



**GCC Tax & Regulatory  
Communique  
September 2024**

## UAE Tax and Regulatory Updates

### FTA opens Private clarification window relating to Corporate Tax



Currently, the Federal Tax Authority ('FTA') allows taxpayers to seek private clarifications only with respect to corporate tax registration. However, with a recent update, taxpayers can now **seek private clarifications with respect to all corporate tax matters which includes Corporate Tax registration, Tax law and Tax procedures decree – Law**. While applying for Private Clarification on the Emaratax portal, FTA seeks to ask the following information by the Taxpayers:

- Does the transaction involve any person in a foreign jurisdiction or have an impact on a taxable person in a foreign jurisdiction.
- Estimated Tax amount that is/ may be impacted from this technical clarification (AED) and Nature of the estimated Tax amount.
- Tax period impacted by this matter which can be past, present or future periods (optional).
- Does the Clarification relate to a completed, current or proposed supply chain/ transaction.
- Brief description of the background, including transactions, steps and the intentions of the matter which is the subject of the Clarification.
- Any documentary proof to support the factual and legal grounds on which the request is based.
- Covering letter describing the clarification requested.

## Option to change Entity Type enabled on EmaraTax portal

Registered users can now update their "Entity Type" directly through the EmaraTax portal using the newly available "**change Entity Type**" option. This feature enables users to switch between "Legal" and "Natural" entity types without the need to submit a De-registration application. Please note that you may request to change your entity type if there is a change in your business, or if you registered under an incorrect entity type by mistake or for any other reason. You will be allowed to change your entity type only once.

## Postponement of the Deadline to File a Corporate Tax Return and Settle the Corporate Tax Payable

On 26 September 2024, the Federal Tax Authority (FTA) has released decision no.7 of 2024 stating the Postponement of the Deadline to File a Corporate Tax Return and Settle the Corporate Tax Payable for Certain Tax Periods for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses and its amendments.

**This decision states that the deadline to file the Corporate Tax Return and settle the Corporate Tax liability has been extended to 31 December 2024** subject to the fulfillment of all the following conditions:

- Entities that are **incorporated, established or recognized on or after June 2023** and
- Entities have **a tax period ending on or before 29 February 2024.**

## KSA Tax and Regulatory Updates

### ZATCA sets criteria for selecting taxpayers in Wave 15 of e-invoicing



The Zakat, Tax and Customs Authority (ZATCA) set the criteria for selecting target taxpayers in the 15th wave for implementing the "Integration Phase" of e-invoicing. This wave included **all taxpayers whose revenues subject to VAT exceeded SAR 4 million during 2022 or 2023.**

Target taxpayers in the 15th wave will be notified to integrate their e-invoicing solutions with the (FATOORA) Platform from March 1, 2025, ZATCA said in a statement. Phase Two (Integration Phase) requires additional requirements, compared to the Phase One (the Generation Phase), the most prominent of which is to integrate taxpayers' e-invoicing solutions with FATOORA, issue e-invoices based on a specific format, and include additional fields in the invoice.

### KSA publishes New Custom Service Fees rules

On September 6, 2024, ZATCA by way of a newsletter published on ZATCA portal has announced the "Fee rules on Custom Services". **ZATCA has stated that starting from October 6, 2024, customs service fees for exports will be abolished and a new pricing system for imports would be applicable.** This is a welcome move as it aligns with the strategic objectives of KSA with its Vision 2030 plan. Following are the key highlights:

## ZATCA determines criteria for selecting taxpayers in Wave 16 for “Integration Phase” of e-invoicing

ZATCA determines the criteria for selecting the targeted taxpayers in the Sixteenth Wave for implementing the "Integration Phase " of E-invoicing, as it clarified that the **Sixteenth Wave included all taxpayers whose revenues subject to VAT exceeded (SAR 3 Mn) during 2022 or 2023**. Moreover, ZATCA explained that it will notify all targeted taxpayers in the Sixteenth Wave to integrate their E-invoicing solutions with the (Fatoora) Platform from 1 April 2025.

## International Tax Updates

### Brazil publishes public consultation on proposed Transfer Pricing Regulations



The Brazilian Federal Revenue Service (RFB) published a public consultation to collect comments and suggestions on the proposed regulations to implement the transfer pricing legislation related to transactions involving intragroup services and Advance Pricing Arrangements (APAs). Following are the key highlights:

- The proposed regulations would clarify the rules for analyzing transactions involving services that are focused on intermediation of tangible and intangible goods.
- It would clarify the determination of charging at cost (without adding a profit margin) for services provided by third parties.
- For services that include the use of tangible goods, the RFB proposes that Brazilian withholding tax would be levied only on the service portion.
- The RFB proposes a new normative instruction that would detail the entire APA process in Brazil. Taxpayers may submit comments by email until 30 September 2024.

