

Transfer Pricing Middle East Snapshot

October 2019



Comparative overview of CbCR in the Middle East

Due to the recent introduction of the Country by Country Reporting (CbCR) rules in various Middle East jurisdictions, this publication provides a practical 1-pager comparative overview of CbCR rules in the UAE, Egypt, KSA and Qatar based on the criteria of applicability, filing requirement and penalties. Multinational groups with presence in the Middle East will be able to compare easily and comply with the various filing requirements in the selected Middle East jurisdictions.

	UAE	KSA	Egypt	Qatar
Requirements	<ul style="list-style-type: none"> CbCR filing: 12 months from end of Financial Year ('FY') of the Multinational Enterprise ('MNE') (Note 1) CbCR notification filing: last day of FY of the MNE 	<ul style="list-style-type: none"> CbCR filing: 12 months from end of FY of the entity (Note 2) CbCR notification filing: no later than 120 days from the last day of FY of the entity 	<ul style="list-style-type: none"> CbCR filing: 12 months from end of FY of the entity CbCR notification filing: last day of FY of the entity 	<ul style="list-style-type: none"> CbCR filing: 12 months from end of FY of the entity CbCR notification filing: last day of FY of the entity (Note 3)
Applicability	<ul style="list-style-type: none"> Tax residents Consolidated revenue of MNE ≥ AED 3.15 bn (USD 858 mn approx.) FYs starting on or after 1 Jan 2019 	<ul style="list-style-type: none"> Zakat and/or Income Tax payers Consolidated revenue of MNE ≥ SAR 3.2 bn (Note 2) Tax declaration deadline on or after 1 Jan 2019 	<ul style="list-style-type: none"> MNE with Egyptian Parent: consolidated revenue ≥ EGP 3 bn Egyptian subsidiaries of MNE: consolidated revenue ≥ Euro 750 mn FYs ending on or after 31 Dec 2018 	<ul style="list-style-type: none"> MNE with Qatar Parent: consolidated revenue ≥ QAR 3 bn (USD 824 mn approx.) Qatar subsidiaries of MNE: CbCR rules are not applicable (yet) (Note 4) FYs starting on or after 1 Jan 2018
Penalties and fines	<ul style="list-style-type: none"> Four types of Administrative Penalties Range: AED 100,000 – AED 1,000,000 Additional fine – 10,000 per day up to a maximum of AED 250,000 in case of delay in CbCR filing 	<ul style="list-style-type: none"> Penalties and fines as per the Zakat and/or Income Tax Law 	<ul style="list-style-type: none"> Penalties and fines as per the Income Tax Law 	<ul style="list-style-type: none"> Financial penalty for failure to submit on time or submitting false/incomplete information: <ul style="list-style-type: none"> CbCR notification: QAR 100 per day or per false or incomplete information CbCR: QAR 500 per day of delay or per false or incomplete information
Exchange relationships	<ul style="list-style-type: none"> Activated 48 CbC multilateral competent authority agreements ('MCAAs') for sharing CbC reports Non-reciprocal jurisdiction and, as such, would not receive CbC reports Effective for FY starting on or after 1 Jan 2019 	<ul style="list-style-type: none"> Activated 37 CbC MCAAs for sharing CbC reports Activated 46 CbC MCAAs for receiving CbC reports Effective for FY starting on or after 1 Jan 2017 	<ul style="list-style-type: none"> As of September 2019, Egypt has no bilateral exchange relationships in place for the exchange of CbC reports 	<ul style="list-style-type: none"> Activated 56 CbC MCAAs for sharing CbC reports Non-reciprocal jurisdiction and, as such, would not receive CbC reports Effective for FY starting on or after 1 Jan 2020

Note 1 Ultimate Parent Entity ('UPE') tax resident in the UAE, meeting the revenue threshold, shall file the CbCR. Entity other than an UPE, tax resident in the UAE, shall file the CbCR on behalf of the MNE, if certain conditions are met (not yet prescribed).

Note 2 CbCR is to be filed by the UPE or the Surrogate Parent Entity ('SPE') which is based in KSA. Entity other than UPE/SPE may also need to file the CbCR in KSA, under the following situations:

- UPE/SPE is not obligated to file CbCR in the country of its residence;
- UPE/SPE is resident of a country with which KSA does not have an agreement providing for exchange of CbCR; and
- UPE/SPE is a resident of a country which systematically fails to provide CbCR to KSA.

Note 3 For FY 2018 and 2019, the deadline for CbCR notification is set by the General Tax Authority of Qatar at 31 December 2019.

Note 4 Constituent entities with a non-Qatari UPE shall not be required to file the CbCR for the time being. In addition, the respective constituent entity shall not be required to submit a notification with respect to the identity of the reporting entity of its place of residence.