

# Bahrain & GCC Tax News



01 December 2024

## Bahrain

### **National Bureau for Revenue (NBR) announces scheduled downtime of its portal**

On 25 November 2024, the NBR sent out an email to taxpayers informing them that the NBR's online portal including all payment channels and e-services will be temporarily unavailable on 29 and 30 November 2024 due to scheduled maintenance. Taxpayers who are yet to submit their VAT returns and settle the net VAT dues for the October 2024 VAT period are encouraged to do so by 1 December 2024 to avoid the imposition of administrative fines.

### **Bahrain and UAE sign Memorandum of Understanding (MoU) on Financial Affairs**

On 25 November 2024, the Ministry of Finance of the UAE and the Ministry of Finance and National Economy of Bahrain signed an MoU on financial affairs. The agreement seeks to enhance financial and economic collaboration, fostering sustainable financial development and bolstering joint efforts to accelerate growth in both countries.

### **Bahraini court rules against individuals and companies in tax evasion matters**

As per local news reports, 5 individuals and 2 companies in Bahrain have been ordered by the First High Criminal Court to pay over BHD 1 million in two separate cases of suspected VAT evasion. The Court has also sentenced the defendants to 2 to 3 years of imprisonment.

The First High Criminal Court has also issued another verdict convicting 3 employees on charges of evading Excise Tax and Customs Duties on goods imported into Bahrain. The employees have been sentenced to 3 years of imprisonment with fines of over BHD 25,000.

### **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 a month 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) determines criteria for selecting taxpayers for 18<sup>th</sup> wave of e-invoicing integration**

ZATCA has recently issued a circular outlining the criteria for selection of taxpayers for the 18<sup>th</sup> wave of implementation of the e-invoicing integration phase. Taxpayers with taxable revenues exceeding SAR 2 million during 2022 or 2023 will be covered under the 18<sup>th</sup> wave. Such taxpayers will be required to integrate their e-invoicing solutions with the FATOORA platform from 1 September 2025.

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

### **KSA and Djibouti sign Investment Protection Agreement (IPA)**

According to a press release dated 26 November 2024, KSA and Djibouti have signed an IPA on the sidelines of the 28<sup>th</sup> World Investment Conference recently held in Riyadh.

## United Arab Emirates (UAE)

### **Federal Tax Authority (FTA) continues to conduct workshops**

On 27 November 2024, the FTA conducted a virtual workshop in Arabic on Corporate Tax (CT) registration, registration deadlines and forming CT groups, and a virtual workshop in English on tax invoices and price display.

## Qatar

### **Qatar to introduce Excise Tax on sweetened beverages**

The General Tax Authority (GTA), in partnership with Qatar's Ministry of Commerce and Industry, recently organized a workshop on the upcoming intended expansion of the scope of Excise Tax to include sweetened beverages produced in and imported into Qatar.

## Kuwait

### **Protocol to tax treaty between Kuwait and South Africa enters into force**

On 2 October 2024, the amending protocol to the Kuwait – South Africa income tax treaty entered into force.

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

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