## **Bahrain Expands Zero-Rated VAT List**

On September 13, 2024, the National Bureau for Revenue (NBR) of Bahrain announced a significant update to its zero-rated VAT list, adding 118 essential food items. This revision aims to ease the financial strain on consumers by making essential goods more affordable by exempting them from the standard 10% VAT rate. The updated zero-rated VAT list includes a wide array of essential staples, ranging from meat, fish, vegetables, and fruits to cereals, grains, coffee, tea, and dairy products. Key additions to the list also include food preparations for children, olive oil, fresh eggs, bread, water, and salt. These items, vital for daily consumption, reflect the government's focus on ensuring that the cost of living remains manageable for citizens and residents alike. The full list of zero-rated items, along with their respective Harmonized System (HS) codes, is available on the NBR's official website.

## **Peru enacts 1% Excise Tax on online gaming and online sports betting**

On 13 September 2024, Peru has established a 1% Excise Tax on online gaming and online sports betting. Certain amendments to the filing and payment of the Excise Tax and Gambling Tax on these activities were also enacted. Online gaming or online sports betting is considered rendered or consumed within Peru when the bettor has habitual residence in Peru. The bettors of online games and online sports betting are considered to be taxpayers.

## **UK to launch a consultation on e-invoicing**

On 23 September 2024, the UK government announced that it wants to promote the wider use of e-invoicing across UK businesses and by government departments. The introduction of e-invoicing aims to significantly reduce administrative tasks, improve cash flow, boost productivity, introduce automation, and reduce errors in tax returns, all helping to close the tax gap. The UK tax authority, His Majesty's Revenue and Customs (HMRC) will launch a consultation on the use of e-invoicing that will gather input from businesses on how HMRC can support investment in and encourage e-invoicing uptake. The date of the consultation has not yet been announced.

## Kuwait Releases Executive Regulations for Decree No. 6 of 2024 on Exchange of Tax Information

On September 29, 2024, Kuwait's Ministry of Finance announced the issuance of executive regulations for Decree No. 6 of 2024 concerning the exchange of information related to tax. These regulations set out specific compliance obligations for financial institutions in Kuwait and clarify procedural aspects for implementing the decree and responding to information requests from foreign competent authorities. The newly established framework aims to align Kuwait's tax system with international standards by enhancing its ability to share financial account information for tax purposes and improve transparency. Financial institutions are required to maintain accurate records, implement strong internal compliance procedures, and submit detailed annual declarations regarding their clients' financial data. The regulations specify that failure to meet these requirements or respond to FATCA and CRS-related requests can result in severe financial and administrative penalties, ranging from 10,000 to 20,000 Kuwaiti dinars.

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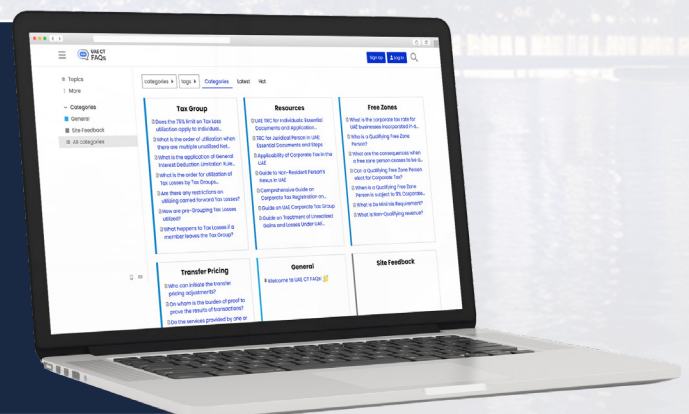
# UAE CT FAQs

a dedicated platform for professionals and business owners to discuss and stay up to date with all things Corporate Tax in the UAE.

Whether you're navigating new tax regulations, understanding filing procedures, or seeking clarity on recent legislative changes, UAE CT FAQs offers a trusted space to:

- Ask questions and get answers from tax experts.
- Stay updated with the latest Corporate Tax developments.
- Share knowledge and learn from a community of professionals.

We invite you to explore this new platform and connect with like-minded peers to ensure your business stays compliant and informed.







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