

At a Glance – Doing Business in GCC

| | United Arab Emirates  | Saudi Arabia  | Bahrain  | Kuwait  | Oman  | Qatar  |
|--|--|---|---|--|---|---|
| Currency | UAE Dirham (AED) | Saudi Riyal (SAR) | Bahraini Dinar (BHD) | Kuwaiti Dinar (KWD) | Omani Riyal (OMR) | Qatari Riyal (QAR) |
| Currency status | Pegged to USD; USD1=AED3.6725 | Pegged to USD; USD1=SAR3.75 | Pegged to USD; USD1=BHD0.376 | Pegged to a basket of currencies | Pegged to USD; USD1=OMR0.384 | Pegged to USD; USD1=QAR3.64 |
| Population (in millions) | 9.8 | 33.6 | 1.57 | 3 | 3.6 | 2.4 |
| Expat residency status | Visas renewable every 2 -3 years; Longer term visas for qualifying individuals | Visas renewable every 2 -3 years | Residence visa renewable every 2 years | Visas renewable every 2 -3 years | Visas renewable every 2 -3 years | Visas renewable every 2 -3 years |
| Approximate % of expats in the country | 89% | 70% | 54% | 70% | 45% | 85% |
| Nationalisation in workforce | For specified sectors | For specified sectors | For specified sectors | For specified sectors | For specified sectors | For specified sectors |
| GDP Per Capita | \$44,188 | \$22,238 | \$24,240 | \$32,983 | \$17,121 | \$70,668 |
| Ease of Doing Business ranking | 11 | 92 | 62 | 97 | 78 | 83 |
| No. of free zones | 30-40 | 3 | 3 | - | 4 | 1 |
| Entity types | Multiple - from branches to public limited companies | Principal types - LLC, joint stock company and branch of foreign company | Multiple - from branches to public limited companies | Multiple - from branches to public limited companies | Multiple- Joint stock, LLC, partnership, branch of Foreign company | Multiple - from branches to public limited companies |
| Foreign ownership of businesses | Upto 100% allowed in free zones; Upto 49% on mainland, exemptions apply under the new rules | 100% foreign ownership in certain industries | 100% foreign ownership in certain industries | Foreign ownership is restricted to 49% | Up to 100% foreign participation if the project has a minimum capital of OMR 500,000 and contributes to the development of the national economy | Foreign legal shareholding in an LLC is generally restricted to 49% |
| Foreign Ownership of property | Yes - in areas designated as freehold or 99-year lease | Yes - subject to approval of Licensing Authority (foreign ownership is forbidden in Mecca and Medina) | Yes - freehold property in only certain areas | No - except for GCC Nationals | Yes - only in certain designated areas | Yes - freehold in designated developments only; option to buy 99-year leasehold rights to residential units in other parts of the country |
| Annual audit and filing requirements for financial statements | Depends on where registered and type of entity | Required | Required | Required | Required | Required for whole or partially foreign owned entities |
| Applicable accounting standards | Generally IFRS | IFRS (previously SOCPA) | IFRS | IFRS | IFRS | IFRS |
| Personal income tax | NO | NO | NO | NO | NO | NO except for self-employed individuals taxed on Qatar sourced income |
| Corporate income tax | Only for some sectors like oil & gas upstream and foreign banks | Tax on non-resident's share in a company at flat rate of 20%; Zakat on Saudi and GCC nationals' share at 2.5% on net equity | Only for some sectors like oil & gas upstream and mid-stream | For Foreign Business Entities at 15% on the foreign ownership; Zakat or Contribution to State's Budget on Kuwaiti Owned Entities at 1% | Standard rate - 15%; Omani proprietorships and small businesses - 3 % | Wholly/partially foreign owned companies at 10%; No tax for entities wholly owned by Qatari and GCC nationals |
| Withholding tax | NO | YES - Subject to 5-15% | NO | NO | YES - Subject to 10% | YES - Subject to 5% |
| Customs duties | Standard rate 5%; other rates 0%, 50% & 100% for specific items | Standard rate 5%; Other rates 12% & 20% | Standard rate 5%; alcohol (125%); cigarettes (100%) | Standard rate 5%; other rates between 0-100% for specific items | Standard rate 5%. Other rates between 0-100% for specific items | Standard rate 5%; higher rates for specific items like tobacco |
| VAT | From 01/01/2018; Rate 5% | From 01/01/2018; Rate 5% | From 01/01/2019; Rate 5% (phased implementation) | Expected in 2021; Rate 5% | Expected in 2019; Rate 5% | Expected in 2020; Rate 5% |
| Excise tax | From 01/10/2017; on energy drinks, carbonated drinks & tobacco | From 11/06/2017; on energy drinks, carbonated drinks & tobacco | From 30/12/2017; on energy drinks, carbonated drinks & tobacco | Expected in 2020 | From 15/07/2019; on energy drinks, carbonated drinks, tobacco, pork & alcohol | From 01/01/2019; on energy drinks, carbonated drinks, tobacco & special purpose goods |
| Social security | Pension for Emirati and GCC nationals; Gratuity for expats; use of WPS | Pension for Saudi Employees; Gratuity for expats; use of WPS | Pension for Bahraini and GCC nationals; Gratuity for expats; use of WPS | Pension for Kuwaiti Employees; Gratuity for expats; use of WPS | Pension for Omani and GCC nationals; Gratuity for expats; use of WPS | Pension for Qatari and GCC nationals; Gratuity for expats; use of WPS |

Abbreviations: GCC - Gulf Cooperation Council; IFRS - International Financial Reporting Standards; LLC - Limited Liability Company; SOCPA - Saudi Organization for Certified Public Accountants; VAT - Value Added Tax; WPS - Wage Protection System

Date format : ddmmyyyy

Disclaimer:

This publication has been prepared for general guidance only and is intended to provide a basic high-level understanding of doing business in the GCC, and does not constitute professional advice. The contents herein have been condensed significantly to achieve brevity, potentially resulting in omission of important information that may be required for a full understanding of the subject-matter. You should not act upon the information contained in this publication without obtaining specific professional advice and/or performing further research. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, Nishe does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

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Last updated: July 2019

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