Extension in the timelines of tax amnesty until 31 December 2026

July 2026

In brief

On 29 June 2026, the Zakat, Tax and Customs Authority (ZATCA) by adopting the decision of the Minister of Finance, has announced further extension of 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 announcement, published on the official ZATCA website, 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.

This initiative has been extended for an additional six-months period, commencing on 1 July 2026, and concluding on 31 December 2026. This extension follows the tax amnesty program introduced on 1 June 2022, and applies to fines for returns due that must be submitted upto 30 June 2026.

In detail

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

- Late Registration
- Late Payment
- Late Filing
- Amendment/correction of VAT declaration
- Other financial fines imposed under Article 45 of the VAT Law and examples include violations of the VAT field detection and E-invoicing

In order to benefit from the initiative, taxpayers must:

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

It is important to note that the initiative does not cover penalties for tax evasion violations paid before the effective date.

ZATCA issued a simplified guide explaining the types of fines/penalties that will be covered with illustrative examples which can be accessed through the following links:

- Arabic Version
- English Version

Please note that the guideline specifically provide that in case the initiative would be extended beyond 31 December 2026, any future extension will exclude penalties for returns due to ZATCA after 30 June 2026.

Key takeaways

The current initiative provides another opportunity for taxpayers to enjoy a penalty free discharge of the tax obligations and rectification of the historical tax positions to ensure compliance with the KSA tax legislations.

How can we help

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

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