

Bahrain & GCC Tax News



28 December 2022

Bahrain

Minister of Finance issues new decision on the reformation of members of the Tax Appeals Review Committee (TARC)

HE Shaikh Salman bin Khalifa Al Khalifa recently released decision no. 173 of 2022 on the reformation of TARC.

Click [here](#) to view the decision. (In Arabic only)

Bahrain Customs (BC) release port statistics

As per local news reports, the Khalifa Bin Salman Port managed to handle a total of 30,361 commercial containers, 56,779 tones and 2,832 vehicles during last November. According to statistics released by the Ports and Maritime Affairs, 61 ships docked at the harbor during the same month. In total, the directorate issued 10 commercial licenses and 180 others for ships and carried out 13 inspection campaigns.

Recent case of penalties imposed by the National Bureau of Revenue (NBR)

The NBR has recently penalized certain taxpayers for failing to maintain proper documentation with respect to their supplies. During a field audit conducted by the NBR, it was discovered that some businesses printed receipts and bills on thermal paper and the ink from the print faded overtime due to the quality of the paper rolls and negligent handling/ storage of the receipts and bills. Further, the taxpayers did not retain photocopies of tax invoices.

In our earlier [Tax Learnings](#), we have discussed key aspects Bahrain businesses should consider when maintaining tax records, to avoid and prevent receiving such penalties from the NBR.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) announce second wave of E-invoicing

ZATCA recently announced on 23 December 2022, the second wave for implementing E-invoicing Phase II, starting from 1 July 2023. This wave will cover the taxpayers whose sales subject to VAT exceeded SAR 500 million during the year 2021.

Click [here](#) to view the full press release. (In Arabic only)

ZATCA publishes a circular on the VAT treatment of Loyalty programs

ZATCA recently published a VAT circular for the VAT treatment of Loyalty programs.

Click [here](#) to view the VAT circular. (In Arabic only)

United Arab Emirates (UAE)

Protocol to UAE and Austria Tax Treaty becomes effective

The UAE and Austria signed a protocol to their existing tax treaty such as the amendment to the preamble to reflect the mandate under BEPS Action 6, which spells out that tax treaties must not be used for tax evasion or avoidance purposes. The protocol enters into force on 1 March 2023.

Federal Tax Authority (FTA) host Maskani virtual workshop

The FTA will host a Maskani Virtual workshop to learn more about VAT refund on newly built residences by UAE nationals at 5:00pm to 6:00pm on 28 December 2022.

Click [here](#) to register.

FTA releases taxpayer user manual on tax group registration

The FTA recently released a user manual on tax group registration in the UAE to help VAT tax group representative members to navigate through the FTA's EmaraTax website and submit a VAT Tax Group Registration application.

Click [here](#) to view the EmaraTax user manual.

Ministry of Finance (MoF) announces Economic Substance Notification (ESN) deadline

The MoF recently announced businesses with a 31 December 2022 filing deadline must file an ESN on the MoF Portal, unless they have claimed an exemption or did not earn income from a Relevant Activity in their Notification.

Click [here](#) for more information.

Oman

Details of the tax treaty between Oman and Qatar revealed

Details of the Oman - Qatar Income and Capital Tax Treaty (2021), signed on 22 November 2021, have become available. The treaty was concluded in Arabic. The treaty generally follows the OECD model (2017).

Oman Tax Authority announces Corporate Tax and VAT seminar

The OTA in cooperation with Oman Chamber of Commerce and Industry in Al Shariqah South Governate recently announced the induction seminar about Corporate Income Tax and VAT at the Oman Chamber of Commerce and Industry in Sar on 28 and 29 December 2022.

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

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