



Bahrain & GCC Tax News

24 November 2024

Bahrain

40 new violations reported from inspection visits conducted by the National Bureau for Revenue (NBR) during October 2024

The NBR has announced that 168 inspection visits were conducted during October 2024, which led to the detection of 40 VAT violations. The reported violations were related to failure to comply with the conditions for issuing VAT invoices, failure to show prices inclusive of VAT, and failure to display the VAT certificate in a visible location.

The NBR has also highlighted that several cases of possible excise tax evasion have been identified and legal action will be initiated against those involved.

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

Bahraini court rules against private company owner for tax evasion

As per local news reports, an owner of a private company in Bahrain has been ordered by the Court of Cassation to pay nearly BHD 3 million in unpaid excise taxes. The ruling was issued following a two-year legal dispute related to the importation of more than 460,000 units of electronic shisha devices and associated products.

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) issues guidance on VAT related procedures

On 18 November 2024, ZATCA issued a detailed guideline outlining the procedures for VAT examinations, evaluations, corrections, and objections.

Click [here](#) to read the guide (in Arabic).

KSA Shura Council grants ZATCA authority over zakat and tax service providers

On 19 November 2024, KSA's Shura Council approved amendments to the Implementing Regulations for the Accounting and Auditing Profession System. These amendments are in line with the decision to grant ZATCA the authority to establish the criteria and conditions which must be met by the individuals who are licensed to provide zakat and tax services.

ZATCA conducts tax and zakat workshops

- On 24 November 2024, ZATCA conducted a virtual workshop on submission of zakat declarations.
- On 25 November 2024, ZATCA will conduct virtual workshops on submission of zakat declarations, cancellation of fines and exemption of penalties initiative, VAT registration requirements, and the application of the profit margin scheme on eligible used cars.
- On 26 November 2024, ZATCA will conduct virtual workshops on the VAT registration requirements and VAT treatment of e-commerce sales in KSA.
- On 27 November 2024, ZATCA will conduct a virtual workshop on submission of zakat declarations and zakat treatment of taxpayers' investments.
- On 28 November 2024, ZATCA will conduct a virtual workshop on the VAT registration requirements.

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

United Arab Emirates (UAE)

Federal Tax Authority (FTA) issues guide on private clarifications

On 18 November 2024, the FTA published a Tax Procedures Guide on the procedure of applying for private clarifications in relation to specific tax technical matters.

Click [here](#) to view the FTA's guide 'TPGPC1'.

Ministry of Finance (MoF) amends the Corporate Tax (CT) decision on unincorporated partnerships, foreign partnerships, and family foundations

On 28 October 2024, the UAE MoF issued Ministerial Decision No. (261) of 2024, repealing the earlier Ministerial Decision No. (127) and outlining the amended provisions regarding unincorporated partnerships, foreign partnerships, and family foundations.

Click [here](#) to view the ministerial decision.

FTA updates charities list

The FTA has recently published an updated list of UAE charities that are eligible to recover input VAT.

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

FTA continues to conduct workshops

- On 19 November 2024, the FTA conducted a virtual workshop on CT registration, registration deadlines and forming CT groups.
- On 25 November 2024, the FTA will conduct a virtual workshop on VAT refund rules relating to new housing construction projects for UAE nationals.

Oman

Oman Tax Authority (OTA) launches second phase of its Tax Culture Initiative

The OTA announced that the second phase of its 'Tax Culture Initiative' will begin from 24 November 2024 in Muscat, as part of its ongoing efforts to spread tax awareness.

Oman ratifies tax treaty with Ireland

On 19 November 2024, Oman ratified its tax treaty with Ireland by way of Royal Decree No. 60/2024.

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

kpmg.com/bh

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