

Bahrain & GCC Tax News



3 November 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 2 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.

National Bureau for Revenue (NBR) obtains certification for information security management

The NBR has recently been accredited by RoyalCert for adhering with international standards on information security management across all operations.

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

Private business owners sentenced by competent court for VAT evasion

As per local news reports, the owners of a nail salon that went bankrupt have been sentenced to 12 months imprisonment with fine for evading over BHD 20,000 in VAT dues.

Gulf Cooperation Council (GCC) and New Zealand conclude a free trade agreement

The GCC and New Zealand have recently concluded a free trade agreement.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) determines criteria for selecting taxpayers for 17th wave of e-invoicing integration

ZATCA has recently issued a circular outlining the criteria for selection of taxpayers for the 17th wave of implementation of the e-invoicing integration phase. Taxpayers with taxable revenues exceeding SAR 2.5 million during 2022 or 2023 will be covered under the 17th wave. Such taxpayers will be required to integrate their e-invoicing solutions with the FATOORA platform from 1 August 2025.

Click [here](#) to view the circular.

ZATCA continues to conduct tax and zakat workshops

- On 4 November 2024, ZATCA will conduct virtual workshops on VAT treatment for sales made by duty free shops.
- On 5 November 2024, ZATCA will conduct virtual workshops on real estate transaction tax and the e-invoicing integration phase.
- On 6 November 2024, ZATCA will conduct virtual workshops on the e-invoicing integration phase, land transportation service for transit between ports, and provisions relating to zakat collection.

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

KSA and Slovenia express interest in concluding tax treaty

KSA and Slovenia have expressed interest in concluding a tax treaty between them, during a recent meeting held between officials from both countries in Riyadh.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes amendments to UAE VAT Law

Following the recent changes to the UAE's VAT Executive Regulations, the FTA released an amended VAT Law on 28 October 2024. The amendments are effective from 1 November 2024.

The amendments are in relation to the implementation of e-invoicing in the UAE and reaffirm the UAE's commitment to introducing the first phase of e-invoicing within the stipulated timeline of Q2 2026.

Click [here](#) to access the amended VAT Law (in Arabic).

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

FTA conducts general tax Q&A workshop

On 31 October 2024, the FTA conducted an 'Ask FTA' virtual workshop, to address queries raised by taxpayers and provide general information on their tax obligations and rights.

UAE and Vietnam sign Comprehensive Economic Partnership Agreement (CEPA)

On 28 October 2024, the UAE and Vietnam signed a CEPA in Dubai.

Kuwait

Protocol to tax treaty between Kuwait and Switzerland enters into force

On 14 October 2024, the amending protocol to the Kuwait – Switzerland income and capital tax treaty (2019) entered into force.

Kuwait and Macau initiate negotiations for tax and investment protection agreements

Kuwait and Macau recently initiated negotiations for a tax agreement and an investment protection agreement.

Oman

Oman and Estonia sign tax treaty

On 27 October 2024, Oman and Estonia signed an income tax treaty in Muscat.

Qatar

Qatar and Cambodia hold first round of negotiations for tax treaty

The first round of negotiations for a tax treaty between Qatar and Cambodia recently took place in Doha.

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

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