

Kingdom of Saudi Arabia (KSA)

General Authority of Zakat and Tax (GAZT) continues inspection of businesses to identify non-compliance

On 16 February 2021, GAZT reported that it has continued inspecting businesses to identify non-compliance with tax obligations. In the previous week, 4,142 inspection visits were conducted which resulted in discovery of 793 violations.

GAZT highlighted that a significant number of violations were discovered based on reports through official reporting channels.

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

GAZT reminds taxpayers to file their VAT returns by 28 February 2021

GAZT has reminded taxpayers subject to VAT to file their January 2021 VAT returns no later than 28 February 2021 to avoid any late filing penalties.

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

KSA's Shura Council Approves Tax Treaty with Latvia

On 15 February 2021, Saudi Arabia's Shura Council (Majlis Al-Shura) approved the Latvia - Saudi Arabia Income and Capital Tax Treaty of 2019.

United Kingdom publishes English synthesized text of Saudi Arabia - United Kingdom treaty

On 19 February 2021, HM Revenue & Customs published the English synthesized text of the Saudi Arabia - United Kingdom Income and Capital Tax Treaty (2007), displaying the modifications made to the treaty by the MLI.

United Arab Emirates (UAE)

Federal Tax Authority (FTA) announces that inspections have led to discovery of over AED 191 million in tax liabilities

On 14 February 2021, the FTA announced in a press statement that excise tax violations amounting to AED 191,830,000 have been identified through inspection visits made during 2020.

The FTA has also indicated that it will continue the inspection campaign to strengthen market performance and ensure compliance with all tax legislation and procedures to protect legitimate trade and prevent contraband sale and tax evasion within UAE.

Click [here](#) to read more.

Ukraine and UAE sign protocol to tax treaty

On 14 February 2021, Ukraine and the UAE signed an amending protocol to update the Ukraine - United Arab Emirates Income and Capital Tax Treaty of 2003, in Abu Dhabi.

Qatar

Luxembourg publishes English synthesized text of Luxembourg - Qatar tax treaty

On 18 February 2021, the government of Luxembourg published the English synthesized text of the Luxembourg - Qatar Income and Capital Tax Treaty of 2009, displaying the modifications made to the treaty by the MLI.

Luxembourg and Qatar deposited their instrument of ratification of the MLI on, respectively, 9 April 2019 and 23 December 2019. The MLI therefore entered into force for Luxembourg on 1 August 2019 and for Qatar on 1 April 2020.

KPMG Tax Insights

With the Bahrain Economic Substance return deadline for year ending 31 December 2020 fast approaching, our experts have prepared a comprehensive decision tree to assist in determining an entity's requirement to file the ES return.

Click [here](#) to read the latest KPMG Tax Insights on the decision tree for Bahrain Economic Substance return.

Click [here](#) to access our Tax Alert on Bahrain Economic Substance requirements for year ending 31 December 2020.

DID YOU KNOW?

For Bahraini VAT registered taxpayers with monthly filing frequency who made mixed supplies (a combination of taxable and exempt supplies) in 2020, the January 2021 return (to be filed by 28 February 2021) will be the last opportunity to perform the annual input tax adjustment in accordance with Article 59G of the VAT Executive Regulations.

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

Ali AlMahroos

Senior Manager
T: +973 3434 3440
E: aalmahroos@kpmg.com

Omar Hisham

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

Mansoor AlWadaie

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

Shashank Chandak

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

Hasan Khalaf

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