

Round-up on International Tax and Transfer Pricing Developments

BAHRAIN

Guidance issued for CbCR

- CbCR requirements were introduced in Bahrain in February 2021.
- According to Ministerial Decision No. 28 of 2021, CbCR is applicable to those MNE groups headquartered in Bahrain with consolidated annual revenue of at least BHD 342 million.
- The reporting requirements are applicable to financial years beginning on or after January 2021.
- Bahrain recently issued a guide for the submission of CbC Reports which states that only MNE groups which are headquartered in Bahrain are required to submit the CbC Notification and Report.
- Previously, all constituent entities of MNE groups headquartered outside Bahrain were also required to submit the CbC Notification.
- In view of the above changes, the first CbC Report and Notification for the financial year ending 31 December 2021 is due by 31 December 2022.

OMAN & QATAR

DTAA Signed by Oman and Qatar

- The governments of Qatar and Oman signed a DTAA at the Amiri Diwan in Qatar on 22 November 2021.
- This is the first DTAA signed by Oman with a GCC nation.
- The DTAA covers the following areas:
 - Double taxation
 - Income tax evasion
 - Capital taxes
- It is anticipated that the DTAA will increase cross border trade and investment relations between the two nations.
- The agreement was signed during a two-day state visit to Qatar by Oman's Sultan Haitham bin Tariq.
- The DTAA will come into effect from 1 January 2022 if the procedural requirements are completed by 31 December 2021.

UAE

Upcoming ESR deadline

- The ESR Reporting deadline for Licensees carrying out one or more of the nine Relevant Activities in the UAE is 31 December 2021.
- Article 4.4 of Ministerial Decision 100 of 2020 states that all Notifications must be submitted within six months from the end of the financial year (i.e., ESR Notifications are due by 31 December 2021 for Licensees with a financial year end of 30 June 2020).
- Furthermore, Article 8.4 of Cabinet Resolution No. 57 of 2020 states that all ESR Reports must be submitted within twelve months from the end of the financial year (i.e., ESR Reports are due by 31 December 2021 for Licensees with a financial year end of 31 December 2020).
- ESR Notifications and Reports must be submitted via the MoF portal.
- Penalties for failure to file the Notification and Report are AED 20,000 and AED 50,000 respectively.

Contact Us

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

Glossary

AED	-	United Arab Emirates Dirhams
BHD	-	Bahraini Dinar
CbCR	-	Country-by-Country Reporting
DTAA	-	Double Taxation Avoidance Agreement
ESR	-	Economic Substance Regulations
GCC	-	Gulf Cooperation Council
MNE	-	Multinational Enterprise
MoF	-	Ministry of Finance
UAE	-	United Arab Emirates