

Dear Valued Readers,

As we navigate the dynamic tax landscape across various regions, it's essential to stay informed and proactive to ensure compliance while seizing opportunities that arise from new tax policies and updates. In September 2024, several key tax developments emerged across the Middle East, OECD, India, Canada, the United States, and the United Kingdom.

In the Middle East, the UAE extended the corporate tax return filing deadline for businesses incorporated on or after June 2023 to December 31, 2024 and UAE Corporate Tax Transfer Pricing disclosure form is now available for filing Corporate Tax Return. In addition, the Cabinet Decision No. 100 of 2024 revises the Executive Regulation of the VAT law. Bahrain introduced revised VAT guidelines for real estate and updated its list of zero-rated food items.

Globally, there have been significant efforts to enhance tax compliance and reduce disputes, with new agreements introduced to streamline transfer pricing processes.

I am grateful for the dedication and diligence of our tax and compliance teams. Your efforts in staying abreast of these updates and ensuring that we comply with all new regulations are invaluable. It is through your hard work that we continue to uphold our reputation for integrity and compliance in all our operations.

Thank you to all readers and members for your dedication and hard work. Together, we will continue to achieve great things.

Happy reading!

CA Manu Palerichal
Founder Partner & CEO



Our Team

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United Arab Emirates

FTA Issues Decision Postponing Deadlines for Corporate Tax Return Filing

The Federal Tax Authority (FTA) has issued Decision No. 7 of 2024, postponing the deadline for filing Corporate Tax Return and settling the Corporate Tax payable for certain Tax Periods.

The new deadline for filing Tax Return and settling Corporate Tax is 31 December 2024 for:

- Businesses established on or after 1 June 2023, and
- Businesses whose Tax Period ended on or before 29 February 2024

FTA Reinforces Crucial Role of Certified Tax Agents at the Annual Forum, Highlighting Evolving Landscape of Corporate Taxation in the UAE

On September 18, the FTA convened its Annual Forum for Certified Tax Agents, underscoring the vital role these professionals play in ensuring compliance and shaping a transparent tax environment. The forum brought together over 180 certified agents and key FTA officials for a day of insightful discussions and knowledge sharing.

The FTA emphasized the importance of ethical conduct and professional standards. The forum underscored the benefits of tax agent certification, highlighting how it elevates the profession and instils trust within the business community.



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Updates to UAE VAT Executive Regulation No 100 of 2024

The Cabinet Decision No. 100 of 2024 revises the Executive Regulation of the Federal Decree-Law No. 8 of 2017 on Value Added Tax (VAT), replacing Cabinet Decision No. 52 of 2017. This update introduces several key changes that will take effect from 15th November 2024, few of the changes include the below:

Zero-rating of services: New provisions clarifying when services can be zero-rated.

Export documentation: Enhanced requirements for documentation related to the export of goods.

Recoverable input VAT: Adjustments to the rules around claiming input VAT, making certain supplies eligible for recovery.

Exemptions on deemed supply: Changes to the exemptions applicable to deemed supplies.

These changes aim to improve the VAT framework and offer new tax reliefs and compliance flexibility for businesses in the UAE.



UAE Corporate Tax Transfer Pricing Disclosure Form

The UAE Transfer Pricing Disclosure Form is now available, requiring taxpayers to comprehensively disclose details of their transactions with related parties and connected persons.

1. Related Party Schedule:

Taxpayers are required to disclose details of their transactions with related parties. This typically includes information such as the names of Related Parties, the nature of relationships, Tax residence, gross income received, Transfer Pricing method applied and arm's length value.

2. Connected Persons Schedule:

The form also requires information on transactions with Connected Persons. This includes name of the Connected Persons, Payment or benefit, description, value of the payment or benefit provided, Market value of the service or benefit provided by the Connected Persons.

This comprehensive disclosure aims to ensure compliance with the UAE corporate tax law, allowing the tax authorities to evaluate the arm's length nature of Related Party transactions effectively.



