

Round-up on International Tax and Transfer Pricing Developments

Bahrain

Bahrain CbC due date notified

- The MOICT in Bahrain has reached out to in-scope resident companies to notify them that the CbC compliance due date is 28 February 2022.
- The CbC Notification for FY ending 31 December 2021 was originally 31 December 2021, and now stands extended to 28 February 2022.
- As per the Ministerial Order issued early last year, the CbC regulations applied to FYs commencing 1 January 2021.
- However, in certain recent communications to licensees, MOICT has stated that the first reporting year is FY 2020, and that the extended due date of 28 February 2022 applies to this.
- Further clarification is awaited in this regard.
- The due date for CbC Reporting for FY 2021 remains unchanged so far: 31 December 2022.
- In-scope entities in Bahrain must closely monitor any further developments and stay alert for any further communication from MOICT.

Oman and Qatar

Oman ratifies DTA with Qatar

- Oman and Qatar signed a DTA on 22 November 2021 – this was the first DTA to be concluded by Oman with a GCC country.
- The DTA covers the areas of double taxation, and income and capital tax evasion.
- The DTA was recently ratified in Royal Decree No. 4/2022 by Oman.
- The Royal Decree states that upon publication in the Official Gazette, the DTA shall take effect from the date of issue.
- The Royal Decree ratifying the DTA (Arabic) can be found on the Ministry of Justice and Legal Affairs website, at <https://mjla.gov.om/legislation/decrees/details.aspx?Id=1395&type=L>

Kuwait

CIT on local branches of GCC banks under discussion

- The Kuwait MoF is considering levying CIT on the local branches of GCC banks.
- This is not an uncommon practice in the region. Many GCC countries (including UAE) levy CIT on the local branches of foreign banks.
- Many Kuwaiti banks are being taxed in other GCC countries, which has caused the Kuwait MoF to consider imposing CIT on branches in Kuwait.
- While there are no restrictions preventing the Kuwait MoF from levying CIT on these branches, a decision has not been made yet.
- It is pertinent to closely monitor any announcements from the Kuwait MoF for further updates in this regard.
- It is recommended that banks and their branches that may be affected evaluate readiness for possible implementation.

Contact Us

For more information visit our Website <https://www.wts-dhruva.com>
Contact us at +97142408477

Glossary

CbC	-	Country-by-Country
CIT	-	Corporate Income Tax
DTA	-	Double Tax Agreement
GCC	-	Gulf Cooperation Council
MoF	-	Ministry of Finance
MOICT	-	Ministry of Industry, Commerce & Tourism