



Below are the latest development in middle east tax in the GCC:

UAE

The UAE Federal Tax Authority (FTA) has uploaded two business bulletins covering common VAT issues in the education sector. The bulletins cover nurseries, pre-schools, schools and higher education.

The bulletins include clarifications that the following supplies are standard rated:

- ✓ Rental of halls/auditorium;
- ✓ Courses to employees of corporates which are not in accordance with the curriculum recognized by the competent federal or local government entity;
- ✓ Clothing required to be worn, e.g. laboratory coats, irrespective of whether or not supplied by the higher education institution as part of the supply of educational services;
- ✓ Application/registration fees paid before enrollment in the institution; and
- ✓ Fees on research conducted for external entities.

[Read More - Business Bulletin Education](#)

[Read More - Business Bulletin Higher Education](#)

The FTA has published two updated Excise Tax guides. The Excise Tax User Guide and the Excise Tax Clearing Company User Guide (Imports, Release & Consumption) feature updated and streamlined guidance on navigating the FTA portal. The Excise Tax User Guide now includes guidance on applying for a Clearance Certificate.

[Read More - 3 Excise Tax User Guide](#)

[Read More - TINCE Imports & Consumption User Guide](#)

SAUDI ARABIA

The Kingdom of Saudi Arabia (KSA) VAT return has been amended and highlights a 'Yes / No' option for any sales and purchases, subject to 5% VAT as per the transitional provisions.

If clicked on 'yes', sales & purchases shall further bifurcate in two parts i.e. 15% and 5% respectively. This is to incorporate the change in VAT percentage from 5% to 15% and bifurcate the sales and purchases as per the transitional rules.

BAHRAIN

The Bahrain National Bureau for Revenue (NBR) has released public clarification VAT/PC/20/2. This clarification sets out the position of the National Bureau for Revenue (NBR) on the VAT due date for loans (including amounts advanced on credit cards) subject to a six month payment holiday from March to August 2020 under circulars issued by the Central Bank of Bahrain (CBB).

Under the CBB circulars, Bahraini nationals and businesses are entitled to receive a payment holiday on interest / profit and capital arising on certain loans, including credit advanced on credit card accounts (together “Relevant Loans”). Payments on these loans will restart at the end of the six month period. Essentially, the Relevant Loans will be extended for up to six months without any additional charges being made to borrowers.

[***Read More***](#)

The NBR has added a section to its website on the VAT non-resident refund scheme, and a corresponding application form and template for listing invoices/transactions.

Under Article 90 of the Bahrain VAT Executive Regulations, eligible non-residents may request a refund of the VAT incurred on certain expenses in Bahrain, if the following criteria are met:

- ✓ The applicant is not registered or required to register for VAT in Bahrain;
- ✓ The applicant is registered for VAT or similar tax in their country of residence;
- ✓ The applicant’s country of residence has a refund process in place for persons registered for VAT in Bahrain;
- ✓ The application is for a minimum of BHD 200;
- ✓ The VAT incurred was in the course of conducting business activity; and
- ✓ The applicant has not already submitted a refund application for the same calendar year.

The application window for each calendar year is between 1 January and 31 March of the following year (i.e. applications for refunds of VAT incurred in the 2020 calendar year must be submitted between 1 January 2021 and 31 March 2021).

[***Read More***](#)

The NBR has updated its real estate guide to confirm certain services required to obtain a building permit will qualify for the zero-rate when related to the construction of a new building. In summary, the updated version of the guideline clarifies the VAT treatment on the following matters:

- ✓ Land reclaimed for the purpose of construction of a new building will not qualify for the zero rating benefit. Furthermore, land reclamation services and the goods used in such activities will be treated as standard rated supplies;
- ✓ Supply of ready-mix concrete in relation to the construction of a new building will be zero rated. The benefit of zero rating is available only where the supplier obtains the certificate evidencing the construction services are related to a new building;
- ✓ Extension to the list of transactions which will not be treated as exempt real estate supplies.

[***Read More***](#)

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.

For further details, please visit www.nisheconsulting.com.

© 2020 Nishe. Nishe does not accept any liability or responsibility for the accuracy or completeness of this information or any use you may make of it.

Click [here](#) if you wish to unsubscribe.