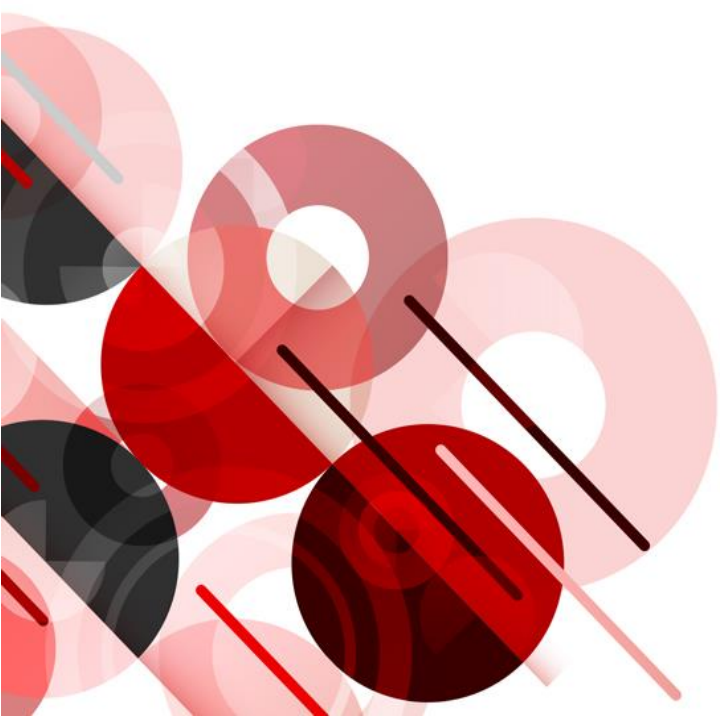


# Tax Updates

February **21'**



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# Tax Updates

## United Arab Emirates

### United Arab Emirates' Federal Tax authority to discontinue the use of Form VAT 301

Federal Tax authority (FTA) has recently announced to discontinue the use of Form VAT 301 shortly for users who have a valid TRN.

The form VAT 301 will be discontinued with effect from 23rd February 2021.

To continue being able to import goods via customs, users who have a valid Tax Registration Number (TRN) will need to link their Customs Registration Number (CRN) with their Tax Registration Number. Moreover, users who do not have a CRN will require registering with the Customs Department firms and linking their new code with TRN.

However, the below listed entities can still request to open form VAT 301 for VAT settlements through FTA online services:

- Designated entities exempted by FTA.
- Free zone Companies that export through land to GCC Countries from designated zones for the VAT purpose.
- FTA approved shipping and clearance agencies that clear shipments on behalf of registered and non-registered importers with FTA.



الهيئة الاتحادية للضرائب  
FEDERAL TAX AUTHORITY

### Federal Tax Authority publishes Excise Tax Return User Guide

The updated Excise Tax Return User Guide has been published by the Federal Tax Authority early this month. The guide details the process of uploading the items in the relevant declarations via an excel format, in addition to the earlier method of individually adding items.

The excel format requires the Item Code, Price and Quantity of each product to be declared. This option was made available in the portal from 25 December 2020 and the procedure has been mentioned in the updated Guide.



## United Arab Emirates ('UAE') Cabinet announces Emergency Financial Crisis period

The UAE Cabinet has announced the existence of an Emergency Financial Crisis through the Official Gazette dated 31 January 2021.

By way of reminder, Federal Law No 9 of 2016 (the **Corporate Bankruptcy Law**) was amended in 2020 to add a new chapter addressing provisions

which would apply during a period of Emergency Financial Crisis.

The amendment defined an Emergency Financial Crisis as "*A general situation that affects trade or investment in the country, such as a pandemic, natural or environmental disaster, war, etc.*"

The UAE Cabinet has now confirmed that an Emergency Financial Crisis shall be deemed to exist during the period from 1 April 2020 until 31 July 2021 due to COVID-19. This indicates that during this period the debtors are not required to file the bankruptcy and Creditors may not apply to place a debtor into bankruptcy.

## UAE to train anti-money laundering professionals under new programmes.

The UAE Higher Committee Overseeing the National Strategy on Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) has launched two programmes to train and certify professionals on global compliance standards and procedures to fight illicit finance.

Under the programme, more than 140 professionals

working alongside 36 federal and local competent authorities in the UAE will train to obtain their Certified Anti-Money Laundering Specialist (CAMS) certification – the global gold standard in AML certifications or their Certified Global Sanctions Specialist (CGSS) certification – a global programme aimed to equip professionals with the tools required to understand and interpret changing sanctions regimes.



## Kingdom of Bahrain

### Bahrain has ratified Multilateral Competent Authority Agreement for CbCR

In 2019, Bahrain signed the Multilateral Competent Authority Agreement for Country-by-Country Reporting. Through a recent publication in the official gazette on 28 January 2021, Bahrain has ratified Multilateral Competent Authority Agreement for CbCR with effect from 29 January, 2021.

