

Bahrain & GCC Tax News



31 December 2023

Bahrain

Minister of Finance & National Economy meets with the parliament's Financial and Economic Affairs Committee to discuss potential introduction of Corporate Income Tax (CIT)

As per local news reports, H.E. Sheikh Salman Bin Khalifa Al Khalifa, the Minister of Finance and National Economy met with the Financial and Economic Affairs Committee of the Council of Representatives to discuss plans of widening the scope of taxes and the potential introduction of a CIT regime in Bahrain. The draft CIT law is expected to be presented to the legislative authority in March 2024. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

Click [here](#) to read our Tax Insights on introduction of CIT in Bahrain.

Click [here](#) to read our Tax Insights on Bahrain CIT and calculation of 'taxable income'.

National Bureau for Revenue (NBR) conducts 155 inspection visits in November 2023

As part of NBR's ongoing campaign to enhance the level of VAT compliance, 155 inspection visits were conducted in the local markets of Bahrain during November 2023. This resulted in reporting of 13 violations leading to imposition of administrative fines under the Bahrain VAT and Excise Tax Laws, and precautionary closure of several businesses.

NBR continues its VAT registration campaign to raise awareness

The NBR has recently launched a campaign for raising awareness among Bahrain businesses regarding their VAT registration obligations once they exceed the mandatory registration threshold of BHD 37,500/- in value of annual supplies. NBR has reiterated that businesses who do not comply with their VAT registration obligations may be subject to criminal penalties.

Click [here](#) to read more about Bahrain VAT registration obligations.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax, and Customs Authority (ZATCA) encourages taxpayers to benefit from Exemption of Fines Initiatives

ZATCA has reminded taxpayers in KSA to benefit from the cancellation of fines and exemption of financial penalties initiative, which will expire on 31 December 2023.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes decision on professional development requirements for natural person tax agents

On 13 December 2023, the FTA has issued decision no. 15 of 2023 on the professional development requirements for natural tax agents which is effective from 1 January 2024.

Click [here](#) to view the FTA decision on professional development requirements for natural person tax agents.

Tax treaty between UAE and Czech Republic ratified by Czech President

On 18 December 2023, the President of the Czech Republic ratified the income tax treaty (2023) between Czech Republic and the UAE. Once enforced, the new treaty will replace the capital tax treaty signed between the two countries in 1996.

Qatar

Investment Protection Agreement (IPA) between Qatar and Kazakhstan approved

On 6 December 2023, the Qatar – Kazakhstan IPA was approved by the lower chamber of the parliament of Kazakhstan. The IPA has been sent to the Senate for further approval.



For a detailed discussion on how the above updates may impact your business, [contact us](#).

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