




At a Glance - VAT in GCC

	United Arab Emirates (UAE) 	Kingdom of Saudi Arabia 	Bahrain 
Date of introduction	1 January 2018	1 January 2018	Phased introduction from 1 January 2019
Registration threshold	Mandatory – AED 375,000; Voluntary – AED 187,500	Mandatory – SAR 375,000; Voluntary – SAR 187,500	Mandatory – BHD 37,500; Voluntary – BHD 18,750
Standard rate	5%	15% **	5%
Zero-rated supplies	International transportation; Export; Education; Healthcare; Residential real estate & buildings used for charities (first supply only); Specified means of transport; Crude oil & natural gas; Investment precious metals	International transportation; Export; Medicines & medical equipment; Investment precious metals	International transportation; Exports; Local transportation; Healthcare; Education; Investment precious metals; First supply of precious metals after extraction; Specified food items; Construction of new buildings; Oil & gas
Exempt supplies	Financial services; Life insurance; Local transport; Bare land; Residential real estate (except the first supply)	Financial services; Lease or license of residential real estate	Financial services; Bare land & buildings;
Reverse charge allowed for imports	Yes	Yes	Yes
VAT grouping allowed	Yes	Yes	Yes
Special schemes/rules	<i>Special refunds</i> - Tourists; Business visitors; Building new residence by UAE Nationals; Charity; Diplomatic bodies/missions, foreign governments & international organisations; Exhibitions & Conferences; Expo 2020 <i>Others</i> - Commercial Property Transfer-special rules; Reverse charge for Oil & gas; Profit margin scheme for second-hand goods; Designated zones; Supply within GCC*	<i>Special refunds</i> - Tourists; A list of eligible designated persons (may include diplomatic/consular bodies/missions, foreign governments & international organisations) <i>Others</i> - Cash accounting basis for small businesses; Supply within GCC*	<i>Special refunds</i> - Tourists; Foreign governments, diplomatic missions & military bodies; Non-resident persons <i>Others</i> - Special transitional clause on supplies to Government; Reverse-charge mechanism for local supplies; VAT exemptions for GCC Funded Projects; Imports related to persons with special needs; Supply within GCC*
VAT return periodicity	Mostly quarterly; could be monthly for large businesses	Small businesses - quarterly; Businesses with turnover more than SAR 40 million - monthly	2019 – Quarterly; 2020 - Monthly for large companies & quarterly for small companies
Filing deadline	28th of the month after return period	28th of the month after return period	Last day of the month after return period
Refunds available	Yes	Yes	Yes
Filing mode	Online	Online	Online
Purchases - Sales Listings to be filed	Only summaries	Only summaries	Only summaries
Payment methods	Online banking (GIBAN); e-dirham or Credit cards issued in UAE; Transfer through exchanges	Bank transfer to GAZAT using SADAD payment system either online or via ATM	Internet mobile banking through Fawateer payment system; Benefit pay app; Bank transfer
Record-keeping requirements	5 years after each tax period; 15 years for real estate	6 years after each tax period; 11 years for moveable intangible capital assets; 15 years for real estate	5 years from the end of the tax period; 15 years for real estate
Some key penalties	AED 20,000 for delay in registration; 3-5 times VAT due for under-reporting; 2%-300% for delay in payment; 5-50% for errors; Other specific penalties- Refer Cabinet Resolution No. (40)	SAR 10,000 for delay in registration; 5-25% of VAT due for late filing of return; 5% of VAT due each month if VAT not paid in time; Up to SAR 100,000 for collecting VAT without registering; Other specific penalties - Refer KSA Fines & Penalties guide	Up to BHD 10,000 for delay in registration; 5-25% of VAT due for late submission of return/late payment; 2.5 - 5% of the value of the unpaid amount for submission of false data; Other specific penalties - Refer VAT General Guide Table 16
Authority	Federal Tax Authority	General Authority for Zakat & Tax	National Bureau for Revenue
Key websites	https://www.tax.gov.ae/	https://www.vat.gov.sa/	https://www.nbr.gov.bh/

*Currently not activated.

** **Note:** Saudi Arabia increased value added tax (VAT) rate from 5% to 15% effective July 2020 —as a measure to counter the economic implications of the coronavirus (COVID-19) pandemic.

Abbreviations: VAT – Value Added Tax; GCC – Gulf Co-operation Council; ATM – Automated Teller Machine; AED – Arab Emirate Dirham; SAR – Saudi riyal; BHD- Bahraini Dinar

Disclaimer:
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