

Saudi Arabia: Proposed amendment to the provisions of Article 33 of the VAT Implementing Regulations

October 2022





In brief

The Zakat, Tax and Customs Authority ('ZATCA') has proposed to add a new sub-article to the provisions of Article 33 of the VAT Implementing Regulations.

The [proposed amendment](#) was published on the Public Consultation Platform of the National Competitiveness Center on 12 October 2022 - for public consultation.

Interested stakeholders and taxpayers are encouraged to express their opinion on this [platform](#) and share feedback on the proposed amendment no later than 11 November 2022.

In detail

Addition of a new subarticle (3) to the provisions of Article 33 of the VAT Implementing Regulations has been proposed by ZATCA as follows:

“3- Notwithstanding the second paragraph of this article, the supply of services to a non-resident customer in any of the member states is subject to the zero rate in cases where the supply facilitates the supply of taxable services by that non-resident customer to a person in the Kingdom.”

We expect that further guidance will be issued by ZATCA on this in due course.

“

The proposed new subarticle has been issued for public consultation and is not yet enforced.

If approved, this will become binding for all relevant stakeholders.

”

The takeaway

The public consultation forum presents a unique opportunity for interested stakeholders to share views and highlight any improvement areas regarding the proposed amendment. Any feedback should be shared with ZATCA no later than 11 November 2022 through the prescribed channel.

Taxpayers who are engaged in providing services to the non-resident persons and wish to find out more about the proposed amendment, feel free to reach out to us for support.

www.pwc.com/me

Let's talk

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

	Mohammed Yagmour
	Middle East Tax & Legal Services Leader
	+966 56 704 9675
	mohammed.yagmour@pwc.com

	Mohammed Al-Obaidi
	KSA Market Leader
	+966 50 525 6796
	mohammed.alobaidi@pwc.com

	Chadi Abou Chakra
	Indirect Taxes Network Leader
	+966 56 068 0291
	Chadi.Abou-Chakra@pwc.com

	Guido Lubbers
	Partner - Indirect Tax
	+966 54 110 0432
	guido.lubbers@pwc.com

	Hafez Yamin
	Partner, Indirect Tax
	+966 54 033 7096
	hafez.y.yamin@pwc.com

	Mohamad Najjar
	Partner, Indirect Tax
	+966 56 367 9392
	mohamad.x.najjar@pwc.com

Thank you

©2022 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.