

# Tax Updates

November 2024



## Dear Valued Readers,

*"Success is the sum of small efforts repeated day in and day out." – Robert Collier*

As we wrap up November, it's the perfect time to reflect on the ever-evolving tax landscape and how it shapes the way we conduct business globally. With each update, there's an opportunity to deepen our understanding and refine our strategies to stay ahead.

This month brought a blend of changes, highlighting the importance of staying adaptable. From the UAE's focus on clarity and compliance with Corporate Tax regulations to the strides made across the GCC in fostering stronger economic ties through updated tax treaties, the message is clear: the future belongs to those who embrace change and prepare for it.

Globally, we've seen efforts to streamline processes, encourage digital transformation, and create environments where businesses can thrive. It's a reminder that tax policies are not just about compliance—they're about enabling growth, fostering innovation, and building stronger economies.

At the heart of these updates lies an opportunity: to be proactive, to guide, and to support the business community. Whether navigating new regulations or exploring fresh possibilities, our role remains to provide clarity and confidence in an ever-changing world.

Let's take these updates as a cue to stay informed, inspired, and ready to tackle the challenges and opportunities ahead. Together, we can continue to make a meaningful impact.

**CA Manu Palerichal**  
Founder Partner & CEO



## Our Team

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### **Corporate Tax Guide, Public and Private Clarification issued**

The FTA has issued the following publications in the month of November:

- **Corporate Tax Returns Guide:**  
On November 11, 2024, the Corporate Tax Returns guide was issued, providing an overview of the information required to be filled in each field in the tax return.
- **Tax Procedures Public Clarification on Tax Assessment Reviews:**  
On November 13, 2024, the Tax Procedures Public Clarification on Tax Assessment Reviews was published, which provides guidance on the instances in which a person may submit a request for a tax assessment review. The guidance applies in relation to Corporate Tax, Excise Tax, and VAT.
- **Private Clarifications on Tax Procedures guide:**  
On November 18, 2024, Private Clarifications on Tax Procedures guide was released, which explains about the nature of private clarifications, the process to apply for a Clarification, applicable fees and the instances in which the fees may be refunded.

### **Treatment of Unincorporated Partnerships, Foreign Partnerships, and Family Foundations**

On October 28, 2024, the FTA issued Ministerial Decision No. 261 of 2024, repealing Ministerial Decision No. 127 of 2023, effective retrospectively from June 1, 2023.

As per MD 261, companies wholly owned and controlled by a Family Foundation (treated as an Unincorporated Partnership) may now also qualify to be treated as fiscally transparent for the UAE Corporate Tax purposes. These companies can apply to the Authority to be treated as an Unincorporated Partnership, provided they satisfy the following conditions:

1. The juridical person must be wholly owned and controlled by a Family Foundation,
2. Juridical person meets the following conditions:
  - a. Established for the benefit of identified or identifiable natural persons, or for the benefit of a public benefit entity, or both
  - b. Principal activity is to receive, hold, invest, disburse or otherwise manage assets or funds associated with savings or investment
  - c. Does not conduct any activity that would constitute as a business or business activity
  - d. Main purpose is not avoidance of the UAE CT

### **Anti-dumping measures on imports of electrical components from China**

The GCC countries announced the imposition of anti-dumping measures on the import of electrical appliances with voltage not exceeding 1,000 volts exported from China. Dubai Customs and the Saudi General Authority of Foreign Trade (“GAFT”) have already made the public announcement. These measures apply to 8 different customs codes at rates between 11.3% and 42%, added with the applicable duty rates when imported to GCC.



### **Amending Protocol to Tax Treaty between Kuwait and South Africa Enter into Force**

On November 22, 2024, the South African Revenue Service issued a notice amending protocol to the 2004 income tax treaty between Kuwait and South Africa, which entered into force on October 2, 2024.

This protocol amends the agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

### **Kuwait and Tajikistan Sign Amending Protocol to Tax Treaty**

On November 3, 2024, officials from Kuwait and Tajikistan signed an amending protocol to the pending 2013 income and capital tax treaty between the two countries.

The treaty and the protocol will enter into force after the ratification instruments are exchanged.



## **Ratification of Tax Treaty between Oman and Ireland**

On November 19, 2024, the pending income tax treaty signed on May 30, 2024, between Oman and Ireland has been ratified.

The Sultan of Oman issued the royal decree for the ratification and will enter into force once the ratification instruments are exchanged. It shall apply from January 1 of the year following its entry into force.



