

Bahrain & GCC Tax News



10 November 2024

Bahrain

Bahrain reduces insurance deposit amount for work permits issued to expat workers

Effective 1 November 2024, the amount of insurance deposit for work permits issued to expat workers in Bahrain is reduced from BHD 200 to BHD 150. This change aims to support labor supply agencies, boost labor market and encourage investment.

Bahrain and Guernsey sign tax treaty

On 29 September 2024, the Bahrain – Guernsey income tax treaty (2024) was signed in Manama.

Amendments to Bahrain's tax treaty with Czech Republic published

On 6 November 2024, the amendments to the Bahrain – Czech Republic income tax treaty (2011) were published.

FAQs on the Bahrain 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.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) conducts over 14,000 inspections in October 2024

ZATCA has recently announced that they have carried out over 14,000 inspection visits during October 2024 in local markets across KSA.

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

ZATCA issues updated version of the Executive Regulations for Income Tax Law

On 10 November 2024, ZATCA issued an updated version of the Executive Regulations relating to KSA's Income Tax Law.

Click [here](#) to view the updated Executive Regulations (in Arabic).

ZATCA publishes guideline for adjusting activity results based on latest zakat rules

ZATCA recently published a guideline for adjusting activity results based on the latest zakat collection regulations for the year 1445 AH.

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

KSA Council of Ministers approves tax treaty with Qatar

On 5 November 2024, KSA's Council of Ministers approved the income tax treaty with Qatar, initially signed on 30 May 2024.

Vietnam seeks to expedite negotiations for an Investment Protection Agreement (IPA) with KSA

According to a press release dated 30 October 2024, Vietnam has expressed its desire to expedite negotiations for an IPA with KSA in a meeting held recently in Riyadh.

ZATCA to conduct tax and zakat workshops

- On 11 November 2024, ZATCA will conduct virtual workshops on tax evasion, VAT refund processes for eligible real estate developers, and the VAT registration requirements for establishments.
- On 12 November 2024, ZATCA will conduct a virtual workshop on the VAT registration requirements for individuals.
- On 13 November 2024, ZATCA will conduct virtual workshops on the updated rules for providing customs clearance services and on the zakat treatment of taxpayers' debts.

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

United Arab Emirates (UAE)

Federal Tax Authority (FTA) reminds juridical persons to submit their Corporate Tax (CT) registration application

The FTA has reminded juridical resident persons with trade licenses issued in October or November (regardless of the year of issuance), to submit their CT registration application to the FTA by 30 November 2024 to avoid imposition of administrative penalties.

FTA issues new public clarification on grace period for correcting tax records

The FTA has recently released a Tax Procedures Public Clarification regarding a grace period (from 1 January 2024 to 31 March 2025) provided to businesses to correct their tax records without facing administrative penalties.

Click [here](#) to view the FTA's Public Clarification 'TAXP007'.

IPA between UAE and Argentina enters into force

On 31 October 2024, the IPA signed between UAE and Argentina in 2018 has entered into force.

UAE and Australia sign trade and investment agreements

On 6 November 2024, the UAE and Australia have signed a comprehensive economic partnership agreement and an IPA.

FTA continues to conduct several workshops

- On 5 November 2024, the FTA conducted virtual workshops on CT registration and related deadlines and on the refund of input VAT incurred for the construction and operation of mosques.
- On 5 and 6 November 2024, the FTA hosted a Tax Support initiative workshop at the Fujairah Chamber of Commerce and Industry to address tax queries raised by the public.
- On 12 November 2024, the FTA will be hosting a Tax Compliance Challenges workshop at Ras Al Khaimah Chamber Headquarters.
- On 13 November 2024, the FTA will be conducting a virtual workshop on the procedures for issuing tax certificates.

Kuwait

Kuwait and Tajikistan sign protocol to tax treaty

On 3 November 2024, Kuwait and Tajikistan signed an amending protocol to update the income and capital tax treaty concluded between the two nations in 2013.

Oman

Oman Tax Authority (OTA) holds first meeting with auditing and accounting offices

The OTA recently held its first meeting with auditing and accounting offices in Oman, to discuss tax matters relating to international accounting standards and tax legislation.

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

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