

Round-up on International Tax and Transfer Pricing Developments



KSA: Simplified Zakat guide for real estate activities

KSA's ZATCA recently published a guide for treatment of real estate activities under Zakat.

The guide provides that real estate under development, constructed with the intention of sale, may be deducted from the Zakat base, provided that:

- In its current state, the real estate is not for sale;
- After development, the real estate will be available for sale;
- In the financial statements, the real estate is classified as a non-current asset; and

- In the statement of financial position, the value of sales and advance payments for the real estate property is less than 25% of the property's value.

The guide also provides guidance on the approach to calculate the Zakat base for taxpayers engaged in real estate activities.

Furthermore, the guide discusses Zakat treatment for properties developed with the intention of ownership and use, off-plan sales, and finance leasing.



Link to the Arabic guidelines – <https://www.taxoman.gov.om/portal/documents/20126/2683313/Guidelines+on+the+Country+by+Country+Reporting>



OMAN: CbCR implementation guidelines issued



The **OTA of Oman** recently issued guidelines on the implementation of CbCR in Oman.

The guide provides extensive information about CbCR and explains the content of tables required in a CbC report.

The guide also details how currency fluctuations should be treated:

- No jurisdiction which has a threshold based on any currency other than the euro is required to update it periodically in order to account for currency fluctuations.

- The EUR 750 million threshold should be regarded as appropriate for UPEs that are tax residents in other jurisdictions.
- If an MNE meets the domestic filing threshold, it should not have to make local filings in any other jurisdiction where the threshold denominated in another currency is used.



Link to the guidelines – <https://www.taxoman.gov.om/portal/documents/20126/2683313/Guidelines+on+the+Country+by+Country+Reporting>



UAE: Public consultation on UAE CT



28 Apr 2022

The **UAE MOF** has released a public consultation document inviting comments from stakeholders on the proposed CT legislation.

This is a progressive step which provides a platform for stakeholders to play a key role in formulating the UAE CT law.

Some of the key areas covered by the document include:

- Taxable persons and exempt persons - Government entities and companies engaged in the extraction of natural resources, charities, pension funds, and regulated investment funds would be exempt from CT.
- Taxability of free zone entities

- Method of tax liability computation and carry forward and set-off of tax losses - up to 75% of the taxable income can be set-off.
- Formation of CT groups for entities with 95% common shareholding
- Transfer pricing provisions
- Administration – CT returns to be filed within 9 months from end of the tax period

The document is open for comments until May 19, 2022.



Link to access the consultation document – http://www.mof.gov.ae/en/resourcesAndBudget/Documents/UAE_CT-Public_Consultation_Document_English.pdf

Glossary

AEOI	Automatic Exchange of Information
CbCR	Country-by Country Reporting
CT	Corporate Tax
EUR	Euro
OTA	Oman Tax Authority
MOF	Ministry of Finance
MNE	Multinational Entity
UAE	United Arab Emirates
UPE	Ultimate Parent Entity
KSA	Kingdom of Saudi Arabia
ZATCA	Zakat, Tax, and Customs Authority
