



Below are the latest development in middle east tax and other measures in response to COVID-19 in the GCC:

## UAE

The Dubai Government has announced economic stimulus package worth AED 1.5 billion including major temporary changes for trade and customs to cushion the potential impact of the current global economic situation caused by the onset of the COVID-19 outbreak.

### Customs and VAT Measures –

- ✓ Refund of 20 percent of the customs fee imposed on imported products sold in Dubai;
- ✓ Refund of bank guarantees or cash required to be paid by existing custom clearance companies;
- ✓ Cancellation of the AED 50,000 bank guarantee or cash requirement in order to undertake customs clearance activities;
- ✓ Cancellation of bank guarantees required to be submitted before resolution of customs-related grievances;
- ✓ A 90 percent reduction of fees imposed on submission of customs documents;
- ✓ VAT Measures – No Announcements.

### Immigration and Employment Measures –

- ✓ Exemptions on medical test requirements for blue collar workers whose Work Permits/Residence Permits have expired, as of 25 March 2020;
- ✓ The Ministry of Human Resources and Emiratization has allowed private sector businesses affected by the COVID-19 measures to restructure the contractual relationship with employees. These contractual changes are to be made in mutual agreement through gradual procedures:
  - Implementing a remote work system
  - Granting employees paid leave/unpaid leave
  - Temporarily reducing salaries during the aforementioned period
  - Permanently reducing salaries

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### Commerce and Economic Measures –

- ✓ Freeze on the 2.5 percent market fees levied on all facilities operating in Dubai;
- ✓ AED 50bn in zero interest loans for banks to support SMEs;
- ✓ Reduced banks' voluntary capital buffers to free up AED 50bn in capital;
- ✓ Lower real estate LTV ratio and limits on bank fees for interest/credit cards;
- ✓ Cancellation of 25 percent down payment required for requesting installment-based payment of government fees for obtaining and renewing licenses;
- ✓ Permission to renew commercial licenses without mandatory renewal of lease contracts;
- ✓ Reduction of municipality fees imposed on sales at hotels from 7 percent to 3.5 percent and freeze on the fees for classification/rating of hotels.

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### **Cost of Living and Other Measures –**

- ✓ Reduction in water and electricity bills by 10 percent;
- ✓ Reduction in deposits paid for water and electricity connections by 10 percent;
- ✓ Suspension of real estate registration fees until the end of this year;
- ✓ Suspension of tourism and municipality fees for the tourism and entertainment sectors until the end of this year;
- ✓ Allocation of AED 5 billion in water and electricity subsidies;
- ✓ Exemption to commercial vehicles from annual registration fees until the end of this year;
- ✓ Exemption to all vehicles from road toll tariffs until the end of this year.

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## **SAUDI ARABIA**

### **Customs and Tax Measures –**

- ✓ Temporary three month payment extension for VAT and excise tax; extension for VAT and excise tax returns; and
- ✓ A 30 day deferral for the collection of customs duties on imports for the next three months, provided a bank guarantee is submitted;
- ✓ Three month extension for the payment and filing of corporate income tax, Zakat and mixed returns due between 19 March and 30 June 2020;
- ✓ Approval of installment payment requests for Zakat and corporate income tax purposes by the GAZT, where no advance payment was made;
- ✓ The GAZT has also announced its commitment to expedite the payment of taxpayers' refund claims.

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## **BAHRAIN**

### **Cost of Living and Economic Measures –**

- ✓ Exemptions related to municipal fees, rental fees, tourism fees for three months from April 2020;
- ✓ Payment of utility (water and electricity) bills for all individuals and businesses (up to the costs incurred during the same period in 2019) for three months from April 2020;
- ✓ Exempting all businesses from industrial land rental fees for three months from April 2020;
- ✓ Increasing the Liquidity Support Fund (aimed at supporting companies in distress) to BHD 200m (equivalent to USD 530m);
- ✓ Increasing the Central Bank of Bahrain's loan facilities to BHD 3.7bn to allow debt instalments to be deferred and extra credit to be extended.

### **Customs and VAT Measures – No Announcements.**

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## **QATAR**

### **Customs and VAT Measures –**

- ✓ The corporate income tax filing deadline for financial years ended 31 Dec 2019 has been extended from 30 April 2020 to 30 June 2020;
- ✓ The Supreme Committee for Crisis Management has announced an exemption from customs duties for food and medical goods for a period of six months for the Retail, Hospitality, Commercial complexes in exchange for providing services and SME sectors.

## **Economic Measures –**

- ✓ QAR 10bn investment into the Qatar Stock Exchange by Qatari Funds;
- ✓ Exemption from having to pay for water and electricity for several industries, including hospitality, tourism, retail, small and medium industries, commercial complexes and logistical areas;
- ✓ The Qatar Development Bank will postpone instalments due by all borrowers for six months;
- ✓ The Qatar Central Bank will put in place measures to allow the private sector to postpone loan installments to banks for a period of six months; and
- ✓ Exemptions from rent provided by various organizations.

## **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.

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