



Tax Newsletter

February 2025



Landscape

In our February 2025 edition of GT's regional monthly Tax Newsletter, we provide the latest news up-dates affecting International Tax, Corporate Tax, Transfer Pricing, and Indirect Taxes in the UAE and across the Middle East region.

Contents

Section	Page
UAE Tax Updates	3
Value Added Tax	3
Corporate Tax	5
Tax Treaties	8
Saudi Arabia Tax Updates	11
Value Added Tax	11
Corporate Tax	13
Tax Treaties	15
Oman Tax Updates	17
Value-Added Tax	17
Excise Tax	19
Bahrain Tax Updates	20
Corporate Tax	20
Tax Treaties	21
Kuwait Tax Updates	22
Corporate Tax	22
Qatar Tax Updates	23
Tax Treaties	23
Our Experts	25

Value-Added Tax

The Ministry of Finance ('MOF') releases the eInvoicing Program Consultation Paper

The UAE Ministry of Finance is in the process of implementing an eInvoicing programme, which is outlined in a comprehensive consultation paper. The programme aims to gather feedback from UAE businesses and eInvoicing Service Providers to create a shared understanding of the eInvoicing framework and help businesses plan for adoption. The eInvoicing Data Dictionary (PINT AE) outlines key data elements and their attributes for commonly used invoice types, emphasizing standardisation for consistency and integration.

Background

- **Vision Alignment:** The eInvoicing programme aligns with the “We the UAE 2031” vision, enhancing government performance and digital infrastructure.
- **Global Trend:** Reflects global trends in Digital Reporting Requirements (DRR) and Continuous Transactions Controls (CTC).
- **Benefits:** Includes VAT compliance, increased transparency, improved audits, enhanced taxpayer experience, reduced human intervention, optimised costs, and economic growth.

UAE eInvoicing Framework

- **Applicability:** Applies to all businesses in the UAE, regardless of VAT registration status.
- **Model:** Adopts a Decentralised Continuous Transaction Control and Exchange (DCTCE) model for efficient, secure, and transparent transaction processing.
- **Process:** Involves multiple steps from submitting eInvoice data to reporting Tax Data Documents (TDD) and validating eInvoices.



Overview of the Data Dictionary

One essential element supporting the whole e-invoicing ecosystem is the **Data Dictionary**. The tax invoice, tax credit note, self-billing, and other invoicing scenarios are all included in this structured and standardized catalog of all the data elements needed in the creation, exchange, processing, and reporting of an e-invoice. It acts as a fundamental resource to guarantee uniformity, compatibility, and compliance in e-invoicing systems for companies, software developers, and regulatory agencies.

e-Invoicing Use Cases in the UAE

Use Case	Description	Details
1	UAE Standard tax invoice	Mandatory and commonly used optional fields
2	Supply under Reverse charge mechanism	Additional requirements beyond use case 1
3	Zero rated supplies	Additional requirements beyond use case 1
4	Deemed supply	Additional requirements beyond use case 1
5	Disclosed agent billing	Additional requirements beyond use case 1
6	Summary tax invoice	Additional requirements beyond use case 1
7	Continuous supplies	Additional requirements beyond use case 1
8	Supply involving free trade zone	Additional requirements beyond use case 1
9	Supply through e-commerce	Additional requirements beyond use case 1
10	Exports	Additional requirements beyond use case 1
11	Margin scheme	Additional requirements beyond use case 1
12	Standard tax credit note	Mandatory and commonly used optional fields
13	Disclosed agent billing tax credit note	Additional requirements beyond use case 12
14	Commercial Invoice	Mandatory and commonly used optional fields
15	Self-billing	Mandatory and commonly used optional fields
16	Self-billing tax credit note	Mandatory and commonly used optional fields

Recommendation for businesses

- Assess the impact of e-Invoicing on your organization.
- Ensure all business scenarios are accurately mapped and compliant with the new requirements.
- Update master data records and VAT determination processes to align with the new e-Invoicing rules.

Additionally, the MoF requests feedback on the public consultation document to be submitted online by 27 February 2025. For further information on the above update, please click [here](#).

Should you need any further clarification and details regarding this update, please contact our Tax Director [Harsh Bhatia](#), or our Tax Associate Director [Charlotte Stanley](#).

