

Round-up on International Tax and Transfer Pricing Developments

UAE

ESR appeal user guide issued by FTA

- The FTA recently issued a user guide in relation to ESR appeals.
- The guide aims to assist licensees in the appeal submission process in case they wish to contest the penalties.
- The guide covers the following areas:
 - Appeal application process
 - Supporting documentation required
 - Common errors in submitting appeals
 - List of applicable penalties
 - Appeal timeframe
- An appeal must be submitted within 40 working days from the date penalty is levied.
- The FTA has another 40 working days to decide on the appeal from the date the appellant meets all requirements.
- The guide issued by the FTA can be found at <https://tax.gov.ae/-/media/Files/EN/PDF/ESR-files/ESR-Appeal-User-Guide-English.pdf>

KSA

CRS guidance issued by ZATCA

- CRS is the global standard for the automatic exchange of financial account information for tax purposes developed by OECD.
- The ZATCA recently issued the CRS guidance which is applicable to certain Financial Institutions in KSA as follows:
 - Custodial Institutions
 - Depository Institutions
 - Investment Entities
 - Specified Insurance Companies
- Covered entities are required to perform due diligence to determine the tax residency of account holders and certain other financial account information.
- The CRS guidance aims to assist entities in practically assessing their CRS obligations and its effective implementation.
- The CRS guide issued by ZATCA can be found at <https://zatca.gov.sa/en/HelpCenter/guidelines/Documents/CRS%20Guidance.pdf>

Bahrain

Further extension of ESR deadline

- The MOICT has yet again extended the deadline for submission of ESR returns to September 18, 2021.
- The deadline was previously extended from August 31, 2021 to September 12, 2021.
- This is expected to be the final extension granted by the MOICT.
- All licensees must submit their ESR returns via the ITIES portal.
- It is recommended that all licensees adhere to the revised deadline, which is less than a week away and not expect any further extensions.
- Failure to submit the ESR return may result in fines, trade license cancellation/ suspension and public prosecution in some instances.

Contact Us

For more information visit our Website <https://www.wts-dhruva.com>
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Glossary

CRS	-	Common Reporting Standards
ESR	-	Economic Substance Regulations
FTA	-	Federal Tax Authority
KSA	-	Kingdom of Saudi Arabia
MOICT	-	Ministry of Industry, Commerce and Tourism
OECD	-	Organisation for Economic Co-operation and Development
UAE	-	United Arab Emirates
ZATCA	-	Zakat, Tax and Customs Authority