

Below are the latest developments in Value Added Tax (VAT) in the GCC:

## **UAE**

The UAE FTA has published a Business Bulletin providing a high level overview of the Value Added Tax (VAT) treatment of supplies in the education sector. The Business Bulletin summarizes the main provisions of the VAT law as they apply to the education sector in the context of school and nursery providers, and should therefore be helpful to small organizations or those new to the industry to quickly familiarize themselves with the basic VAT principles. The FTA has stated in the accompanying press release that the Business Bulletin is part of the FTA's campaign for 2020, as it seeks to continue raising awareness about taxes and providing taxpayers with periodic and detailed tax information.

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The FTA has updated its e-learning presentation regarding "Errors". Following are few findings in the presentation: - Tax invoice creates a tax liability for the Supplier up to the amount shown as tax on the invoice (i.e. if by mistake the Supplier charged tax higher than 5% - he needs to declare full tax as per the invoice, until he issues a tax credit note to rectify the mistake); - The customer cannot claim input tax at all if the amount of tax is calculated incorrectly (that will include rounding or incorrect calculation of tax). Below is the link to the e-learning tab on FTA portal which can be used to access the presentation on errors.

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## **OMAN**

In a recent interview with Bloomberg at the World Economic Forum 2020 in Davos, His Excellency Ali bin Masoud Al Sunaid, Minister of Commerce and Industry in Oman, confirmed that Oman would introduce Value Added Tax (VAT) "sometime during the beginning of 2021". The Oman Tax Authority continues with its preparations in order to be ready to implement VAT within this timeframe. The ministry said the government is working on completing the legislative procedures to issue the VAT law, and that the Secretariat General of Taxation is currently completing the administrative, technical and technological equipment in preparation for applying this tax once it is approved.

## **SAUDI ARABIA**

The Kingdom of Bahrain (Bahrain) Customs Authority (Bahrain Customs) and the Kingdom of Saudi Arabia (KSA) Customs Authority (Saudi Customs) have announced that the cooperation agreement on the mutual recognition of Authorized Economic Operators (AEO) has been signed by both the President of Bahrain Customs and the Saudi Customs Governor. Bahrain Cabinet and Ministry of Interior has also approved and signed the cooperation agreement. Authorized Economic Operator Program (AEO) aims to enhance the security of the supply chain and enhance the advantages of trade facilitation offered by the AEO for the facilities approved in the program.

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The Bahrain National Bureau for Revenue (NBR) has published a new manual on the rules and process for taxable persons. This manual provides VAT payers with an overview of the VAT rules and procedures in Bahrain in relation to the process of changing VAT filing frequency between monthly and quarterly frequencies. The manual also states the necessary guidance needed to navigate the National Bureau for Revenue (NBR) online portal and process for VAT Payers to change their filing frequency. The manual sets out the eligibility for requesting a change of period is as follows:

- ✓ Businesses with less than BHD 3 million in annual taxable supplies may request to file on a monthly basis; and
- ✓ Businesses currently filing monthly may request to file on a quarterly basis if their annual taxable supplies are less than BHD 3 million.

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## Who We Are

Nishe is a boutique professional services firm based in the UAE specialising in the provision of accounting, Value Added Tax (VAT) and other related services to clientele in GCC.

Nishe aspires to work towards uplifting underprivileged women by providing them with the support they require to grow. Nishe is exclusively made up of women professionals who are fiercely determined to make a positive impact on everyone they work with – be it our clients, women who seek our support or anyone else.

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