## **ZATCA Announced the Seventeenth Wave of Taxpayers Required to Comply with Phase 2 of the E-Invoicing Mandate**

On November 1, 2024, the Zakat, Tax and Customs Authority (ZATCA) released the criteria for the taxpayers included in the seventeenth wave of Phase 2 of Saudi Arabia's e-invoicing mandate.

This group includes businesses whose annual revenue is subject to VAT and exceeds SAR 2.5 million in 2022 or 2023. To comply with Phase 2 of the mandate, these taxpayers are required to integrate with the FATOORA platform by July 31, 2025.

## **Saudi Council of Ministers Approves Pending Tax Treaty with Qatar**

On November 5, 2024, the Saudi Council of Ministers approved the ratification of the pending income tax treaty with Qatar. The treaty which was signed May 30, 2024, is the first of its kind between the two countries and will enter into force after the ratification instruments are exchanged.



## **Saudi Arabia issues Real Estate Transaction Tax Law**

On October 11, 2024, the Saudi Cabinet announced the approval of the Real Estate Transaction Tax Law. The Law introduces specific exemptions for various real estate transactions, providing further guidance on certain exemptions that were not referenced previously. The Law provides for additional exempt transactions, including:

- Indirect real estate disposal resulting from mergers and acquisitions
- Indirect real estate disposal in cases of public subscription and trading of listed securities and investment fund units

The penalty for late payment has been reduced to 2% (previously 5%) of the value of the unpaid tax for each month or part thereof for which the tax has not been paid, without exceeding (50%) of the value of the unpaid tax.



## **OECD**

### **OECD Issues Tax Administration 2024**

On November 13, 2024, OECD issued a report, Tax Administration 2024, the twelfth edition of the OECD's Tax Administration Series. It contains comparative information on the tax systems and their administration in 58 OECD and other advanced and emerging economies, aimed to facilitate the analysis of the design and administration of tax systems in other jurisdictions and to draw cross-border comparisons.

### **OECD Released Statistics on Mutual Agreement Procedures and Advance Pricing Arrangements**

On November 15, 2024, OECD released information and statistics on Mutual Agreement Procedures and Advance Pricing Arrangements. The 2024 update of the Consolidated Information on Mutual Agreement Procedures was also released the same day, summarising published data to give stakeholders a clear overview of the MAP framework in each jurisdiction.

### **OECD Announces Agreement on Practical Initiatives for Tax Strengthening**

The OECD announced that tax administrations have agreed on a set of practical initiatives to support digital transformation, enhance tax certainty, and deepen partnerships on global tax capacity building during the 17th annual Plenary meetings of the Forum on Tax Administration. It was held from November 13 to 15, bringing together tax commissioners and delegates from 53 jurisdictions, including representatives from international organisations, regional tax administration bodies, business and academia.

# India

## **GSTN Lowers a Threshold of a 30-day Window for IRP E-Invoice Reporting**

On November 5, 2024, the Indian Goods and Services Tax Authority announced that taxable persons with annual aggregate turnover INR 10 crores and above will have a 30-day window to report e-invoices as of April 1, 2025. This new requirement applies to all document types (invoices, credit notes, and debit notes) for which an Invoice Reference Number is to be generated.

## **India Repeals Windfall Tax on Domestic Oil Production and Exports**

On December 2, 2024, India's Central Board of Indirect Tax and Customs (CBITC) issued Notification 29/2024 which repeals the Special Additional Excise Duty (windfall tax) on the domestic production of crude oil (petroleum) and the export of diesel, petrol, and aviation turbine fuel, with immediate effect.

## **Transfer Pricing Safe Harbor Rules to Assessment Year 2024-25 and Return Deadline for Taxpayers Required to Report International Transactions Extended**

On November 29, 2024, Central Board of Direct Taxes (CBDT) issued the Income Tax (Tenth Amendment) Rules extending the transfer pricing safe harbour rules to the assessment year 2024-25 (financial year 2023-24), from the assessment year 2023-24 (financial year 2022-23).

The CBDT issued a circular on November 30, announcing the extension of the due date for annual tax returns for the assessment year 2024-25 (financial year 2023-24) for taxpayers that are required to furnish a report on international transactions and specified domestic transactions.

# Singapore

## **Singapore Publishes Summary of Responses on Draft GST Guide on Adopting InvoiceNow Requirement for GST-registered Businesses**

On November 18, 2024, the Inland Revenue Authority of Singapore (IRAS) published a summary of responses to the draft e-Tax guide on the adoption of InvoiceNow for GST-registered businesses. The guide explains the requirement for GST-registered businesses to transmit invoice data to IRAS using InvoiceNow solutions via the InvoiceNow network.