Corporate Tax

UAE Introduces Pillar 2 Domestic Minimum Top-up Tax

The UAE Ministry of Finance has issued Cabinet Decision No. 142 of 2024, introducing a Top-up Tax for Multinational Enterprises. This follows the Ministry's announcement on December 9, 2024, regarding the UAE Domestic Minimum Top-up Tax (UAE DMTT).

Closely aligned with the Organisation for Economic Co-operation and Development's (OECD) GloBE Model Rules, the UAE DMTT targets entities within Multinational Enterprises (MNEs) operating in the UAE. These entities must have annual global revenues of €750 million or more, as reported in the Consolidated Financial Statements of their Ultimate Parent Entity for at least two of the preceding four financial years beginning on or after 1 January 2025.

The UAE DMTT provides a Substance-based Income Exclusion, reducing net Pillar Two income subject to the tax. This reduction is based on payroll and the carrying value of tangible assets, determining the Excess Profit for tax computation. In line with the GloBE Model Rules, entities meeting specific de minimis criteria may be exempt from the UAE DMTT, resulting in a zero-tax consideration for those entities.

To enhance the UAE's attractiveness as an investment hub, the UAE DMTT excludes defined Investment Entities. Additionally, as a transitional measure to foster economic growth, no UAE DMTT will be imposed during the initial phase of an MNE Group's international activity, provided that the UAE entities are not owned by a parent entity subject to a Qualified Income Inclusion Rule in another jurisdiction. This decision reinforces the UAE's commitment to aligning with international tax standards while maintaining its competitive edge as a leading destination for multinational investment.

For more information, please click [here](#).

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#); and our Transfer Pricing team – Tax Director [Anna Nikolayko](#).



UAE Federal Tax Authority (FTA) Urges Taxpayers to Update Tax Records by 31 March 2025 to Benefit from Penalty Grace Period

The FTA has urged registrants who have not yet updated their tax records to take advantage of the UAE Cabinet's decision to grant a grace period, which provides relief from administrative penalties. This initiative reflects the leadership's commitment to reducing the tax burden on the business sector, encouraging compliance with tax obligations, and enhancing the UAE's business competitiveness.

The FTA announced that the Cabinet decision permits registrants to update their tax records from 1 January 2024, 31 to March 2025, without incurring penalties for failing to inform the FTA of any required amendments or updates. For registrants who received administrative penalties between 1 January 2024, and the implementation date of the grace period, the penalties will be automatically reversed, eliminating the need for registrants to contact the FTA.

Cabinet Decision No. 74 of 2023, which pertains to the Executive Regulations of the Federal Decree-Law No. 28 of 2022 on Tax Procedures, stipulates that registrants must notify the FTA of any changes to their data within twenty (20) business days. This includes updates to business names and addresses, email addresses, trade license activities, legal entity types, partnership agreements, articles of association, business nature, and any operational addresses.

The grace period aims to create a more favourable tax environment, further supporting the UAE's position as a leading global business hub.

As part of its ongoing efforts, the FTA encouraged those seeking further clarification to read the public clarification issued on the grace period to update information in tax records, which can be accessed through the Public Clarifications service on the [FTA's official website](#).

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#); and our Transfer Pricing team – Tax Director [Anna Nikolayko](#).



UAE Federal Tax Authority Urges Natural Persons to Register for Corporate Tax Before End of March 2025

The FTA is urging all natural persons subject to Corporate Tax to submit their Tax Registration applications by 31 March 2025, to avoid administrative penalties.

The FTA has previously issued a guide ([Registration of Natural Persons \(CTGRNP1\)](#)) to raise awareness about the registration requirements for natural persons. According to the guide, a natural person is subject to Corporate Tax only if they conduct a business or business activity in the UAE. This includes sole establishments and individual partners in unincorporated partnerships operating in the country. The guide also clarifies that the first potential tax period for such individuals is the 2024 Gregorian calendar year. The FTA's reminder underscores the importance of timely compliance to avoid penalties and ensure smooth business operations within the UAE.

If a natural person is conducting a Business or Business Activity in the UAE during the calendar year 2024, or subsequent years, and their total Turnover in that calendar year exceeded AED 1 million, they are a Taxable Person, who must register for Corporate Tax no later than 31 March of the calendar year following the year in which their total Turnover exceeded the AED 1 million threshold and comply with all their Corporate Tax obligations.

