

Bahrain & GCC Tax News



17 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](#).

National Bureau for Revenue (NBR) conducts 182 inspection visits in July 2023

The NBR has recently announced that they have conducted 182 inspection visits during July 2023. The inspection visits have resulted in imposition of administrative fines under VAT and excise tax laws as well as precautionary closing of businesses in some instances.

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 and Customs Authority (ZATCA) releases newest issue of their magazine

ZATCA has recently released the 72nd issue of their magazine on their website which highlights key insights from ZATCA activities during Q2 2023.

Click [here](#) to view the ZATCA magazine (in Arabic)

ZATCA to conduct workshop on penalties exemption initiative

ZATCA has recently announced they will host a workshop on the penalty exemption initiative on 31 August 2023.

Click [here](#) to register.

United Arab Emirates (UAE)

Ministry of Finance (MoF) reminds taxpayers of Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) 2022 deadline

The MoF has recently reminded relevant entities that the deadline for financial institutions to complete their data submission related to FATCA and CRS for 2022 is 15 August 2023.

Click [here](#) for more information.

Federal Tax Authority (FTA) conducts tax webinars

The FTA has announced that they have recently conducted two webinars in Arabic to raise awareness on tax violations and crimes in the UAE.

FTA announces EmaraTax awareness webinar

The FTA has announced that they will be conducting an EmaraTax awareness webinar in English on 17 August 2023.

Click [here](#) to access the webinar.

FTA releases recording of CIT awareness workshop

The FTA has recently released a recording of their workshop on general principles of taxation of corporations and businesses on their YouTube channel.

Click [here](#) to access the recording of the CIT awareness workshop.

Kuwait

Kuwait and Kazakhstan hold negotiations for tax treaty

As per a recent press release published by the Ministry of Finance of Kazakhstan, officials from Kuwait and Kazakhstan met for a round of negotiations for a tax treaty between the 2 nations in Astana, the capital city of Kazakhstan.

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

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