

Round-up on International Tax and Transfer Pricing Developments

UAE

Personal income tax not being considered

- Dr Thani Al Zeyoudi, the UAE minister of state for foreign trade, recently confirmed that personal income tax in the UAE is not being considered at the present.
- The employees in the country will continue to enjoy the benefit of no income tax for the foreseeable future.
- In January 2022, the UAE announced the introduction of corporate tax on business profits effective for financial years starting on or after June 01, 2023.
- Dr Thani Al Zeyoudi further mentioned that the businesses in the UAE have reacted positively to the announcement of the introduction of corporate tax.
- The UAE currently has the following taxes in force:
 - CT on oil companies and foreign banks
 - Excise tax on specific goods
 - VAT on a majority of goods and services

Bahrain

Tax Treaty negotiations with Israel

- Israel's prime minister Naftali Bennett recently visited Manama, Bahrain.
- His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and Prime Minister of Bahrain welcomed the Israeli Prime Minister.
- A series of meetings were held between the two parties which aimed at strengthening trade, social and economic ties between the two nations.
- The leaders agreed to facilitate the negotiations on a tax treaty and agreements for the protection of investments.
- The agreement will provide the infrastructure for promoting secure commercial cooperation.

Bahrain

CbC Compliance Due

- Bahrain's MOICT reached out to in-scope resident companies to notify them that the CbC Notification compliance is due by 28 February 2022.
- The initial deadline of 31 December 2021 for the submission of CbC Notification had been extended to 28 February 2022.
- As per the Ministerial Order issued early last year, the CbC regulations applied to financial years commencing 1 January 2021.
- However, recent communications from the MOICT state that the first reporting year is FY 2020.
- No information has been released by the NBR on the specific requirements for CbC notifications through their ITIES portal.
- The due date for CbC Reporting for FY 2021 remains unchanged at 31 December 2022.

Contact Us

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Glossary

CbC	-	Country-by-Country
CT	-	Corporate Tax
ITIES	-	International Tax Information Exchange System
MOICT	-	Ministry of Industry, Commerce & Tourism
NBR	-	National Bureau for Revenue
VAT	-	Value Added Tax
UAE	-	United Arab Emirates