

Round-up on International Tax and Transfer Pricing Developments

GCC

Agreement on two-pillar solution

- The OECD/G20 IF on BEPS agreed the two-pillar solution in the meeting held on October 8, 2021.
- 136 countries (including all GCC countries except Kuwait) out of the 140 members reached an agreement on the two-pillar framework which will come into effect in 2023.
- Pillar One is applicable to large MNEs with a profit margin of over 10% and global turnover of over EUR 20 Billion. 25% of profits over 10% will be allocated to market jurisdictions annually.
- Pillar Two introduces a new global minimum tax rate of 15% on MNEs with a consolidated turnover of over EUR 750 Million.
- The detailed brochure issued by OECD can be found at <https://www.oecd.org/tax/beps/brochure-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.pdf>

Bahrain

MAP Guidance updated by NBR

- The NBR recently issued an updated guidance on MAP.
- The original MAP guidance was issued by NBR in April 2020.
- The MAP guidance originally issued in April 2020 covers the following areas:
 - MAP Request
 - MAP Requirements
 - Timeframes and Deadlines
 - Legal Basis
- The updated MAP guidance specifies the revised address for MAP Requests, Exchange of Information and application for Certificates of Residence for tax purposes in Bahrain. Further, Bahrain's list of Double Tax Conventions has also been revised.
- The guidance issued by NBR can be found at https://www.nbr.gov.bh/publications/view/Bahrain_Mutual_Agreement_Procedure_MAP_Guidance

Qatar

GTA urges taxpayers to clear unreconciled balances

- Taxpayers in Qatar were recently requested by the GTA to reconcile their account balances on the Dhareeba Portal.
- Launched in 2020, the Dhareeba Portal is a digital platform that connects the GTA and taxpayers in Qatar.
- All the existing information (including balances of tax liabilities related to IT and WHT) was transferred from the erstwhile TAS system to Dhareeba.
- Due to this migration, certain information, particularly records pertaining to previous years were not transmitted to the new portal.
- Certain payments therefore appeared as outstanding on the portal despite being paid by the taxpayers.
- The GTA has now urged taxpayers to submit proof of payment on Dhareeba where a liability already paid still appears as outstanding.

Contact Us

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Glossary

BEPS	-	Base Erosion and Profit Shifting
DTA	-	Double Taxation Agreements
EUR	-	Euros
GCC	-	Gulf Cooperation Council
GTA	-	General Tax Authority
IF	-	Inclusive Framework
IT	-	Income Tax
MAP	-	Mutual Agreement Procedure
MNE	-	Multinational Enterprise
NBR	-	National Bureau of Revenue, Bahrain
OECD	-	Organisation for Economic Co-operation and Development
TAS	-	Tax Administration System
WHT	-	Withholding Tax