

Tax Alert: ZATCA Penalty Exemption Initiative

(ZATCA), as part of its efforts to mitigate the impact of the COVID-19 pandemic on the economic activities in the Kingdom, has announced the re-launch of the amnesty initiative that waives off the penalties on all taxes for the taxpayers for six months starting from 1 June 2022 till 30 November 2022.

ZATCA has announced, through a notification on its website, that the initiative for the waiver of penalties for Income Tax, Withholding Tax, VAT, Excise Tax and Real Estate Transaction Tax (RETT), runs from 1 June 2022 until 30 November 2022.

The initiative includes all penalties pertaining to late registration with ZATCA for all taxes, late payment of all taxes, late filing of returns, and field penalties related to e-invoicing. In order to benefit from the initiative, the taxpayer must report and pay the principal amount of tax. However, fines for tax evasion and fine paid before the launch of the initiative will not be covered. The initiative allows taxpayers to apply for an installment plan, which will be subject to certain conditions and formal approval of ZATCA.

Please refer to Penalty Exemption initiative simplified guideline (Arabic) on the subject through the link provided below. Our teams are available in case you need any clarification or assistance.

[Penalty Exemption Initiative Simplified Guideline AR.pdf](#)

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