The UAE Transfer Pricing Disclosure Form is now available, requiring taxpayers to comprehensively disclose details of their transactions with related parties and connected persons.





Qatar

Qatar GTA Urges Taxpayers to Settle Outstanding Liabilities

The Qatar General Tax Authority (GTA) reached out to taxpayers urging them to settle any outstanding tax liabilities and penalties recorded in Dhareeba. The GTA has emphasized the need to provide supporting documents to ensure these amounts are accurately reflected, if the listed liabilities have already been settled in Dhareeba. The GTA has issued a firm warning that failure to settle these amounts or to provide the necessary documentation within the specified deadline will result in the GTA taking all necessary legal actions as stipulated under the Tax Laws.

Amending Protocol to Tax Treaty between Norway and Qatar Signed

On September 4, 2024, officials from Norway and Qatar signed an amending protocol to the 2009 income tax treaty between the two countries.

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



Sultanate of Oman

Tax Treaty between Oman and the Philippines Under Negotiation

On September 13, 2024, the Philippine News Agency reported that negotiations are currently in progress for an income tax treaty between Oman and the Philippines.

Any resulting treaty would be the first of its kind between the two countries and must be finalized, signed, and ratified before entering into force.



Kingdom of Bahrain

Bahrain Updates VAT Guide for Real Estate

On September 4, 2024, the National Bureau for Revenue (NBR) has published VAT Real Estate Guide Version 1.4. The guide sets out the general principles of VAT in relation to the real estate sector in Bahrain.

The main update concerns the VAT treatment of the rental of retail and promotional stands. As of 1 January 2025, the provision of space for retail or promotional stands will not be regarded as an exempt supply for VAT purposes, and will be subject to VAT at 10%.



On September 4, 2024, the National Bureau for Revenue (NBR) has published VAT Real Estate Guide Version 1.4. The guide sets out the general principles of VAT in relation to the real estate sector in Bahrain.



Bahrain Updates List of Zero-Rated Basic Food Items for VAT Purposes

On September 12, 2024, the NBR published an updated List of Zero-rated Basic Food Items. The list contains 118 food items in the following main categories:

Meat and fish, Vegetables and fruits, Coffee, tea, cardamom, Cereal/grains, Sugar, Food preparations for children, Dairy and its derivatives, Water, Salt, Olive oil and its fractions, Fresh eggs and Bread.





Kingdom of Saudi Arabia

16th Wave Of Phase 2 E-Invoicing Integration

On September 27, 2024, ZATCA announced the criteria for selecting the taxpayers for the 16th wave of Phase 2 e-invoicing integration. The second phase involves integrating taxpayers' e-invoicing solutions, whose taxable turnover exceeds SAR3m during the calendar year 2022 or 2023, with the FATOORA Platform. The mandate for this group will commence on April 1, 2025.

Proposed Amendments to Various Provisions of VAT Implementing Regulations

On August 28, 2024, the ZATCA published proposed amendments to various provisions of the VAT Implementing Regulations.

These have been published on the Public Consultation Platform of the National Competitiveness Center for public consultation. It aims to enhance compliance with the KSA VAT landscape and to provide further clarity for the taxpayers.

New Customs Services Fee Structure

On September 6, 2024, the Board of Directors of the Zakat, Tax and Customs Authority (ZATCA) issued Resolution No. (03-03-24) dated 18/10/1445 AH (Resolution) regarding the new fee structure for customs services. The highlights of the resolution are:

- The elimination of all fees for exports
- The introduction of a new structure to calculate the import fees, by charging 0.15% of the value of imported goods - designed to reduce costs, ensure predictability, and standardize fee calculation across all ports.
- The limitation of the fees for low value individual shipments via online stores to SAR 15.

The updates will be implemented on 6 October 2024.





