



Below are the latest development in tax in the GCC:

## UAE

The Federal Tax Authority ('FTA') has issued public clarification VATP021 on VAT registration of 'Sole Establishments'. FTA clarified that a natural person owning a number of sole establishments may only obtain one tax registration for all its sole establishments, and not a registration for each establishment separately. The FTA indicated that a sole establishment (also referred to as sole proprietorship) is a legal form of business which is 100% owned by a natural person, and a sole establishment does not have a legal personality independent of its owner, as the sole establishment and its owner are considered to be the same person.

The FTA also clarifies that this public clarification does not apply to a One-Person Company LLC or other similar legal entities, which are seen as distinct and separate legal persons from their owners (unless the applicable legislation treats such entity and the natural person as the same person). For the avoidance of doubt, it should be noted that a legal person (e.g. a company) cannot own a sole establishment.

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## BAHRAIN

Bahrain ratifies the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (CbC MCAA) signed on 22 January 2019. The agreement aims to increase international tax transparency and collaboration. Specifically, it provides access to information related to MNE's profit allocation, economic substance and taxes paid. The CbC MCAA was published in the official Gazette on 28 January 2021, and enters into force a day after publication.

The deadline to file the Economic Substance ('ES') return for Bahrain entities is 31 March 2021 (for the financial year ended 31 December 2020). All Relevant Entities in Bahrain are required to file an annual return ('ESR Annual Return') with the Ministry of Industry, Commerce & Tourism ('MOICT') within three months of a Relevant Entity's financial year end. The form of the ES Annual Return has been published by the MOICT, as an appendix to the Guidance Notes. Whilst the MOICT Sijilat system is not currently accepting online submissions of the ESR Annual Return, the MOICT is currently accepting submissions by way of hard copy submissions in person at the MOICT, as well as soft copy PDF submissions by way of email.

In accordance with Article 90 of the VAT Executive Regulations non-resident businesses that are conducting economic activity outside Bahrain should review their eligibility to claim a refund of the domestic VAT incurred. For VAT incurred during 2020, the deadline to apply for a refund is 31 March 2021. The refund application should be prepared along with relevant supporting documents for submission with the National Bureau for Revenue ('NBR') before 31 March 2021.

NBR has published an updated version of VAT Imports and Exports guide on 4 February 2021. The changes relate to claiming excess VAT paid at Customs by making a claim to the NBR. These changes are in section 1.1.6 of the VAT guide.

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# SAUDI ARABIA

On 15 February 2021, Kingdom of Saudi Arabia ('KSA') has outlined a new requirement, whereby, in order to access government tenders, foreign companies will have to have their regional headquarters ('HQ'). As per the press announcement this reform is to be implemented from 1 January 2024, which leaves a certain amount of time for interested businesses to adapt to the new requirements. In line with Saudi ARAMCO's IKTIVA and other Saudi localization and Saudization initiatives, this most recent change incentivizes foreign businesses operating in the Middle East and in particular multinational enterprises to move the regional HQ to KSA. KSA will be offering 50 year tax holidays going forward to regional HQ's in KSA.

## OMAN

Oman Tax Authority has published the following registration application, manual guide and open the VAT registration window:-

- VAT registration application - For Resident without Commercial Registration Number ('CRN');
- VAT registration application - For Non Resident;
- VAT registration manual Guide - Person with CRN.

The Tax Authority has opened the VAT registration window w.e.f. 1 Feb 2021. Local person and non resident can fill the excel format application and send the application with required documents to email id [VAT@taxoman.gov.om](mailto:VAT@taxoman.gov.om). And only persons with CRN can register for VAT TRN through Tax Authority online Portal. The step-by-step guide is available on the portal.

Eligible persons may also apply for Voluntary Registration w.e.f. 1 Feb 2021.

[Access Portal](#)

### 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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