

# Bahrain & GCC Tax News



08 December 2024

## Bahrain

### **National Bureau for Revenue (NBR) enables Domestic Minimum Top-Up Tax (DMTT) registration functionality on its portal**

The NBR has now enabled the functionality for DMTT registration application on its portal for taxpayers that are already registered with the NBR for VAT or excise tax. The functionality can be accessed after logging into the NBR portal on the taxpayer's home page.

It is recommended for in-scope Multinational Enterprises (MNEs) with presence in Bahrain to act fast to avoid the risk of imposition of penalties.

#### **FAQs on the Bahrain DMTT**

On 1 September 2024, Decree-Law No. (11) of 2024 (DMTT Law) regarding the implementation of tax on 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.

#### **NBR to conduct webinar on VAT invoicing compliance**

The NBR has invited taxpayers to register for a webinar to be held on 11 December 2024 regarding the procedures for issuing VAT compliant invoices and related documentation.

Click [here](#) to register for the workshop.

#### **NBR and Bahrain Customs Affairs sign Service Level Agreement (SLA)**

The NBR has recently signed an SLA with the Bahrain Customs Affairs for enhancing coordination and information sharing between the 2 agencies.

#### **Bahrain Council of Representatives approves tax treaties**

On 3 December 2024, the Council of Representatives of Bahrain approved the income tax treaties with the United Arab Emirates (UAE) and China. The treaties have now been referred to the Shura Council for further approval.

## Kingdom of Saudi Arabia (KSA)

### KSA signs new tax and customs agreements

On 4 December 2024, KSA signed tax treaties with Kuwait, Iceland, and Croatia and a Customs Mutual Assistance Agreement with Kosovo.

### Zakat, Tax and Customs Authority (ZATCA) signs Memorandum of Understanding (MoU) with China Customs

On 7 December 2024, ZATCA and China Customs signed an MoU to enhance the cooperation between the 2 agencies on trade matters in support of the Saudi Vision 2030.

### ZATCA conducts tax and zakat workshops

- On 9 December 2024, ZATCA will conduct virtual workshops on the tax considerations for duty-free shops, VAT general principles, and VAT refund procedures for eligible persons.
- On 10 December 2024, ZATCA will conduct a virtual workshop on Real Estate Transaction Tax.

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

## UAE

### UAE and Japan hold first round of negotiations for a Comprehensive Economic Partnership Agreement (CEPA)

According to a recent press release, the UAE and Japan held the first round of negotiations for a CEPA in Tokyo from 26 to 28 November 2024.

## Qatar

### Qatari Council of Ministers approve draft amendments to the Income Tax Law

The Council of Ministers of Qatar has recently approved draft amendments to the Income Tax Law which pave the way for the implementation of OECD's Pillar Two Rules. The amendments include a framework for introducing the Income Inclusion Rule (IIR) and a qualifying DMTT. The draft law is now referred to the Shura Council for final approval.

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

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