

Bahrain & GCC Tax News



25 February 2024

Bahrain

Value Added Tax (VAT) generates BHD 794 million in Bahrain during 2021 and 2022

As per local news report, Bahrain government's revenue from VAT reached approximately BHD 547 million by the end of 2022, compared to BHD 247 million in 2021, totaling BHD 794 million in two years. The significant increase in 2022 would be partially due to the increase in the standard rate of VAT from 5% to 10% and a general increase in business activity after the lifting of Covid-19 restrictions. The statistics were revealed by the Minister of Finance and National Economy, H.E. Sheikh Salman Bin Khalifa Al Khalifa, during a recent meeting with the parliament's Financial and Economic Affairs Committee.

The Organization for Economic Co-operation and Development (OECD) releases report on Amount B of Pillar One

On 19 February 2024, the OECD/G20 Inclusive Framework on BEPS released the [report on Amount B of Pillar One](#), which provides a simplified and streamlined approach to the application of the arm's length principle to baseline marketing and distribution activities, with a particular focus on the needs of low-capacity countries.

Minister of Finance & National Economy meets with the parliament's Financial and Economic Affairs Committee to discuss potential introduction of Corporate Income Tax (CIT)

As per local news reports, the Minister of Finance and National Economy met with the Financial and Economic Affairs Committee of the Council of Representatives to discuss plans of widening the scope of taxes and the potential introduction of a CIT regime in Bahrain. The draft CIT law is expected to be presented to the legislative authority in March 2024. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

Click [here](#) to read our Tax Insights on introduction of CIT in Bahrain.

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

Kingdom of Saudi Arabia (KSA)

Zakat, Tax, and Customs Authority (ZATCA) launches the adaptation of electronic procedures for the Transports Internationaux Routiers (TIR) system

On 18 February 2024, ZATCA announced through a press release that they have launched TIR-electronic procedures to facilitate international trade.

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

Click [here](#) to join the TIR system.

Saudi Arabian Council of Ministers authorizes signing of tax treaty with Iceland

On 20 February 2024, the Saudi Arabian Council of Ministers authorized the signing of an income tax treaty with Iceland.

Oman Tax Authority (OTA) discovers several excise tax violations in local stores

As part of OTA's ongoing campaign to enhance the awareness of the local excise tax rules, judicial officers recently conducted around 150 field inspections and found several local stores violating guidelines and conditions of the Digital Tax Stamp Scheme on tobacco products. Goods without digital tax stamps were confiscated.

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

kpmg.com/bh

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