OECD

OECD Publishes Model Competent Authority Agreement for Amount B of Pillar 1

On September 25, 2024, the OECD announced the publication of a Model Competent Authority Agreement (MCAA) to facilitate the implementation of its political commitment on Amount B of Pillar 1. This report provides a simplified and streamlined pricing framework for baseline marketing and distribution activities that is expected to reduce Transfer Pricing disputes, compliance costs, and enhance tax certainty for tax administrations and taxpayers alike.

Independent Commission for the Reform of International Corporate Taxation (ICRICT) Recommends UN Subject to Tax Rule (STTR) Over OECD Version

The ICRICT issued a report on September 3, comparing the OECD and UN versions of a STTR. In the report, the ICRICT recommends that developing companies introduce the UN STTR in their tax treaties.

The G20/OECD Inclusive Framework and the United Nations Committee of Experts on International Tax Cooperation have separately developed a STTR in order to ensure a minimum level of taxation of intra-group payments. This is a minimum tax that applies on a transactional basis to payments from source States that are subject to low nominal tax rates in the State of the payee.

The report indicated that developing countries introduce the UN STTR in their tax treaties.

OECD Releases Compilation of 2024 Peer Review Reports for CbC Reporting

On September 16, 2024, the OECD has announced the release of the seventh annual peer review report for Country-by-Country reporting, including an overview of 138 jurisdictions that have provided legislation or information pertaining to the implementation of Country-by-Country reporting. The BEPS Action 13 peer review is an annual process and the next peer review report will be released in the third quarter of 2025.



On September 19, the Ministry of Finance issued a notification for the commencement of the Direct Tax Vivad se Viswas Scheme. It shall come into force on October 1, 2024.



India

The Direct Tax Vivad se Viswas Scheme 2024 (VSV 2.0) is set to start on 1st October

On September 19, the Ministry of Finance issued a notification for the commencement of the Direct Tax Vivad se Viswas Scheme. It shall come into force on October 1, 2024. It aims to help taxpayers to appeal during the resolving of direct tax issues.

Income Tax Audit Report Deadline Extension

The Central Board of Direct Taxes (CBDT) on September 29, announced the extension for the filing of Income Tax audit reports for the Assessment Year 2024/25. The deadline has been extended from September 30, 2024 to October 7, 2024.

Recommendations of the 54th Meeting of India's GST Council

The 54th GST Council Meeting introduced several important clarifications and procedural recommendations aimed at improving GST compliance.

Key recommendations are:

- Reverse Charge Mechanism (RCM) to be introduced on supply of metal scrap by unregistered person to registered person provided that the supplier shall take registration as and when it crosses threshold limit.
- The introduction of a VAT exemption on research and development services supplied by government entities or by qualifying research associations, universities, colleges, or other institutions.
- Roll out of a pilot for B2C e-Invoicing
- Various GST rate changes, including a reduction in the rate on specified cancer drugs from 12% to 5%.

New invoice Accept or Reject features of IMS system now available for taxpayers in India

The Goods and Services Tax Network (GSTN) will introduce a new Invoice Management System (IMS) on the GST portal starting October 1, 2024. This system will help make Input Tax Credit claims easier by allowing taxpayers to accept, reject, or keep invoices pending for later review. Both regular taxpayers and those using the Quarterly Return Monthly Payment (QRMP) scheme will benefit from this feature.

Other features include automatic acceptance of invoices if no action is taken and options for correcting invoices and credit notes. This system will make GST compliance more efficient, but businesses will need to carefully check their invoices to ensure correct ITC claims.

India Clarifies Place of Supply for Advertising and Data Hosting Services Provided to Non-Residents

On September 10, 2024, India's Central Board of Indirect Taxes and Customs has issued two circulars to clarify the place of supply for advertising and data hosting services provided to non-residents.

The circular clarifies that data hosting service providers are not intermediaries, nor are their services tied to goods or immovable property. The place of supply is where the recipient is located, i.e., outside India.

