



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 additional tax and economic measures including major temporary changes for tax and customs to cushion the potential impact of the current global economic situation caused by the onset of the COVID-19 outbreak.

Customs and Tax Measures –

- ✓ The Federal Tax Authority has announced a one month extension to the filing and payment deadline for monthly and quarterly VAT returns for the tax period ended 31 March 2020. The filing and payment deadline has been extended to 28 May 2020 (original deadline 28 April 2020).
- ✓ The Federal Tax Authority has announced a one month extension to the tax period for Excise tax purposes. The period commencing 1 March 2020 has been extended to 30 April 2020 (covering both March and April 2020) to allow registered businesses additional time to fulfil their tax obligations before the extended deadline. According to the notification from the FTA, Excise Tax Registrants must fulfil the following obligations : 1) File two separate tax returns, one for March 2020 and one for April 2020, no later than Sunday, 17 May 2020; and 2) Ensure that the FTA has received the tax payable for the tax period as reported in the March 2020 and April 2020 tax returns no later than Sunday, 17 May 2020.
- ✓ The Sharjah Executive Council has issued an exemption on all shipping and customs clearance companies from the bank guarantees required to conduct their activities.
- ✓ As a result of COVID-19, certain free zone regulatory authorities have extended filing deadlines for Economic Substance annual notifications from 30th March 2020 to 30th June 2020.

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Cost of Living and Other Measures –

- ✓ The Supreme Committee of Crisis and Disaster Management has announced a partial reduction in the restrictions on movement in Dubai emirate starting from Friday 24 April.
- ✓ Individuals will be able to leave their homes between 6.00 am and 10.00 pm without a permit. The public will be required to strictly follow precautionary measures which include maintaining physical distance from others as per guidelines and wearing a face mask. Those who do not wear a mask will be subject to a fine of AED1,000.
- ✓ Employees are allowed to work in offices only if it is absolutely necessary. Their numbers should not exceed 30% of the total workforce. The rest of the workforce can continue working remotely from home.
- ✓ Meetings should be held at the office only if it is absolutely necessary. Attendees should not exceed five people and each person should maintain a two-meter physical distance from others.
- ✓ Daily sterilization of the workplace is mandatory and employees and visitors should be provided with sanitizers at all times. Everyone is required to wear face masks when at the workplace.
- ✓ Shopping malls, markets and commercial outlets will be open daily to the public from 12:00 pm to 10:00 pm. Furthermore, restaurants and shops are allowed to operate at a maximum of 30 percent capacity at the shopping malls.
- ✓ Restaurants and cafes are allowed to operate normally but are not permitted to serve shisha and buffet. Dine-in customers are allowed but should occupy only a maximum of 30% of the outlet's capacity.
- ✓ Public transport services, including Dubai metro services, will be resumed from Sunday 26 April. Only two passengers are allowed in one taxi. The normal tariff system will be reintroduced. Precautionary measures will continue to be followed and there will be specific guidelines for passengers.

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SAUDI ARABIA

Individual Taxes and Labour Measures –

- ✓ No expat levy for Iqamas (expatriate residence permits) that expire between 20 March to 30 June 2020. Such Iqamas shall be extended for a period of three months for free.
- ✓ Employers will be entitled to a refund of fees paid to obtain work visas for employees that are ultimately not used, due to the entry/exit restrictions in the Kingdom; and
- ✓ Employers will be allowed to extend exit and re-entry work visas that were not used, due to the entry/exit restrictions in the Kingdom.
- ✓ Private sector employers will have the right to apply to GOSI for a monthly compensation payment for up to 60% of the wages (as registered in the Social Insurance system) of up to 70% of their Saudi National workforce (or 100% of the workforce for employers with 5 or less Saudi national workers) for an initial 3 month period comprising May to July 2020.

BAHRAIN

Immigration and Employment Measures –

- ✓ NPRA has introduced online services to include issuing, extending and cancelling visas, local transfer, issuing and cancelling resident permits, self-sponsorship license and the grace period via www.npra.gov.bh, as the visa sticker would be fixed on the passport while travelling at the airport.
- ✓ Effective from 25th of March 2020, only Bahraini nationals, those who have prior permission granted from the Bahraini Ministry of Interior (MOI), foreign residents, diplomats, military personnel, airline crew and holders of official, service and UN passports, will be permitted to enter Bahrain. All other individuals travelling to Bahrain will not be granted entry to the Kingdom of Bahrain until further notice.

OMAN

Tax Measures –

- ✓ The Tax Authority has allowed deferral of tax return filing and payment of tax due as per the tax return by a period of up to three months for taxpayers who have been adversely affected by the COVID-19 pandemic as a result of the precautionary measures imposed by the government in Oman.
- ✓ Taxpayers who follow the calendar year as their tax year, for whom provisional tax returns were due on 31 March 2020, or those taxpayers whose tax year ended on 30 September last year and whose final returns were due on 31 March 2020, may now rely on this announcement. They may file the tax returns and pay related taxes on or before 30 June 2020, if not already filed and paid.
- ✓ The announcement clarifies that no fines and penalties would be levied on such taxpayers who could not file their returns and pay the taxes within the prescribed due dates as a result of the precautionary measures imposed by the government in Oman to counter the COVID-19 pandemic.
- ✓ Taxpayers may reach an agreement with the Tax Authority allowing the settlement of outstanding taxes in installments. This arrangement is likely to be 'condition based,' as will be agreed between the relevant taxpayer and the Tax Authority.
- ✓ Taxpayers have been given the opportunity to request an extension to submit their supporting documents and clarifications for the ongoing objections proceedings. This request is subject to the approval of the Tax Authority.

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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