



Below are the latest development in tax in the GCC:

## UAE

On 15 June 2021, Ministerial Decision No. 53 of 2021 was published in the United Arab Emirates' ("UAE") official Gazette. The Decision lists out administrative penalties against violators of the provisions of the Cabinet Resolution No. (58) of 2020 concerning the regulation of Ultimate Beneficial Owner ("UBO") procedures. The licensing authorities in all emirates and in the commercial free zones have been given the authority to impose administrative penalties and fines on non-complying establishments that fail to adhere to the UBO requirements. The Decision includes financial penalties ranging from AED 1,000 to AED 100,000. The implementation of penalties for non-compliance will start from 1 July 2021.

[Read More](#)

The Federal Tax Authority ("FTA") has tweeted the steps to amend incorrect tax payments made by taxpayers. In case a taxpayer has incorrectly transferred tax which is due to the FTA against a TRN that is not their own, the Authorized Signatory of the taxpayer making the incorrect payment should send a letter to the FTA at [payment.transfer@tax.gov.ae](mailto:payment.transfer@tax.gov.ae) that must contain the following information:

- Draft a letter to FTA explaining the scenario and a pledge to not repeat the error again. In the letter the tax payer can also request an exemption from administrative fines.
- Mention the details of the correct TRN to be paid and also the incorrect TRN that has received the amount.
- State the date of payment, the tax period, amount paid and copy of transfer or account statement.
- Obtain and submit a 'No Objection Certificate' from the Authorized signatory of the taxpayer that has received the payment.

[Read More](#)

The UAE Ministry of Finance ("MoF") confirms that the UAE will take into consideration the impact of COVID-19 on usual operations of Licensees when making a determination of whether or not a Licensee has demonstrated sufficient economic substance in the UAE. These considerations would only apply with respect to those substance requirements that are directly affected by COVID-19 measures (e.g. travel restrictions, self-isolation situations or quarantine requirements). This shall only apply to periods affected by COVID-19 related measures and restrictions and only to the extent required to mitigate the threats from the outbreak. Licensees should retain the requisite records to demonstrate adjustments made to their normal operating procedures in response to COVID-19.

[Read More](#)

The FTA has issued a press release stating that any person or group has the right to apply to the FTA to reduce or exempt them from penalties imposed under the tax legislation. The FTA clarified that the following conditions must be met in order to apply for amnesty:

- The person has an excuse acceptable to the FTA;
- The person has evidence to justify the excuse;
- The FTA is notified of the request for reduction or exemption within 40 business days from the end of the acceptable excuse;
- The person must demonstrate that the violation has been corrected; and
- The application to the FTA is submitted in the form specified by the FTA.

[Read More](#)

## SAUDI ARABIA

On 17 June 2021, The Zakat Tax and Customs Authority ("ZATCA") of Kingdom of Saudi Arabia ("KSA") published a circular on the VAT Reverse Charge Mechanism ("RCM"). This Circular considers the application of the Reverse Tax Mechanism rules to businesses receiving a supply of goods or services, which are supplied in the Kingdom under the place of supply rules from a non-resident supplier. Under the RCM, the recipient is deemed to have made the supply of services to himself. Therefore, the recipient must report Output VAT, and is at the same time eligible to deduct corresponding Input VAT, provided the standard criteria for deductions are met. The circular guides on following areas related to RCM:

- Examples of cases where RCM is applicable;
- Tax due date under RCM;
- Reporting Tax Calculated;
- Input tax deduction;
- Failing to report tax due under RCM & the Right to deduct.

[Read More](#)

On 14 June 2021, ZATCA of KSA published a guideline on Insurance and Reinsurance activities. This guideline addresses the application of VAT on the insurance and reinsurance activities made by businesses, and provides interpretation on the KSA VAT Law and its Implementing Regulation. The guideline also covers the treatment of VAT on insurance contracts and premiums (for both insurance company & policyholder) and treatment of insurance claims (maintenance – medical treatments) – for both principal insurance company & the policyholder .

[Read More](#)

The KSA ZATCA has published an updated version of its real estate VAT guideline in Arabic. The update relates to changes to the real estate VAT rules in KSA, including those relating to property and land sales in the KSA from 4 October 2020 and applying the Real Estate Transaction Tax ("RETT").

[Read More](#)

## QATAR

The General Tax Authority ("GTA") of Qatar has published a user manual on simplified income tax return submission. The manual covers the functionality for filing a Corporate Income Tax simplified return by a 100% Qatari/GCC National resident in Qatar.

The threshold limit for applicability of Simplified Method for a 100% Qatari/GCC National Resident in Qatar is as stated below:

- Capital value of less than 1 Million QAR; and
- Revenue value of less than 5 Million QAR.

[Read More](#)

The Oman Tax Authority (“OTA”) has issued guidance on VAT return filing requirements. Taxpayers who registered from 16 April 2021 will come to the end of their first return period ending 30 June 2021. These VAT registrants will need to file their first returns and pay any net tax due by the end of July 2021. The guide provides a step by step approach for preparation, process, review and submission of the return. The guide also provides an example of the VAT return requirements template which outlines the required information that should be added into each field.

[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](http://www.nisheconsulting.com).

© 2021 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.