

01 June 2022

Bahrain

Tax violations reported by the National Bureau for Revenue (NBR)

In cooperation with the Ministry of Industry, Commerce and Tourism (MoICT), the NBR recently conducted field inspection of 40 different trading outlets within Manama which resulted in detection of over 18 VAT violations.

Recent updates to the NBR portal

With recent updates to the NBR portal, VAT registration applicants will now have an option to choose either 'register for VAT' or 'register for VAT exception' while applying for VAT registration.

Social insurance and unemployment contribution rates revised

The Social Insurance Organisation (SIO) has recently announced the revised social insurance and unemployment insurance contribution rates. The updated rates have been provided below (with maximum monthly income subject to the contribution capped at BHD 4,000/-):

Revised rates effective from 1 May 2022		
Particulars	Bahraini nationals	Expatriates
Employee	6% + 1%*	1%*
Employer	14%	3%

Revised rates effective from 1 January 2023		
Particulars	Bahraini nationals	Expatriates
Employee	7% + 1%*	1%*
Employer	15%**	3%

*unemployment insurance contribution

**employers contribution for Bahraini nationals will increase annually by 1% until it reaches 20% in January 2028.

Bahrain continues to grow strong ties with Brazil

As per local news reports, during the recent visit to Bahrain by the Brazilian Special Secretary for Strategic Affairs, HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and the Prime Minister of Bahrain, noted that various agreements, MoUs and diplomatic visits have strengthened Bahrain - Brazil relations over the years.

Singapore publishes amendments to Bahrain - Singapore treaty

The Singapore government has recently published a document containing details of the amendments made to Bahrain - Singapore Income Tax Treaty (2004) displaying the modifications made to the treaty by the Multilateral Instrument (MLI).

Ministry of Industry, Commerce and Tourism (MoICT) extends Economic Substance (ES) return deadline for certain entities

For entities who did not have their financial statements for FY 2021 audited by 31 March 2022, the MoICT has extended the deadline for ES return submission to mid-August 2022. Further, entities who have submitted their ES returns based on unaudited financial statements may be required to resubmit their ES return based on their audited financial statements.

Kingdom of Saudi Arabia (KSA)

KSA will “ultimately” consider decreasing the VAT rate

As per news reports, while speaking during the Saudi Green Initiative Forum, KSA's Minister of Finance HE Mohammed Al-Jadaan stated KSA will ultimately consider reducing the VAT rate but at present, the government is still in the process of replenishing the public reserves.

Zakat, Tax and Customs Authority (ZATCA) participates in the real estate exhibition ‘Maskan’

ZATCA recently participated in the real estate exhibition ‘Maskan’ which was held over 4 days in Riyadh, KSA. ZATCA's participation was intended to shed light on Real Estate Transaction Tax (RETT), exceptions to the RETT, clarifying the difference between RETT and VAT, and the most recent amendments to the RETT regulations.

United Arab Emirates (UAE)

Ministry of Finance (MoF) releases government statistics

The UAE MoF has released detailed analysis, insights and expert opinions on financial developments in the UAE on their official website.

Click [here](#) to read MoF's analysis.

UAE participates in the second Global Partnership for Financial Inclusion (GPII) group meeting within the G20 Finance Track for 2022

The UAE recently participated in the second GPII group meeting within the G20 Finance Track for 2022 which discussed ways to find solutions to advance the access of MSMEs to finance. The UAE team reviewed cases of digital financial inclusion services provided by the country to MSMEs.

Federal Tax Authority (FTA) shares various infographics

The FTA has recently shared several infographics and videos on its social media platforms including the following:

- Supplier registration for exhibitions and conferences service procedures
- Validity period of the special input tax apportionment method decisions
- Custom clearance companies tax returns period

Qatar

General Tax Authority (GTA) organizes training workshop on indicators of tax evasion

The GTA recently organized a training workshop to discuss the indicators of tax evasion with participation of employees from the Ministry of Interior's Economic Crimes Department and Qatar Central Bank's Financial Information Unit.

Oman

Oman Tax Authority (OTA) holds a seminar on taxes and VAT

The OTA recently organized an awareness seminar on corporate income tax and VAT in cooperation with the Oman Chamber of Commerce and Industry.

OTA releases a VAT refund invoices form

OTA has released a VAT refund invoices form on its website.

Click [here](#) to view the form

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.



Evolving tax landscape in the GCC



We are delighted to invite you to our in-person Tax Seminar to be held on Tuesday 21 June 2022 at the Downtown Rotana Hotel in Manama.

The regional tax landscape is undergoing a seismic shift. Four GCC countries have implemented VAT and 2 GCC countries have already increased the VAT rate. The OECD countries have agreed on a global minimum rate of tax, the UAE will be the fifth GCC country to implement corporate tax and the KSA is the first country in the region to implement e-invoicing.

With many more tax reforms and **a potential corporate tax in Bahrain** in the pipeline it's essential for tax and finance leaders to keep up to date and take preemptive measures to ensure that tax does not become a cost to the business.

This may involve revisiting existing business models, adoption of tax technology and restructuring of businesses to make best use of tax policies and incentives available.

In this session, our expert speakers will cover:

- A practical perspective on VAT disputes in Bahrain
- Corporate tax implementation in the UAE
- Potential introduction of corporate tax in Bahrain
- Practical steps businesses can take to ensure readiness

[Register now](#)

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: malwadaie@kpmg.com

Shashank Chandak
Manager
T: +973 3553 1905
E: shashankchandak@kpmg.com

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

home.kpmg/bh

© 2022 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.