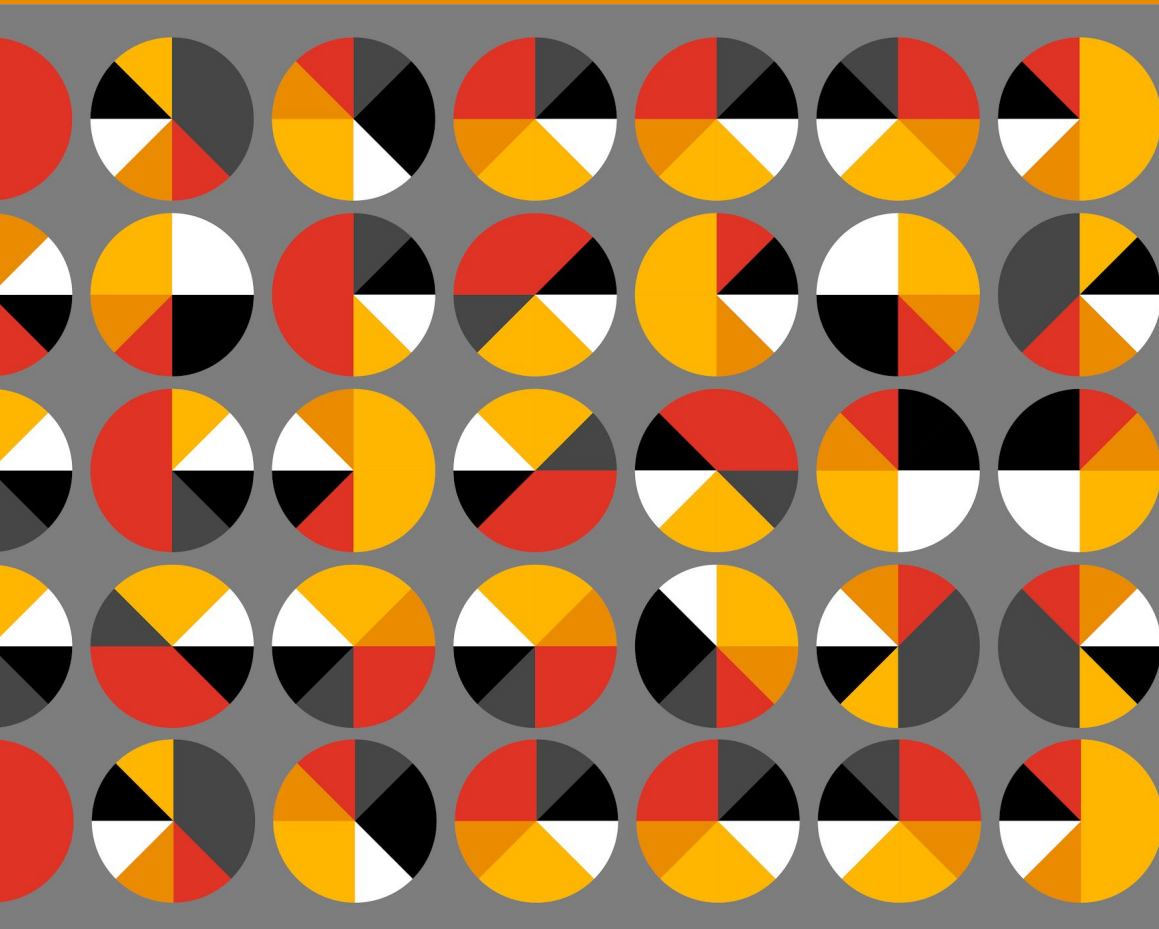


Saudi Arabia: Guide issued on penalty waiver initiative extended recently

February 2021



In brief

The General Authority of Zakat and Tax ('GAZT') has issued a guide which illustrates the scope of taxes, types of penalties and tax periods covered under the recent resolution issued by the Minister of Finance to extend the application of the tax amnesty initiative for an additional six months (up until 30 June 2021). In addition, this guide provides some clarification on the conditions that should be met in order to avail benefit from the extended initiative.

The guide is issued in Arabic language at the moment and can be accessed through [this link](#).

Link to the news article published on GAZT's website [here](#)

In detail

What is not covered in the extended amnesty?

The guide clarifies that the extended amnesty does not cover the following:

- Penalties associated with non/late submission and amendment of returns due for submission on or after 21 January 2021;
- Any other penalties that are not associated with returns (i.e. late registration penalties, non issuance of invoices, tax evasion and any other violations); and
- Any other penalties that have been paid before 21 January 2021.

What types of taxes are covered in the extended amnesty?

The guide confirmed that extended amnesty covers the Corporate Income Tax, Withholding Tax, Value Added Tax and Excise Tax.

It is not clear however whether the waiver of late payment penalties apply as well to the Real Estate Transaction Tax.

Other areas covered in the guideline:

- Penalties waiver, timeline, conditions and percentages
- Several details examples demonstrate to taxpayers how can they benefit from the amnesty extension

News alert issued earlier by PwC 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-f-or-six-additional-months.html>

The takeaway

The extension in timeline for the tax amnesty initiative provides another opportunity for taxpayers to manage their tax liabilities, cash outflows and settle their outstanding tax dues. Taxpayers shall continue to monitor any additional updates to be released on GAZT's website in order to benefit from such initiatives.

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Let's Talk

For a deeper discussion of how this issue might affect your business, please contact:

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