMTT Law.

Click [here](#) to read our latest Tax Alert on FAQs on Bahrain DMTT.

### KPMG webinar on Bahrain DMTT

On 2 October, KPMG Bahrain's tax team hosted a webinar to discuss the regional tax landscape with a focus on Bahrain's DMTT. Our expert speakers led engaging discussions covering an update on taxes in the GCC; scope, applicability, key exclusions and calculation methodology of the Bahrain DMTT; potential introduction of a broad-based Corporate Income Tax (CIT) in Bahrain and recommended next steps for Bahrain businesses.

With more than 180 business leaders and finance professionals in attendance, the webinar provided an in-depth insight on key aspects of the Bahrain DMTT and expected tax developments in Bahrain and the region.

Click [here](#) to access the recording of the webinar.

Click [here](#) to access the materials presented during the webinar.

## Kingdom of Saudi Arabia (KSA)

### KSA's Shura Council approves tax treaty with Qatar

On 2 October 2024, KSA's Shura Council approved the income tax treaty with Qatar, which was originally signed on 30 May 2024.

### Zakat, Tax and Customs Authority (ZATCA) encourages taxpayers to benefit from the extension of the exemption of fines initiative

In a press release dated 1 October 2024, ZATCA has encouraged taxpayers to benefit from the cancellation of fines and exemption of penalties initiative, which has been extended to 31 December 2024.

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

## **ZATCA conducts over 15,000 inspections in September 2024**

ZATCA has recently announced that they have carried out over 15,000 inspection visits during September 2024 in local markets across KSA.

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

## **ZATCA continues to conduct tax and zakat workshops**

- On 7 October 2024, ZATCA will conduct virtual workshops on tax evasion and VAT refund procedures for eligible taxable persons.
- On 8 October 2024, ZATCA will conduct virtual workshops on the e-invoicing integration phase, cancellation of fines and exemption of penalties initiative and VAT registration requirements for individuals.
- On 9 October 2024, ZATCA will conduct a virtual workshop on rules relating to zakat collection.

Click [here](#) to view and register for upcoming virtual workshops.

## **United Arab Emirates (UAE)**

### **Federal Tax Authority (FTA) publishes amendments to VAT Executive Regulations**

The FTA has recently published a new Cabinet Decision which amends the UAE VAT Executive Regulations. The amendments are effective from 15 November 2024.

Click [here](#) to access the amended VAT Executive Regulations.

Click [here](#) to access the Tax Flash on the amendments prepared by KPMG UAE.

### **FTA reminds juridical persons to submit their Corporate Tax (CT) registration application**

The FTA has reminded juridical resident persons with trade licenses issued in August/September (regardless of the year of issuance), to submit their CT registration application to the FTA by 31 October 2024 to avoid imposition of administrative penalties.

### **UAE and Eurasian Economic Union continue negotiations for an Economic Partnership Agreement (EPA)**

According to a recent press release, the fourth round of negotiations for an EPA between the Eurasian Economic Union and the UAE was held in Moscow from 18 to 20 September 2024.

## **Kuwait**

### **Ministry of Finance (MoF) issues decree on exchange of information for tax purposes**

On 29 September 2024, the Kuwait MoF issued Decree No. 6 of 2024 concerning the exchange of information for tax purposes.

### **Kuwait and San Marino sign tax treaty**

On 28 September 2024, Kuwait and San Marino signed an income and capital tax treaty during the 79<sup>th</sup> session of the United Nations General Assembly in New York.

## **Oman**

### **Ireland ratifies tax treaty with Oman**

On 18 September 2024, Ireland ratified the Ireland – Oman income tax treaty signed earlier during the year..

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

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