

Bahrain & GCC Tax News



29 June 2025

Bahrain

National Bureau for Revenue (NBR) updates VAT guides

On 25 June 2025, the NBR published updated versions of the following VAT guides:

- [VAT Real Estate Guide](#)
- [VAT Retail and Wholesale Guide](#)

Tax treaty and investment agreement updates

- On 1 May 2025, the 'Bahrain - United Arab Emirates Income Tax Treaty' (2024) entered into force.
- On 23 June 2025, Bahrain ratified the 'Bahrain - Oman Income Tax Treaty' (2025).
- On 23 June 2025, Bahrain ratified the 'Bahrain - Korea (Rep.) Investment Protection Agreement' (2024).

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) announces extension of the exemption of fines initiative

The ZATCA has recently announced the extension of the Cancellation of Fines and Exemption of Financial Penalties Initiative to 31 December 2025.

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

ZATCA determines criteria for selecting taxpayers for the 23rd wave of e-invoicing integration

ZATCA has recently issued a circular outlining the criteria for selection of taxpayers for the 23rd wave of implementation of the e-invoicing integration phase. Taxpayers with taxable revenues exceeding SAR 750,000 during 2022, 2023 or 2024 will be covered under the 23rd wave. Such taxpayers will be required to integrate their e-invoicing solutions with the FATOORA platform from 1 April 2026.

ZATCA conducts tax and zakat related workshops

On 30 June 2025, ZATCA will conduct virtual workshops on the Authorized Economic Operator, the Customs Dispute Settlement Procedures in Customs Smuggling cases, and on the Bonded Zones.

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

United Arab Emirates (UAE)

Ministry of Finance (MoF) issues Mutual Agreement Procedure (MAP) guidance

The UAE MoF has issued its first official guidance on the MAP, marking a significant development in the country's alignment with international tax norms.

Click [here](#) to access the MAP guidance issued by the UAE MoF.

Federal Tax Authority (FTA) introduces controls for natural losses of excise goods within designated areas

The FTA has introduced a set of standards, controls and procedural requirements governing the treatment of natural shortages of excise goods occurring within designated zones.

The decision applies in cases where losses occur in excise goods during production, storage, or transport, due to inherent physical or chemical properties of the goods.

FTA conducts tax related workshops

On 25 June 2025, the FTA conducted an awareness workshop on VAT and excise tax compliance challenges, and on the corporate tax returns submission process.

Tax treaty and economic partnership agreement update

- On 1 June 2025, the comprehensive economic partnership agreement between Serbia and the UAE, originally signed on 5 October 2024, entered into force.
- On 24 June 2025, the Russian State Duma approved the 'Russia – UAE Income and Capital Tax Treaty' (2025).

Oman

Oman announces introduction of Personal Income Tax

On 22 June 2025, Oman issued Royal Decree No. 56/2025 which introduces a 5% income tax on natural persons whose annual gross income exceeds OMR 42,000 (approximately USD 109,200). The law will be effective from 1 January 2028.

Tax treaty update

- On 25 June 2025, the Luxembourg Chamber of Deputies approved the 'Luxembourg - Oman Income and Capital Tax Treaty' (2024).
- On 28 May 2025, the amending protocol to the 'India - Oman Income Tax Treaty' (1997), originally signed on 27 January 2025, entered into force.

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

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