

Saudi Arabia: Tax amnesty extension until 30 June 2024

December 2023



In brief

With reference to the Ministerial Resolution number 799 dated 1445-06-07 corresponding to 20 December 2023, the Zakat, Tax and Customs Authority (ZATCA) has extended the fines and financial penalties waiver initiative and made this available for taxpayers who wish to submit a voluntary disclosure through their returns and pay the taxes due.

The extension, published in the official Gazette on 29 December 2023 can be accessed [here](#).

The types of taxes included in this initiative are Excise Tax, Value Added Tax, Real Estate Transaction Tax, Withholding Tax and Corporate Income tax.

The exemption has been extended for an additional 6 months period, starting from 1 January 2024 until 30 June 2024. This is an extension of the tax amnesty introduced on 1 June 2022 and covers tax obligations required to be fulfilled before the effective date of the initiative's extension.

In detail

The recent measure is a continuation of the incentives introduced by the Government of KSA for mitigating the financial impact of corona pandemic on taxpayers. Through this initiative, ZATCA also aims to enhance awareness amongst the taxpayers on the significance of fulfilling compliance obligations.

ZATCA confirmed that the fines included under this initiative are the following:

- Late registration
- Late payment
- Late filing
- Amendment/ corrections of the VAT declarations
- Other financial fines imposed under Article 45 of the VAT Law e.g., violations of the VAT field detection and E-invoicing.

In order to benefit from the initiative, the taxpayer must:

- Apply for registration (where required) and discharge their prescribed obligations as per the respective tax legislation
- Pay all outstanding tax dues or submit a request for an installment plan, which needs to be approved by ZATCA.

A simplified guide has also been issued by ZATCA explaining the types of fines/penalties that will be covered with illustrative examples and can be accessed through the following links:

- [Arabic version](#)
- [English version](#)

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The extension of the tax amnesty provides another opportunity for taxpayers to enjoy a penalty free discharge of the tax obligations and also a penalty free rectification of the historical tax positions to ensure compliance with the KSA tax regulations.

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The takeaway

Taxpayers are recommended to avail benefit of this extension initiative and assess their status of compliance with relevant tax legislations, correct their historical tax position (where required) and discharge the prescribed tax obligations within the amnesty period.

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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