This was an expected updating owing to more focus of the Middle East region towards tax transparency and adoption of Base Erosion and Profit Sharing (BEPS) minimum standards.

With this ratification, Bahrain has become the 6th country in the region to implement CbC regulations. Earlier the same was done by Saudi Arabia, Qatar, Egypt, UAE and Oman.

It could be anticipated that formal list of CbC regulations will be published by Bahrain soon.

# Kingdom of Saudi Arabia

## The kingdom of Saudi Arabia Updates CbC Reporting Schema to V2.0

The Kingdom of Saudi Arabia's General Authority of Zakat and Tax (GAZT) has recently informed taxpayers registered on the GAZT AEOI Portal that the portal is being updated to support XML schema V2.0 for Country-by-Country (CbC) reporting.

V2.0 must be used going forward, including for pending CbC reports for the 2019 reporting fiscal year. Saudi Arabia's CbC reporting requirements apply for MNE groups meeting a SAR 3.2 billion consolidated group revenue threshold in the previous year.

## The Kingdom of Saudi Arabia Shura Council Approves Pending Tax Treaty with Latvia

On 15 February 2021, the Saudi Shura Council approved the pending income tax treaty with Latvia. The treaty, signed 7 November 2019, is the first of its kind between the two countries. It will enter into force on the first day of the second month after the ratification instruments are exchanged and will apply from 1 January of the year following its entry into force.

## United Kingdom Publishes Synthesized Text of Tax Treaty with Kingdom of Saudi Arabia as Impacted by the BEPS MLI

United Kingdom ('UK') HMRC has published the synthesized text of the 2007 income and capital tax treaty with Kingdom of Saudi Arabia ('KSA') as impacted by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI).

The synthesized text was prepared on the basis of the reservations and notifications submitted to the Depository by the respective countries.

The authentic legal texts of the treaty and the MLI take precedence and remain the legal texts applicable.

The provisions of the MLI are effective for the UK-KSA tax treaty: In both Contracting States, with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021;

- In the United Kingdom:- from 1 April 2021 for corporation tax and from 6 April 2021 for income tax and capital gains tax;
- In Saudi Arabia:- with respect to all other taxes, for taxes levied with respect to taxable periods beginning

# Sultanate of Oman

## Oman's New Executive Regulations on Competition Law

The State of Qatar and the Republic of Rwanda has signed an agreement on 8 February 2021, to avoid double taxation and prevent financial evasion between the governments of the two countries, at the General Tax Authority's (GTA) headquarters in Doha.

The agreement was signed by His Excellency Ahmed bin Issa Al Mohannadi, the GTA's President and His Excellency Francois Nkulikiyimfura, Rwanda's Ambassador to Doha, in the presence of His Excellency Ambassador Abdulrahman bin Mohammed Al Dosari, Director of African Affairs Department at the Ministry of Foreign Affairs.





## Luxembourg Publishes Synthesized Text of Tax Treaty with Qatar as Impacted by the BEPS MLI

Sultanate of Oman's Ministry of Labour ("MOL") issued a Ministerial Decision ("MD") No. 12/2021 published in the Official Gazette on 31 January 2021, introducing an increase in the fees related to obtaining work permit for recruiting non-Omani workforce.

This is part of a series of initiatives taken by the Omani government recently with the aim of addressing nationalisation program targets by making the national labour force less expensive for employers to recruit. It is also aiming at serving the objective of optimising non-oil revenue of the country amid current economic conditions caused by COVID-19.

The introduced new fees are ranging between OMR 140, which is for work permit of domestic workers and the like, to OMR 2,000, which is for top positions as classified by the MOL and specified professions set out in the MD or for employees with monthly salary of OMR 4,000 & above, regardless of their occupation.

Special consideration is given to Small-&-Medium-Enterprises ("SMEs") of which the respective fees for obtaining work permit can be as low as OMR 100 during the first two years of establishment subject to meeting certain conditions.

The new fees will be effective within 90 days from the date of issuance of the MD in the Official Gazette i.e. by 1st May 2021.

## Qatar

### Transfer Pricing Declaration Form now required on Dhareeba

On 2 February 2021, the General Tax Authority ("GTA") verbally confirmed that a Transfer Pricing Form will be required for taxpayers with either total value of assets or total revenues in excess of 10 million QAR for the financial years beginning January 1, 2020 onwards. The Transfer Pricing Form should be submitted alongside a taxpayer's income tax returns on the Qatar Online Tax Portal, namely Dhareeba.

The Transfer Pricing Form will require information on the details and nature of the taxpayer's intra-group transactions, including the OECD method applied by the taxpayer to determine that the transactions were conducted on an arm's-length basis.

In addition to the above information, the Transfer Pricing Form will also require taxpayers to provide additional transfer pricing related information.

Furthermore, the GTA has verbally communicated that taxpayers should also prepare and maintain transfer pricing documentation to support their related party transactions.

