

Saudi Arabia: Rulings submission - Proposed amendment to the provisions of Article 75 of the VAT Implementing Regulations

April 2023





In brief

The Zakat, Tax and Customs Authority ('ZATCA') has published a proposed amendment to the provisions of Article 75 of the KSA VAT Implementing Regulation whereby provisions of paragraph (5) of the aforesaid Article has been intended to be deleted.

The [proposed amendment](#) has been published on the Public Consultation Platform of the National Competitiveness Center on 9 April 2023 - 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 5 May 2023

In detail

Article 75 of the KSA VAT Implementing Regulation provides governing principles related to rulings submission to request from ZATCA its opinion on the interpretation of the provisions of VAT law and its Implementing Regulations.

The proposed amendment intends to remove paragraph (5) of Article 75 which states:

“Any opinion or ruling issued by the Authority in accordance with this Article is not binding on the Authority or any taxable person in respect of any transaction carried out by the requesting taxable person or any other person. The provision of this Article shall without prejudice to the rights of the Authority to issue binding decisions and instructions pursuant to Article 52 of the Law. “

The intention of the proposed change seems to streamline the opinion/ruling process by formalising the responses released by ZATCA as binding on its employees/auditors.

It will be interesting to see how the change (once formalised) will impact the following:

- Tax rulings already issued by ZATCA
- Guidance issued by ZATCA other than by way of tax rulings
- Impact on other types of taxes most notably Real Estate Transaction Tax

Taxpayers need to assess the impact of this amendment on their affairs once it enters into force.



The proposed change 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 5 May 2023 through the prescribed channel.

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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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