

Tax Alert

GCC VAT Introduction Update

(Oct 2016)

This newsletter gives you an overview of GCC VAT developments being reported regionally between 1 October and 30 October 2016.

United Arab Emirates		
	Relevant date/Case reference	Description of measure
Formation of Federal Tax Authority	24 Oct 2016	<p>In a significant development, the President of the UAE, His Highness Sheikh Khalifa bin Zayed Al Nahyan, issued federal law 13 of 2016 on 24 October, establishing a Federal Tax Authority (FTA) to govern federal taxes (including VAT) in the UAE.</p> <p>This underlines the intention of the federal government to implement VAT in the UAE by January 2018 and to align UAE laws with international tax developments such as tax treaties, tax information exchange agreements (TIEAs), and global tax information exchange programs (such as FATCA and CRS). Source</p>
Oman		
	Relevant date/Case reference	Description of measure
Announcement on the introduction of VAT	5 Nov 2016	<p>The Secretary-general of Taxation at the Ministry of Finance in Oman officially announced the introduction of VAT in 2018 through the Oman New Agency (ONA). The draft law has been prepared and will be submitted to the legislative authorities for revision.</p> <p>Al Shukaili, told the ONA, that levying VAT is the outcome of joint efforts between Oman and other GCC states. Oman will also raise the prices of various commodities, including those harmful to health such as alcohol, tobacco, ham and fizzy and energy drinks (as part of the Selective Tax Initiative). Source</p>
Gulf Cooperation Council (GCC) – VAT Committee		
	Relevant date/Case reference	Description of measure
Finance Minister's Meeting	27 Oct 2016	<p>The GCC Finance Ministers meet in Riyadh as part of the 105th GCC Financial and Economic Affairs Committee. Additionally in attendance were Central Bank Governors and representatives from the IMF including the managing director Christine Lagarde.</p> <p>Various topics were discussed, including the GCC-VAT framework agreement as a part of the future steps to diversify these GCC economies away from oil revenues. The framework was agreed to by member states, with a further announcement expected by the end of Q4 this year. Source</p>

For further information on the introduction of VAT in Bahrain and other GCC countries, please contact us.



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