

Tax '22
August

Updates



Tax updates

2022 August Edition

Message from the CEO

Dear Readers,

I believe, that if one wants to experience significant progress towards a goal, one needs to be intentional about the work you're doing every day. **Progress is an everyday thing – let's keep moving!**

The Indian External Affairs Minister Dr. Subrahmanyam Jaishankar has reviewed the comprehensive strategic partnership between India-UAE during his recent visit. The India-UAE bilateral relationships have expanded to new levels since the implementation of a Comprehensive Economic Partnership Agreement (CEPA). This new phase of economic cooperation has enhanced historic ties and this free trade agreement has projected the non-oil trade to more than \$100 billion within five years.

As the countdown begins for the global showpiece, the FIFA World Cup in Qatar, Dubai stands to benefit the most and will be "the major gateway" to the World Cup with perhaps more people coming through the city than Qatar. Dubai will host over 40 daily flights between UAE and Qatar, which will enhance and boost the tourism industry. A new hotel has been built on the Palm exclusively for FIFA guests who plan to base themselves in Dubai and take the 40-minute flight to Doha with streamlined immigration procedures.

Now, we eagerly await the law on UAE Corporate Tax which is set to be effective from 1 June 2023. The \$11.2 Million penalties on Anti Money Laundering (AML) cases during the first half of 2022 indicate the commitment to comply with the law. The authorities have improved their outreach to the private sector so that they ensure effective implementation and increase their responsiveness.

We wish all businesses progress, advance and be compliant with all the regulations in the UAE.

CA. Manu Palerichal
CEO & Partner



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United Arab Emirates

Dubai Customs Launches Self – Audit Finding Service

The Dubai Customs has launched self – audit findings service where registered customers / individuals are allowed to disclose errors and commissions committed in customs declarations according to specific terms and conditions.

The service can be availed any time after clearance of goods but before notice or commencement of customs audit procedure. The form is available on Dubai Customs and Dubai Trade portals and the submission is required to be complete with all relevant information pertaining to the errors and omissions.

H. H. Sheikh Hamdan bin Mohammed amends Resolution on payment of outstanding public funds by instalments

His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, issued Executive Council Resolution No. (53) of 2022 amending Article No. (25) of Executive Council Resolution No. (5) of 2021, which pertains to Executive Regulation of Law No. (1) of 2016 on the Financial Regulations of the Government of Dubai.

Article No. (25) is related to payment of outstanding public funds. According to the amended Resolution, if an applicant cannot make the minimum payment of 25% of the outstanding amount before applying for the payment by instalments, the head of the government entity or their authorised representative may reduce the minimum payment after reviewing the reasons behind the request.

The Resolution shall be effective from the date of its publication in the Official Gazette.

The State of Kuwait and United Arab Emirates have signed a double Tax Treaty

On 30 August 2022, the Kuwait Ministry of Finance announced that the State of Kuwait and the UAE recently signed a Treaty for the avoidance of double taxation (“the Tax Treaty”).

The objective of the Tax Treaty is to strengthen the co-operation frameworks in tax matters and unite the financial, economic, and investment partnership between the two countries.

This is the first Tax Treaty that Kuwait has signed with any Gulf Cooperation Council (GCC) member state.





Sultanate of Oman

Tax Treaty between Oman and Russia to be Signed

Russia has published vide Decree No. 2073-r of 28 July 2022 in the Official Gazette, which approves and authorizes the signing of a new draft income tax treaty with Oman.

A treaty was signed in 2001 but never ratified. The new treaty must be signed and ratified before entering into force.

Kingdom of Saudi Arabia

Extend Transfer Pricing requirements to Zakat Payers

The ZATCA concluded a consultation that TP bylaws are extended to apply on Zakat payers, who are wholly owned GCC held corporates, having related party transactions.

Prior to this amendment, wholly owned GCC corporates (100% Zakat payers) were not subject to the TP bylaws, except for those meeting the Country-by-Country (CbC) reporting threshold.

Otherwise, the transfer pricing rules only apply for Zakat payers that are shareholders in "mixed companies" to the extent the company is subject to income tax.

