







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%	33%	52%	70%	45%	85%
Nationalization 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	Up to 100% allowed in free zones; Up to 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.

Please send in your comments, questions and suggestions to:  +971 4 2400244 /  info@nishe.me

www.nisheconsulting.com

Last updated: July 2019

© 2019 Nishe