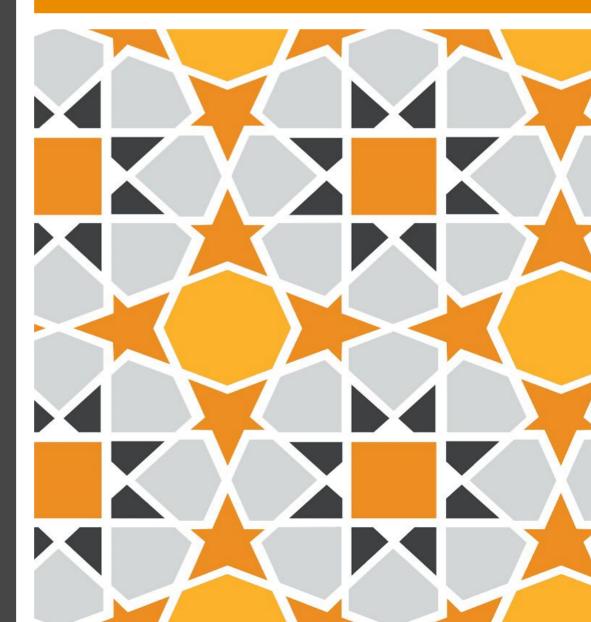
Saudi Arabia: Proposed amendment to the provisions of Article 33 of the VAT Implementing Regulations

October 2022







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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.

### 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 <u>proposed amendment</u> 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 <u>platform</u> 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 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.

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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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## Thank you

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