

# Bahrain & GCC Tax News



19 January 2025

## Bahrain

### **National Bureau for Revenue (NBR) publishes guide on entities within the scope of Domestic Minimum Top-up Tax (DMTT)**

On 16 January 2025, the NBR published a detailed guideline clarifying the scope of the Bahrain DMTT Law. The guide provides further clarification on various aspects including the entities that fall within the scope of DMTT, excluded entities, application of the revenue threshold test, exclusions, safe harbors, and on determining the location of entities.

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

### **NBR to conduct VAT implementation webinar**

The NBR has announced that they will be conducting a webinar in English on 20 January 2025 to discuss the implementation of VAT in Bahrain and related rules/procedures.

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

### **Tax treaty updates**

- On 12 January 2025, Bahrain's Shura Council approved the double tax treaty with the United Arab Emirates.
- On 15 January 2025, Bahrain and Oman signed a double tax treaty in Muscat.

### **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 Organisation for Economic Co-operation and Development's (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 previously 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.

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

### **OECD releases additional information and tools on Pillar Two**

On 15 January 2025, the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) released a compilation of qualified domestic rules and other tools designed to streamline the coordinated administration of the global minimum tax.

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

## Kingdom of Saudi Arabia (KSA)

### Zakat, Tax and Customs Authority (ZATCA) publishes new guidelines based on latest zakat rules

ZATCA has recently published the following guidelines in line with the latest zakat collection regulations:

- [Guideline on the deduction elements from the zakat base](#)
- [Guideline on the addition elements to the zakat base](#)

### ZATCA conducts tax and zakat workshops

- On 20 January 2025, ZATCA will conduct a virtual workshop on the licensing of designated locations for the destruction of goods subject to excise tax (in Arabic).
- On 22 January 2025, ZATCA will conduct a virtual workshop on the submission of zakat returns as per the latest zakat regulations (in English).

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

### Shura Council approves tax treaty with Iceland

On 13 January 2025, KSA's Shura Council approved the income tax treaty with Iceland.

## United Arab Emirates (UAE)

### Federal Tax Authority (FTA) issues a VAT Public Clarification on Cryptocurrency Mining

On 13 January 2025, the FTA published a Public Clarification which clarifies the VAT treatment of cryptocurrency mining using the proof-of-work mechanism.

Click [here](#) to view the FTA's Public Clarification 'VATP039'.

### Sharjah Consultative Council (SCC) approves draft law on extractive and non-extractive natural resources tax

As per local news reports, on 12 January 2025, the SCC approved a draft tax law applicable to companies involved in the extraction and use of natural resources in the Emirate of Sharjah.

### UAE and New Zealand sign trade agreements

The UAE and New Zealand have recently signed a comprehensive economic partnership agreement and an investment protection agreement in Abu Dhabi.

## Oman

### Oman ratifies tax treaty with Egypt

On 16 January 2025, the President of Egypt issued Decree No. 320 of 2024 ratifying the tax treaty between Oman and Egypt.

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](mailto:mubeenkhadir@kpmg.com)

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