ZATCA rules for Investment funds

On 4 August 2022 Zakat, Tax and Customs Authority (ZATCA) introduced Zakat rules for investments funds in the form of a public consultation paper.

The new rules aim at providing unit-holders a mechanism of calculating and paying zakat in order to deduct their investment in the funds.

The Investment Funds will register and submit informative return but will not be responsible for paying zakat.

Approved amendments to the Real Estate Transaction Tax (RETT) Regulations

On 9 August 2022, the Board of Directors of ZATCA vide Ministerial decision No. 2569, approved all the proposed amendments issued (for public consultation) earlier during June 2022 without any changes.

Amendments to Articles 3, 6 and 12 of the RETT Implementing Regulations with a focus on clarifying RETT treatment for disposal of real estates, refund of tax and dates to be calculated according to Georgian calendar respectively were approved and incorporated in the new version.



The State of Qatar

Czech Senate Approves Pending Tax Treaty with Qatar

On 10 August 2022, the Czech Senate approved the bill for the ratification of the pending income tax treaty with Qatar.

The pending treaty between Czech Senate and Qatar was signed on 21 June 2022.

It will enter into force once the ratification instruments are exchanged and will apply from 1 January of the year following its entry into force.

Tender Law Amendments

On 9 August 2022, the Qatar Ministry of Finance (“MoF”) announced certain amendments to the Executive Regulations of Qatar Law no. 24 of 2015 Regulating Tenders and Auctions (the “Tenders Law”).

The amendments, issued via Cabinet Decision no. 11 of 2022 (the “Amendment”), focus primarily on three key areas:

- (i) supporting local small- and medium-sized entities (SMEs);
- (ii) enhancing governance and procurement processes; and
- (iii) incentivizing companies to generate in-country value (“ICV”) and support the local economy.



Certain Other Jurisdictions

United Kingdom

UK Publishes Synthesized Text of Tax Treaty with Chile as Impacted by the BEPS MLI

UK HMRC has published the synthesized text of the 2003 income tax treaty with Chile 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 based on the reservations and notifications submitted to the Depository by the respective countries.

The provisions of the MLI are effective from:

1. 1 January 2022 for taxes withheld at source in the United Kingdom and Chile.
2. 1 April 2022 for corporation tax and from 6 April 2022 for Income and Capital gain tax in United Kingdom
3. 1 January 2022 for other taxes in Chile

UK HMRC Updates Guidance on the R&D Tax Relief for SMEs and the R&D Expenditure Credit

On 5 August 2022, UK HMRC updated guidance to include Information about how to claim relief, including what you need to complete before using the online service to send details to support your claim has been updated in the 'How to claim R&D relief' and 'How to support your claim' section. The 'Making of the R&D easier for small companies guide' has now been removed from the 'Overview' section.

Cyprus

Extension of deadline for tax return of year 2021 for individuals

The Cyprus Tax Department has issued a notice announcing an extension of the individual tax return deadline for the 2021 tax year to 31 August 2022. The extension applies for employees, pensioners, and self-employed individuals who are not required to prepare audited accounts. The same extension also applies for the payment of the final tax due according to the return.





Singapore

Singapore publishes revised e-tax guide on determining payment date for complying with withholding tax obligations

On 18 August 2022, the Inland Revenue Authority of Singapore (IRAS) published an updated e-Tax Guide for determining the date of payment or deemed payment for the purpose of complying with withholding tax obligations.

The guide provides details on the withholding tax filing and payment due dates, as well as the applicable late payment penalties.

Philippines

Issues Guidelines and Procedures for Requesting Mutual Agreement Procedure (MAP)

The **Revenue Regulation no. 10-2022 released on June 30, 2022** outlines the procedures for initiating a MAP request and the specific information and documentation that a taxpayer is required to submit in support of the request. Guidance is also provided on the implementation of a MAP agreement that has been reached.

