

Bahrain

New filing requirement for Economic Substance returns

The Ministry of Industry, Commerce and Tourism (MoICT) has recently sent a notification that the Economic Substance (ES) return filing (in addition to FATCA and CRS reporting) is to now be done through the National Bureau of Revenue (NBR). The NBR has launched a new [International Tax Information Exchange System](#) (ITIES) portal for this.

All entities subject to the Bahrain ES rules as per Ministerial Order no. 106 of 2018 will need to register on the portal and file their ES return for the fiscal year ending 2020 and onwards through the portal.

Entities who have already submitted their 2020 ES return manually (via email) will need to refile the ES return through the ITIES portal.

Central Bank of Bahrain (CBB) licensed entities which are subject to the ES rules (under the CBB directive OG/499/2018) were notified earlier in April 2021 that they also need to file their ES returns through the ITIES portal.

Click [here](#) to read our Tax Alert.

NBR publishes key statistics for Q1 2021

NBR has published the statistics of the first quarter of the year 2021 on its website. The statistics indicate that there are more than 18,900 registered taxpayers in Bahrain, more than 915 stores registered for tourist refunds and more than 123 VAT workshops conducted by the NBR as of end of Q1 2021.

Click [here](#) to read more.

Kingdom of Saudi Arabia (KSA)

Crown Prince Mohammed bin Salman announces KSA to reconsider VAT rate and rules out introduction of income tax

On 27 April 2021, the Crown Prince, in an interview on Al Arabiya news channel, indicated that increasing the VAT rate to 15 percent is a temporary decision and it will continue for a maximum period of 5 years. The Crown Prince indicated that KSA is targeting the VAT rate to be between 5 to 10 percent, until balance is restored after the pandemic. The Crown Prince also ruled out the introduction of income tax during the interview.

Click [here](#) to read more.

General Authority of Zakat & Tax (GAZT) urges taxpayers to take advantage of the initiative in its second stage

GAZT has entered the second stage of its initiative to cancel fines and give relief from financial penalties. GAZT has urged taxpayers to take advantage of the initiative which ends in June 2021.

The initiative includes schemes for relieving taxpayers from fines on account of late payments, delays in submitting the tax declarations/returns and the VAT return amendment fines as per the KSA VAT Law.

Click [here](#) to read more (in Arabic).

Oman

Expansion of the list of foodstuffs

Oman Tax Authority (OTA) has expanded the list of foodstuffs subject to VAT at the zero-rate. The total number of items has increased to 488.

Click [here](#) for the updated foodstuffs list (in Arabic).

Oman establishes new pension funds

By way of Royal Decree 33 of 2021, Oman has established two new pension funds, one for civil service employees and the other for military and security forces.

Click [here](#) for Royal Decree 33 of 2021 (in Arabic).

Qatar

Qatar authorizes signing of tax treaty with Oman

On 28 April 2021, the Qatari Cabinet authorized the signing of an income and capital tax treaty with Oman.

Click here to read [more](#).

The above is for general information only and is not intended to address the circumstances of any particular scenario. Please seek professional advice in relation to your particular circumstances.

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

Omar Hisham

Senior Manager
T: +973 3840 7759
E: sosaid@kpmg.com

Hasan Khalaf

Manager
T: +973 3636 6462
E: hakhalaf@kpmg.com

Mansoor AlWadaie

Manager
T: +973 3998 8098
E: malwedaie@kpmg.com

Shashank Chandak

Manager
T: +973 3553 1905
E: shashankchandak@kpmg.Com

Dao Han Hung

Manager
T: +973 3907 7964
E: hdaohan@kpmg.com

Setting up a new business? Expanding or restructuring an existing one?

KPMG can assist with selecting the most suitable legal entity and support you with all required regulatory approvals and licenses. We provide commercially focused regulatory and business advice for organizations to maintain compliance with the Bahrain Commercial Companies Law, Central Bank of Bahrain rulebook, other local regulations and leading industry practices.

Click [here](#) to learn more about KPMG Corporate Services

home.kpmg/bh

© 2021 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry, Commerce and Tourism (MOICT), Kingdom of Bahrain and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Throughout this release, "we", "KPMG", "us" and "our" refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.