With the income tax return submission deadline fast approaching, it is critical that taxpayers proactively assess the transfer pricing positions for their Qatari entities and assess their readiness for the transfer pricing compliance requirements by opting for a robust and compliant transfer pricing approach.

### Tax Treaty between Qatar and Rwanda Signed

The State of Qatar and the Republic of Rwanda has signed an agreement on 8 February 2021, to avoid double taxation and prevent financial evasion between the governments of the two countries, at the General Tax Authority's (GTA) headquarters in Doha.

The agreement was signed by His Excellency Ahmed bin Issa Al Mohannadi, the GTA's President and His Excellency Francois Nkulikiyimfura, Rwanda's Ambassador to Doha, in the presence of His Excellency Ambassador Abdulrahman bin Mohammed Al Dosari, Director of African Affairs Department at the Ministry of Foreign Affairs.

ضريبة  
Dhareeba  
tax portal



## Luxembourg Publishes Synthesized Text of Tax Treaty with Qatar as Impacted by the BEPS MLI

The Luxembourg tax administration has published the synthesized text of the 2009 income and capital tax treaty with Qatar as impacted by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI).

The synthesized text was prepared on the basis of the reservations and notifications submitted to the Depository by the respective countries. The authentic legal texts of the treaty and the MLI take precedence and remain the legal texts applicable.

The MLI applies for the 2009 Luxembourg-Qatar tax treaty:

In Luxembourg:

- with respect of taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021;
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 October 2020;

In Qatar:

- with respect of taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2021;
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 October 2020.

## Tax Treaty between Argentina and Qatar has Entered into Force

The income and capital tax treaty between Argentina and Qatar entered into force on 31 January 2021 and applies from 1 January 2022.

The treaty, signed 19 April 2018, is the first of its kind between the two countries. The treaty covers Argentine income tax, presumptive minimum income tax, and personal assets tax, and covers Qatari income tax.

## Certain Other Jurisdictions

### OECD

#### Final batch of stage 1 peer reviews released on tax dispute resolution mechanisms

On 16 February 2021, the OECD [announced](#) the release of the 10th and final batch of "stage 1" peer review reports on the implementation of the BEPS minimum standard on improving tax dispute resolution (BEPS [action 14](#)).

The reports focus on jurisdictions' mutual agreement procedure (MAP).

The 13 new stage 1 peer review reports issued cover Aruba, Bahrain, Barbados, Gibraltar, Greenland, Kazakhstan, Oman, Qatar, St. Kitts and Nevis, Thailand, Trinidad and Tobago, United Arab Emirates, and Vietnam, and provide specific recommendations for each jurisdiction. The jurisdiction's implementation of the recommendations will be assessed in stage 2 of the peer review process.

The 10 batches of stage 1 peer review reports that have been released cover a total of 82 jurisdictions. The OECD announcement also indicates that the fourth batch of stage 2 reports is expected to be released in a few months.





## INDIA

### Last date for filing GSTR-9 and GSTR9-C for FY20 extended till 31 March 2021

Government of India extended due dates for filing Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C) for FY20 from 28 February 2021 to 31 March 2021.

On 28 February 2021, the Central Board of Indirect Taxes and Customs (CBIC) said in a statement that, "In view of the difficulties expressed by the taxpayers in meeting this time limit, Government has decided to further extend the due date for furnishing of GSTR-9 and GSTR-9C for the financial year 2019-20 to 31.03.2021 with the approval of Election Commission of India,".

## UNITED KINGDOM

### Amending Protocol to Tax Treaty between Sweden and the UK Signed

On 23 February 2021, officials from Sweden and the UK signed an amending protocol to the 2015 income and capital tax treaty between the two countries. The protocol is the first to amend the treaty and includes the following main changes:

- The title and preamble are replaced in line with OECD BEPS standards;
- The specific main purpose tests limiting benefits of Articles 10 (Dividends), 11 (Interest), 12 (Royalties), and 20 (Other Income) are removed;
- Article 23 (Mutual Agreement Procedure) is updated; and
- Article 27A (Entitlement to Benefits) is added.

The protocol will enter into force 30 days after the ratification instruments are exchanged.

It will apply in

- Sweden - from 1 January of the year following its entry into force.
- United Kingdom -
  - Withholding tax - from 1 January in the calendar year next following its entry into force,
  - Corporation tax - from 6 April next following its entry into force,
  - Income tax and capital gains tax - from 1 April next following its entry into force.



# EGYPT

## The new Customs Decree No. 38 of 2021, regarding the Advance Cargo Information

In the process to simplify and facilitate procedures and rules for the trade and investment in Egypt, the Egyptian Customs has released the new Customs Law No. (207) of 2020, then the Minister of Finance decree No. (38) of 2021 was issued regarding the Advance Cargo Information "ACI"

This decree was issued to clarify the pre-registration of shipments procedures, introducing the e-signature "e-stamp" used in the importation documents and the new steps for importing products.

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