

Bahrain & GCC Tax News



12 January 2025

Bahrain

Bahraini court rules against private company owner for tax evasion

As per local news reports, a businessman in Bahrain has been ordered by the Public Prosecution to pay BHD 70,700 in fines and outstanding VAT after being convicted of VAT evasion. The defendant was also sentenced to 1 year of imprisonment.

National Bureau of Revenue (NBR) to conduct webinar on Domestic Minimum Top-Up Tax (DMTT)

The NBR has invited taxpayers to register for a webinar to be held on 13 January 2025 regarding the implementation of the Bahrain DMTT Law.

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

DMTT Executive Regulations released

On 15 December 2024, the NBR 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](#) ('DMTT Regulations'). The DMTT Regulations provide much anticipated clarity on the implementation and enforcement of the Bahrain DMTT Law.

As expected, the DMTT Regulations are in line with the OECD Pillar Two Global Anti-Base Erosion Model Rules and provides references to the administrative guidance and commentary issued by the OECD.

The NBR has also published a [guide on the scope of the DMTT law and registration requirements](#) as well as a [DMTT Registration Manual](#).

In our latest [Tax Alert](#), we have discussed the key features of the DMTT Regulations.

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.

MNE Groups that are in-scope from 1 January 2025 should start the registration process immediately to meet the 30 January 2025 deadline.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) issues guidance on VAT related procedures

On 1 January 2025, ZATCA issued a detailed guideline outlining the procedures for VAT examinations, evaluations, corrections, and objections.

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

ZATCA conducts tax and zakat workshops

- On 12 January 2025, ZATCA conducted a virtual workshop on the e-invoicing integration phase.
- On 13 January 2025, ZATCA will conduct a virtual workshop on the cancellation of fines and exemption of penalties initiative.
- On 15 January 2025, ZATCA will conduct a virtual workshop on the e-invoicing integration phase.

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

United Arab Emirates (UAE)

Ministry of Finance (MoF) amends Excise Tax Regulations

On 3 January 2025, the UAE MoF issued Ministerial Decision No. 1 of 2025 on the implementation of Cabinet Decision No. 52 of 2019 on excise goods, excise tax rates and methods of calculating the excise value.

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

Scope of the Reverse Charge Mechanism (RCM) expanded to include precious metals and stones

The MoF has recently announced the issuance of Cabinet Decision No. 127 of 2024, expanding the application of the RCM to include precious metals and stones among VAT-registered businesses in the UAE. The new decision replaces the previous decision issued in 2018 on the application of VAT on gold and diamonds among registered dealers.

UAE announces implementation of a new system for HS tariff codes

Starting from 1 January 2025, a new 12-digit tariff code system has been implemented replacing the older 8-digit tariff codes used by the UAE customs.

Oman

Tax treaty with Ireland enters into force

On 18 December 2024, Oman's tax treaty with Ireland entered into force.

Qatar

Qatar customs announces implementation of a new HS tariff codes system

Starting from 1 January 2025, a new 12-digit HS tariff code system has been implemented replacing the older 8-digit tariff codes used by the Qatar customs.

Tax treaty with Egypt enters into force

As of 1 January 2025, Qatar's tax treaty with Egypt entered into force.

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

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