

Tax Alert: Rectifying the status of Anti-Concealment Law violators

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In brief

The regulations for rectifying the status of Anti-Concealment Law (the Law) violators, which followed the August 2020 release of the Law, aim to provide Saudis and non-Saudis who practice economic activities in the Kingdom with the opportunity to rectify their status by 23 August 2021. If they do so before the deadline, they shall be exempt from the penalties stipulated in the Law, from the penalties resulting from the crime and proceeds thereof, and from paying income tax retroactively.

In detail

The regulations identify the options and mechanisms for status rectification and clarify the procedures for reviewing rectification requests by the Ministry of Commerce. They are available in both [Arabic](#) and [English](#).

Subject to fulfilling the regulatory requirements, the regulations outline the following options for rectifying one's status in the Kingdom:

- Establishing partnership in the enterprise between the Saudi and non-Saudi parties
- Registering the ownership of the enterprise in the name of the non-Saudi party
- The Saudi continues to practice the economic activity by adding a new partner (Saudi or licensed foreign investor)
- The Saudi party disposes the enterprise by sale, assignment or dissolution
- The non-Saudi party obtains the Saudi premium residency by virtue of the Premium Residency Law and proceeds to rectifying their status
- The non-Saudi leaves the kingdom permanently after providing the required documents to the Ministry of Commerce

After the rectification request has been submitted, the Ministry will review the case and notify the applicant to complete the procedures of rectification within a period of 90 days from the date of notification.

Implications

The option to rectify one's status in the Kingdom reflects the goals of Vision 2030 and is an important step for preserving the rights of business partners in Saudi Arabia.

We shall continue to keep you up to date on any further developments. In the meantime, our teams are available to discuss the regulations and provide you with further clarification.

Get in touch

Riyadh Office

Wadh Abu Nasr

Head of Tax, Saudi Levant Cluster

E: wabunasr@kpmg.com

Nick Soverall

Senior Director,
Head of Indirect Tax

E: nsoverall@kpmg.com

Peter Bourke

Senior Director,
M&A/ Int'l Tax

E: peterbourke@kpmg.com

Mohamed Araji

Senior Director,
FS/ Tax Reimagined

E: maraji@kpmg.com

Ali Sainudheen

Senior Director, Domestic Tax

E: asainudheen@kpmg.com

Raza Qadir

Senior Director, Corporate
Tax and Advisory lead- Riyadh
GCMS and inbound
compliance lead

E: razaqadir@kpmg.com

Saber Al Zawaideh

Director, Domestic Tax

E: salzawaideh@kpmg.com

Faisal Tanvir

Director, Domestic Tax

E: FTanvir@kpmg.com

Oleg Shmal

Director, Indirect Tax

E: oshmal@kpmg.com

Jeddah Office

Mohamed ElSwefy

Senior Director, Family Office &
Private Clients

E: mohamedelswefy@kpmg.com

Salam Eido

Director, Indirect Tax

E: seido@kpmg.com

Muhammad Masood

Director, Domestic Tax

E: muhammadmasood@kpmg.com

Khobar Office

Tareq Al Sunaid

Partner, Head of Domestic Tax

E: talsunaid@kpmg.com

Mohammad Kamran Sial

Senior Director, Domestic Tax

E: ksial@kpmg.com

Anil Bahl

Director, Indirect Tax

E: anilbahl@kpmg.com

Mohamed Gouda

Director, Domestic Tax

E: mohamedgouda@kpmg.com



<http://home.kpmg.com/sa>

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