

Dear All,

As you may be aware from recent press reports and developments, 4 out of the 6 GCC countries have announced or already enacted Pillar Two legislation effective from 2025. With 2024 coming to a close, this email aims to serve as a one-stop quick round up of these developments.

Qatar	Already has a placeholder for Pillar Two implementation in the Income Tax Law No. 24 of 2018. Recently, a draft law amending certain provisions was approved by the Council of Ministers and on 23 <sup>rd</sup> December 2024, this draft law has also been approved by the Shura Council. The draft law now awaits approval of the Emir and publication in the Official Gazette. The law has not been made available in the public domain and the final shape is not fully clear at this juncture.
Bahrain	On 1 <sup>st</sup> September 2024, the DMTT law was released and on 15 <sup>th</sup> December the Executive Regulations have also been published. Please refer to the attached tax alert for further information.
Kuwait	A draft of the proposed Business Profits Tax Law has been made available in the public domain. It shall apply firstly to large MNEs with revenues over EUR 750 million in line with Pillar Two. In a second phase it will be extended to other smaller businesses. The draft Tax Law states that Executive Regulations would be issued within 6 months from the date of issuance of the Tax Law, meaning that these would be expected by the end of June 2025 subject to the Tax Law being officially published in the local gazette by end of December 2024. Please refer to the attached tax alert for further information.
UAE	The Ministry of Finance has announced updates in relation to certain provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses to include the implementation of a DMTT and also the introduction of tax incentives to support growth and innovation.

Saudi Arabia and Oman have not made any public announcements so far.

The question that therefore arises “Is your company ready for Pillar Two's Global Minimum Tax?”

**KPMG's Fit for Pillar Two series** aims to help tax teams of MNEs within the scope of Pillar Two prepare for the upcoming wave of international tax changes by putting theory into practice. This first article is designed for those clients just beginning their journey or those that have taken steps forward but need to validate work completed to date. It covers some of the basic steps that need to be undertaken to see where your MNE group stands from a Pillar Two impact perspective.

Happy reading for the holidays!

Wishing everyone celebrating seasons' greetings and a very happy new year in advance!

Warm regards,

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