Taxable persons in KSA must register for Value-Added Tax purposes according to the final VAT Law released by the Kingdom of Saudi Arabia (KSA)

July 2017

The Government of the Kingdom of Saudi Arabia has published the Value-Added Tax (VAT) law on its official gazette “UM AL-QURA” on Friday 28th of July 2017. According to article 53, the law shall be effective from the beginning of the financial year that follows the publication of the law in the official gazette of the General Authority of Zakat and Tax (GAZT), more exactly by 1st January 2018. Also based on Article 53, all persons and businesses liable to register for VAT purposes, shall register with the General Authority of Zakat and Tax within 30 days from the date of publishing the law (i.e. 30 days from July 28, 2017).

More information on the KSA Final VAT Law can be found by accessing the link below:
https://www.uqn.gov.sa/articles/1501187155033127200/

Registration for VAT purposes

The taxable person shall be required to register according to his economic activities in the Kingdom in accordance with the provisions of the GCC VAT Framework by which:

- The taxable person shall be a resident in KSA, and his annual value of supplies shall exceed or it’s expected to exceed the mandatory registration threshold.

- The Mandatory Registration Threshold shall be 375,000 Saudi Riyals.

Whilst the standard VAT registration threshold is set at SAR 375,000, companies with annual turnover less than SAR 1,000,000 are initially exempt from the mandatory registration requirement until January 2019, giving small businesses more time to prepare for VAT.

You can find more information on the KSA Final VAT Law on the above mentioned link , or if you have any questions in the meantime please contact us:

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