

# Bahrain & GCC Tax News



15 December 2024

## Bahrain

### **Bahrain Domestic Minimum Top-Up Tax (DMTT) Executive Regulations released**

The National Bureau for Revenue (NBR) has published Decision no. (172) of 2024 for the Issuance of the Executive Regulations for Decree-Law No. (11) of 2024 Regarding the Implementation of Tax on Multinational Enterprises (Executive Regulations to the DMTT Law) on its website.

The Executive Regulations to the DMTT Law prescribe detailed rules, conditions and procedures for the implementation and enforcement of the Bahrain DMTT Law.

Click [here](#) to access the English version of the Executive Regulations to the DMTT Law.

### **33 new violations reported from inspection visits conducted by the NBR during November 2024**

The NBR has announced that 160 inspection visits were conducted during November 2024, which led to the detection of 33 new VAT violations. The reported violations were related to failure to comply with the conditions for issuing VAT invoices, failure to display VAT inclusive prices, and failure to display the VAT certificate in a visible location.

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

### **NBR enables 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.

## Kingdom of Saudi Arabia (KSA)

### Zakat, Tax and Customs Authority (ZATCA) reminds taxpayers of their e-invoicing integration deadline

ZATCA has recently reminded taxpayers in KSA falling under the 10<sup>th</sup> wave of e-invoicing Phase 2 (integration phase) to ensure their systems are integrated with ZATCA's FATOORAH platform latest by 31 December 2024.

### ZATCA conducts tax and zakat workshops

- On 16 December 2024, ZATCA will conduct virtual workshops to provide an overview of the Fasah platform and procedures relating to Excise Tax.
- On 17 December 2024, ZATCA will conduct virtual workshops on cancellation of fines and exemption of penalties initiative and on the e-invoicing integration phase.
- On 18 December 2024, ZATCA will conduct virtual workshops regarding customs bonded zones, e-invoicing integration phase, income tax and withholding tax for foreign companies, and zakat base calculations.

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

## United Arab Emirates (UAE)

### UAE Ministry of Finance (MoF) announces amendments to Corporate Tax (CT) Law

The UAE MoF has recently announced amendments to certain provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (CT Law). The amendments include enabling provisions for the implementation of DMTT on large MNEs from financial years commencing from 1 January 2025, and the introduction of tax incentives to support growth and innovation in the UAE.

### Dubai Department of Finance (DoF) releases new administrative decision for foreign banks operating in Dubai

The Dubai DoF has recently published a new decision which clarifies aspects of how the provisions of the Emirate-level tax will interact with the provisions of the federal CT law including calculation of the tax due, rules for the deductibility of regional and head office expenses, tax depreciation rates, credit losses, provisions, interests, and commissions.

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

## Kuwait

### Kuwait to introduce 15% Business Profit Tax in a phased manner

Based on recent media reports, a potential two-phased approach to the introduction of Business Profit Tax at the rate of 15% is expected in Kuwait. As per the proposal, the first phase will target MNEs with revenues over EUR 750 million (approximately KWD 250 million), and the second phase will be applicable to all Kuwaiti companies (with some exemptions).

## Oman

### Oman tax treaty updates

- On 8 December 2024, Oman and Cyprus signed a tax treaty aimed at preventing double taxation and fostering stronger economic ties between both countries.

On 10 December 2024, Oman ratified the income tax treaty with Estonia, originally signed on 27 October 2024.

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

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