Singapore Updates Several GST e-TAX Guides in Relation to Upcoming Reverse Charge Requirements for Low-Value Imports

On 15 August 2022, the Inland Revenue Authority of Singapore published several updated GST e-Tax guides, including:

- GST: Guide on Exemption of Investment Precious Metals (IPM) (Sixteenth Edition)
- GST: Guide for the Insurance Industry (Sixth Edition)
- GST: Partial Exemption and Input Tax Recovery (Eighth Edition)
- GST: Concession for REITs and Qualifying Registered Business Trusts Listed in Singapore (Sixth Edition)

The updates concern the extension of GST to imported low-value goods from 1 January 2023 under the reverse charge regime and related registration requirements.

India

Electronic submission of form for claiming tax treaty benefits

CBDT vide [Notification No. 3/2022 of 16 July 2022](#) prescribes a list of forms, returns, statements, reports, orders, etc. that must be furnished electronically.

This also includes Form 10F submitted by non-residents to claim tax treaty benefits under sections 90 and 90A of the Income Tax Act, 1961. It is to be noted that Tax residency certificate is also required to be submitted along with Form 10F.

Special Economic Zone rules to permit employees to work from home (WFH)

On 14 July 2022, the Indian Government issued a new rule authorizing SEZ units governed by SEZ law engaged in the IT or ITeS, temporarily incapacitated employees, employees who are travelling and employees who are working offsite to permit employees to WFH upon meeting certain conditions.

The SEZ unit needs to submit its application at least 15 days in advance to the Development Commissioner (DC) of the SEZ containing the terms and conditions of WFH, the date from which permission is sought and details of employees and if employees of the SEZ unit are already WFH, then the application must be submitted within 90 days of the date of issuance of the Rule.

The SEZ unit needs to maintain robust documentation like employee attendance records and the employees working from home may only engage in services that are approved for the SEZ unit.

The permission granted by the DC will cover a maximum of 50% of the total employees including contractual employees, but the DC is empowered to approve a higher number for valid reasons to be recorded in writing.

The approval shall be granted for one year, which can be extended annually upon meeting the conditions prescribed under the Rule.

The SEZ unit can provide employees with assets like laptops, computers, video projection systems, other electronic equipment and secured connectivity to facilitate the WFH arrangement, subject to obtaining approvals and maintaining documentation. These assets can be provided without payment of any taxes or duties only for the duration of the WFH approval.



Our

Services

Audit & Assurance

- External Audit
- Internal Audit
- Due Diligence Review
- Investigation
- IFRS Advisory Services
- Business Valuation
- Project Cost Audit
- Forensic Audit & Fraud Investigation
- Anti-Money Laundering (AML) Compliance

Business Advisory & Consulting

- CFO Services
- Trade Finance
- Working Capital Finance
- Project Finance
- Financial Feasibility Study
- Business Feasibility Study
- Market Research & Business Plan
- Mergers & Acquisition

Accounting & MIS Reporting

- Accounting & Financial Reporting
- Accounting Outsourcing
- Updating of Backlog Accounts
- Fixed Asset Management
- Standard Operating Procedures.
- Inventory Verification

TAX :

Direct tax

- UAE Corporate Tax
 - ✓ First Time Adoption
 - ✓ Tax Compliance
 - ✓ Tax Advisory
 - ✓ Tax Training
- Transfer Pricing [TP]
 - ✓ Country by Country Reporting [CbCR]
 - ✓ TP Local File and Master File
 - ✓ TP Advisory
- International Tax
 - ✓ Economic Substance Regulation
 - ✓ Tax Residency Certificate
 - ✓ Ultimate Beneficial Owner Regulation [UBO]

Indirect Tax

- Value Added Tax [VAT] | Excise Tax
 - ✓ Advisory
 - ✓ Tax Agency Service
 - ✓ Pre- Tax Audit
 - ✓ VAT Return Filing & Refund
 - ✓ Registration/De-registration
 - ✓ Representation to FTA
- Customs

Company Incorporation

- Company Formation
 - ✓ Mainland
 - ✓ Free Zone
 - ✓ Offshore
- Local | Corporate Sponsorship
- Company Liquidation
- Offshore Registered Agent –JAFZA
- PRO Service

Group Companies

- Emirates International Chartered Accountants Co. (Registered Tax Agency)
- United Auditing (Affiliated to IECnet)
- ECA Taxation
- Emirates CA Consultancy WLL
- ECAG LTD
- MECA & Associates



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