



February Edition

Insights
Tax and Legal Services
PwC Middle East



The Kingdom of Saudi Arabia (KSA)

Value Added Tax

Legal updates

New exceptions from the Real Estate Transaction Tax ('RETT')

The Board of Directors of the General Authority of Zakat and Tax ("GAZT") approved amendment/additions to Article (3) paragraph (a) of the Real Estate Transaction Tax Implementing Regulations.

These amendments aim to extend the scope of application of the RETT exemption to certain transactions. The decision enters into force on 22 January 2021.

The official announcement can be accessed through the following link:

<https://www.uqn.gov.sa/images/uqn/4867.pdf>

A detailed newsalert has been issued by PwC on this matter which can be accessed through the following link:

<https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2021/ksa-new-exceptions-from-the-real-estate-transaction-tax.html>

Practical updates

Extension of the penalty waiver for six additional months

The KSA Minister of Finance issued a new Resolution extending the tax amnesty initiative launched earlier in 2020 for an additional six months. This would provide taxpayers with a full or partial waiver of Corporate Income Tax, Withholding tax, Value Added Tax and Excise tax penalties up until 30 June 2021.

The waiver percentage (i.e. 100%, 75% or 50%) to be applied depends on the time the tax due is paid in full.

The PwC news alert issued on the matter can be accessed through the following link:

<https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2021/ksa-the-penalty-waiver-extended-for-six-additional-months.html>

The Kingdom of Bahrain (Bahrain)

Value Added Tax

Practical updates

Updates to the VAT General Guide

The National Bureau for Revenue (NBR) in Bahrain published an updated VAT General Guide. The guide sets out the following factors that should be taken into account when determining the place of residence most closely connected with a supply:

- Which establishment appears on the contracts, correspondence and invoices;
- Where the directors or other officials who entered into the contract to make or receive the supply are permanently based;
- At which establishment decisions are taken and controls are exercised over the performance of contracts;
- From which establishment the services are actually provided or, as the case may be, used or consumed;
- The nature of the work undertaken by each establishment to make or receive the supply, as the case may be;
- The extent of involvement of each establishment's personnel in the provision of or receipt of the supplies.

The Guide also sets out fees payable for certain NBR services and the procedures for requesting a review of an assessment (pre-appeal) in Ministerial Decree No. 33 of 2020:

- BHD 50 for issuing a tax certificate. The Guide clarifies that a tax certificate is an official hard copy of a VAT registration certificate or another certification that may be required by a taxpayer, e.g. to present to a foreign tax authority.
- BHD 300 to be authorised by the NBR as a Tax Agent or Tax Representative. The authorisation lasts three years, after which time it must be renewed for a further BHD 300.
- BHD 50 for lodging an appeal to the Tax Appeals Review Committee. This fee applies per each decision appealed.

The updated VAT General Guide on the NBR website can be accessed through the following link:

https://www.nbr.gov.bh/vat_guideline

A detailed newsalert has been issued by PwC on this matter which can be accessed through the following link:

<https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2021/bahrain-vat-general-guide-updated.html>

The Sultanate of Oman (Oman)

Value Added Tax

Legal updates

In preparation of the introduction of VAT in Oman, the Oman Tax Authority (OTA) released three Ministerial Decisions in the Official Gazette Issue 1374 published on 10 January 2021.

Ministerial Decision No.1/2021 on determining the mandatory and voluntary registration thresholds, dated 4 January 2021, provides the mandatory threshold (under Article 55 of the Oman VAT law) and the voluntary registration threshold (under Article 61 of the Oman VAT law) as OMR 38,500 and OMR 19,250, respectively.

Ministerial Decision No.2/2021 on determining the food items subject to the Value Added Tax at the zero rate, dated 4 January 2021, provides a detailed list of food products that will be subject to VAT at the zero rate in Oman. The list consists of 93 food products with their HS codes.

A detailed newsalert has been issued by PwC on this matter which can be accessed through the following link: <https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2021/oman-list-of-food-products-subject-to-vat-at-zero-percent.html>

Ministerial Decision No.3/2021 on determining of VAT Registration Schedule and Date, dated 4 January 2021, provides the mandatory VAT registration (under Article 55 of the Oman VAT law) will take effect in a phased manner i.e. based on the revenue of the taxable person.

Whereas, a person who may voluntarily register (under Article 61 of the Oman VAT law) may apply for his registration to the tax authority at any time starting February 1, 2021.

The Ministerial Decisions No. 1/2021, 2/2021 and 3/2021 come into effect from 11 January 2021 (i.e. the day after it is published in the Official Gazette)

The Sultanate of Oman (Oman)

Legal updates... Contd.

The table below provides details of the mandatory registration categories, registration timelines and effective date of registration:

Category	Registration timeline	Effective date of Registration
A person whose annual value of supplies exceeds or is expected to exceed one million (1,000,000) OMR	1 Feb 2021 - 15 Mar 2021	16 April 2021
A person whose annual value of supplies is between 500,000 to 1,000,000 Omani Rials	1 April 2021 - 31 May 2021	1 July 2021
A person whose annual supplies are between 250,000 and 499,999 OMR	1 July 2021 - 31 Aug 2021	1 October 2021
A person whose annual value of supplies is between 38,500 and 249,999 OMR	1 Dec 2021 - 28 Feb 2022	1 April 2022

A detailed newsalert has been issued by PwC on this matter which can be accessed through the following link:
<https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2021/oman-vat-registration-guidance.html>

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