Canada

Canada Revenue Agency Provides Guidance on New Reporting Rules for Digital Platform Operators

On September 10, 2024, the Canada Revenue Agency has published guidance on new reporting requirements for digital platforms. They have been implemented to increase transparency and support compliance in the international tax community.

The rules are based on the Model Reporting Rules for Digital Platforms developed by the OECD and apply from 2024, with the first information return due by January 31, 2025 in respect of the 2024 calendar year.



On September 10, 2024, the Canada Revenue Agency has published guidance on new reporting requirements for digital platforms. They have been implemented to increase transparency and support compliance in the international tax community.



United States

IRS Issues Proposed Regulations for Corporate Alternative Minimum Tax and Provides Penalty Waiver for Failure to Pay Estimated Tax

The U.S. IRS has announced the issuance of proposed regulations to provide guidance on the Corporate Alternative Minimum Tax (CAMT), which were published in the Federal Register on September 13, 2024. The IRS has also issued Notice 2024-66, which waives the penalty for a corporation's failure to pay estimated tax with respect to its CAMT for a taxable year that begins after December 31, 2023, and before January 1, 2025.

U.S. IRS Publishes Draft Update of Publication 901 on U.S. Tax Treaties

Dated September 9, the U.S. IRS published an early release draft update of Publication 901 on U.S. Tax Treaties. Publication 901 provides guidance for taxpayers on whether a tax treaty between the United States and a particular country offers a reduced rate of, or possibly a complete exemption from, U.S. income tax for residents of that particular country. The main updates concern the new tax treaty with Chile, the termination of the treaty with Hungary, and the suspension of certain provisions of the tax treaty with Russia.

United Kingdom

UK HMRC Issues Guidance on Corporation Tax Registration for Non-UK Resident and Non-UK Incorporated Companies

On September 17, 2024, UK HMRC issued guidance on Corporation Tax registration for non-UK resident companies and non-UK incorporated companies. The different guidance and who should register includes the following –

- Through a dependent agent permanent establishment
- A non-resident company who disposed of UK property or land for Corporation Tax
- A non-UK incorporated company for Corporation Tax if a UK resident
- An offshore property developer for Corporation Tax
- Corporation Tax for non-UK incorporated companies

UK Extends Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) Scheme by 10 Years

On September 4, 2024, UK HM Treasury announced the extension of the Enterprise Investment Scheme (EIS) and the Venture Capital Trust (VCT) scheme by 10 years to 5 April 2035 as part of its relentless pursuit of growth. Extensions will support start-ups and entrepreneurs to help them grow.

UK HMRC Issues Guidelines on Best Practice Approaches to Transfer Pricing to Lower Risk and Avoid Common Mistakes

On September 10, 2024, UK HMRC issued guidelines on best practice approaches to Transfer Pricing to lower risk and avoid common mistakes. They also set out what HMRC considers best practice compliance and higher risk approaches. These guidelines are tailored to the different needs of different audiences and is reflected in the following parts:

- Managing compliance risk for UK businesses (part 1)
- Common compliance risks (part 2)
- Indicators of transfer pricing policy design risk (part 3)

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TAX

Direct Tax

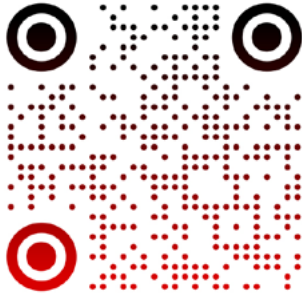
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 - » First Time Adoption
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 - » Tax Training
- Transfer Pricing [TP]
 - » Country by Country Reporting [CbCR]
 - » TP Local File and Master File
 - » TP Advisory
- International Tax
 - » Review of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

Indirect Tax

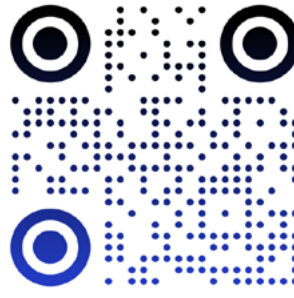
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