## **Singapore Publishes Updated GST Guide for Motor Vehicle Traders**

On December 2, 2024, the IRAS updated the e-Tax Guide, GST: Guide for Motor Vehicle Traders (Eighth Edition) and published. The guide targets GST registered businesses selling new and/or second-hand motor vehicles, explaining the GST treatment applicable to motor vehicle traders and illustrates the GST computations for sale of motor vehicles.





## Hong Kong

### Hong Kong Reduces Interest on Tax Reserve Certificates

The Hong Kong Inland Revenue Department announced a reduction in the annual rate of interest payable on Tax Reserve Certificates from a rate of 0.7167% to 0.5500% with effect from December 2, 2024. The new rate applies to all certificates purchased on or after December 2, 2024. Certificates purchased before December 2, 2024, will continue to earn interest at the rates prevailing on their purchase dates.

## United States

### IRS Encourages Taxpayers to Prepare for 2025 Filing Season with Online Tools and Key Reminders

On November 22, 2024, the U.S. IRS issued a release encouraging taxpayers to prepare for the 2025 filing season with online tools and key reminders. These are designed to help taxpayers and make tax filing easier.

### U.S. IRS Extends Transition Period for Filing Valid Research Credit Claims to January 2026

On November 25, 2024, the US IRS made a release, extending the research credit claim transition period. This gives taxpayers 45 days to perfect a research credit claim for refund prior to IRS's final determination on the claim, through January 10, 2026.

## United Kingdom

### UK Reduces Late Payment and Repayment Interest Rate

On November 7, 2024, the UK HMRC announced the revision of late payment and repayment interest rates following the base rate cut by the Bank of England from 5.0% to 4.75% on 1 August 2024. Late payment interest is currently set at base rate plus 2.5%. Repayment interest is set at base rate minus 1%, with a lower limit - or 'minimum floor' - of 0.5%.

### UK HMRC Issues New Guidelines Regarding Patent Box Computations

On November 7, 2024, the UK HMRC published a document explaining the information to include in Patent Box computation. It aims to help manage the risk of making an incorrect deduction. It contains -

- Common errors found in Patent Box computations
- Best practice on what to include with the tax computation
- Best practice on record keeping for the Patent Box

### UK Regulation Prevent Avoidance of Second Late Payment Penalty

On November 12, 2024, the UK published the Penalties for Failure to Pay Tax (Schedule 26 to the Finance Act 2021) (Assessments) Regulations 2024. HMRC is allowed to assess and charge the second late payment penalty once, where the outstanding tax has not been paid in full, towards the end of the two-year time limit. This change means that taxpayers will not be able to intentionally avoid a second Late Payment Penalty by not paying their tax before the end of the two-year time limit. This came into force on December 4, 2024.

# Our Services



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- Project Cost Audit
- Forensic Audit & Fraud Investigation
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## Accounting & MIS Reporting

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

## TAX

### Direct Tax

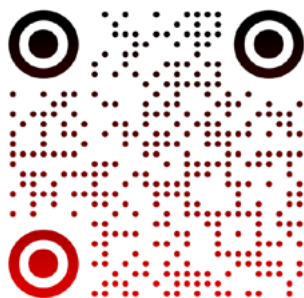
- UAE Corporate Tax
  - » First Time Adoption
  - » Tax Compliance
  - » Tax Advisory
  - » Tax Training
- Transfer Pricing [TP]
  - » Country by Country Reporting [CbCR]
  - » TP Local File and Master File
  - » TP Advisory
- International Tax
  - » Review of International Transaction
  - » Economic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

### Indirect Tax

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

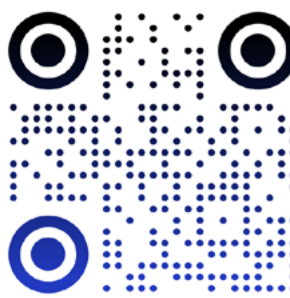
### Company Incorporation

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



**united auditing**  
Audit

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**INCORP**  
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INCORP is our newly rebranded version of the Company Incorporation Department under the Emirates Chartered Accountants Group (ECAG) trademark. Since 2005, we have been delivering premium and pragmatic business setup consultations in the UAE, Bahrain, India, and the UK. As a leading professional company incorporation consultant, we offer tailored services with seamless solutions, practical guidance, and proactive insights to local and expatriate business investors from all over the world. We are highly committed to consistently delivering high-quality services to all your business needs

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