

Bahrain & GCC Tax News



24 August 2023

Bahrain

Ministry of Industry and Commerce (MOIC) issues circular on Economic Substance (ES) filing window

The MOIC has released circular dated 13 August 2023 clarifying that the ES filing window for entities carrying out any of the listed relevant entities for fiscal year 2022 will be open from 13 August 2023 to 13 September 2023. MOIC has also highlighted in the circular that entities that fail to submit the ES return (if applicable) within the filing window will be subject to penalties.

The MOIC has also shared an ES supporting documents guide along with the circular which also contains clarifications on frequently asked questions regarding the ES form.

For a copy of the MOIC circular and the ES supporting documents guide, please [contact us](#).

Bahrain Corporate Income Tax (CIT) – How to calculate ‘taxable income’?

On 23 May 2023, the Bahrain Minister of Finance and National Economy confirmed the introduction of CIT in Bahrain during the weekly parliamentary session. Bahrain is expected to implement a standard CIT regime similar to other jurisdictions. With the UAE implementing CIT from 1 June 2023, we have entered a new era for tax in the region with Bahrain currently being the only GCC country without a broad-based CIT. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

In our latest publication, we have discussed what CIT is, what Bahrain CIT regime may look like and how ‘taxable income’ is calculated based on general principles and CIT laws of some of the other GCC countries.

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

Kingdom of Saudi Arabia

Zakat, Tax & Customs Authority (ZATCA) announces eighth wave of e-invoicing integration

ZATCA has recently announced the criteria for selecting taxpayers for the eighth wave for implementing the integration phase of e-invoicing in KSA. The eighth wave will include taxpayers with taxable revenues exceeding SAR 40 million during 2021 or 2022. Taxpayers covered under the eighth wave will be required to integrate their e-invoicing solutions with ZATCA’s FATOORA platform from 1 March 2024.

Click [here](#) to view the press release (in Arabic).

United Arab Emirates (UAE)

Ministry of Finance (MoF) introduces 'UAE PASS' for accessing their digital services

The UAE MoF has announced that as of 25 August 2023, registration for their digital services using usernames and passwords will be discontinued, and users will be required to login through the UAE PASS to facilitate access to the digital services provided by the UAE MoF.

Federal Tax Authority (FTA) hosts tax support initiative

The FTA recently hosted a two-day tax support initiative in Al Ain for answering any tax related inquiries and questions raised by taxpayers.

FTA conducts Maskani webinar

On 21 August, the FTA conducted a Maskani virtual workshop for spreading awareness regarding VAT refunds for newly built residences for UAE nationals.

FTA releases user manual for changing the tax period under UAE CIT

The FTA has recently released a user manual for taxpayers to provide guidance on the process of changing the tax period under UAE CIT.

Click [here](#) to view the user manual.

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

Mubeen Khadir

Partner - Head of Tax & Corporate Services

T: +973 3222 6811

E: mubeenkhadir@kpmg.Com

home.kpmg/bh

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