The FTA encourages all relevant persons to familiarize themselves with Corporate Tax legislation, implementing decisions, guides, public clarifications, and awareness publications available on the [FTA website](#).

Corporate Tax registration is facilitated through the EmaraTax platform, which offers 24/7 digital tax services. The platform provides a clear, step-by-step guide for the tax registration procedure. Additionally, the FTA has published the [Corporate Tax Registration - Taxpayer User Manual](#), offering detailed instructions on how to register through EmaraTax.

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#); and our Transfer Pricing team – Tax Director [Anna Nikolayko](#).

Tax Treaties

UAE Cabinet Approves Pending Tax Treaty with Qatar

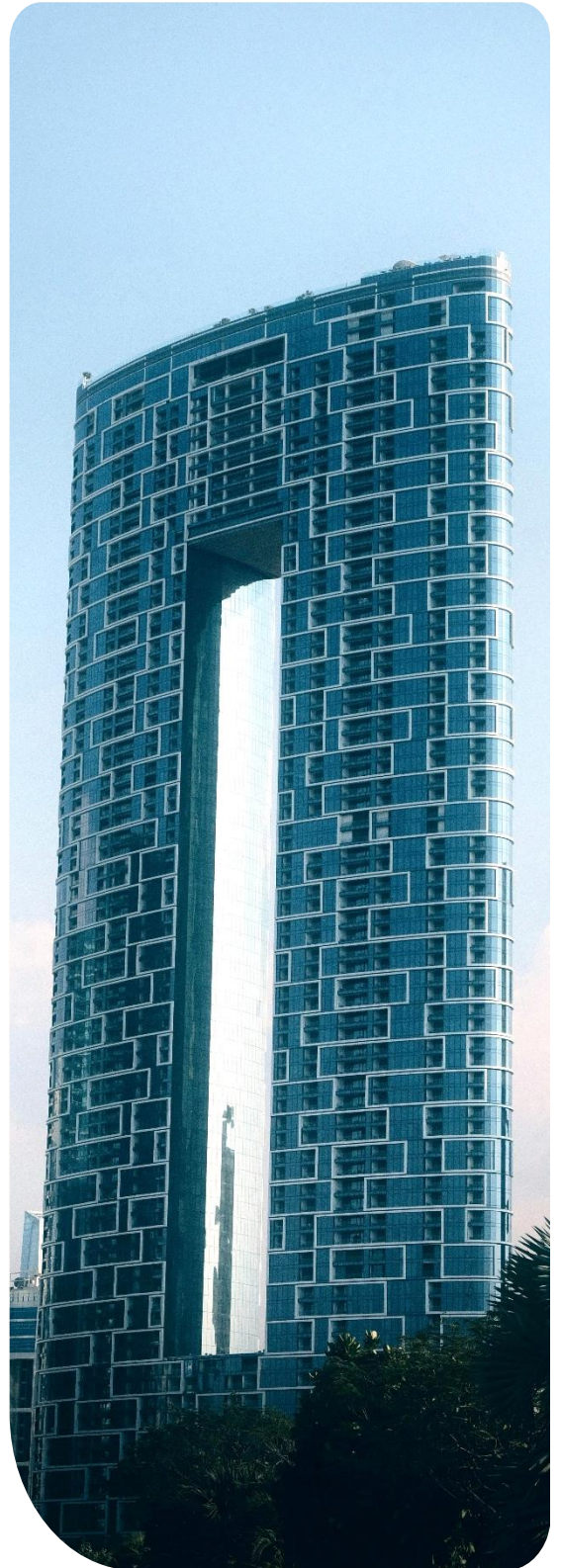
On 3 February 2025, the UAE Cabinet of Ministers approved the pending income tax treaty with Qatar. This landmark agreement, signed on 30 May 2024, marks the first income tax treaty between the two nations. The treaty will come into effect once the ratification instruments are exchanged, signaling a new era of economic cooperation and taxation agreement between the UAE and Qatar.

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).

UAE Cabinet Approves Pending Tax Treaty with Kuwait

On 3 February 2025, the UAE Cabinet of Ministers approved a landmark income tax treaty with Kuwait. The treaty, which was initially signed on 11 February 2024, is the first agreement of its kind between the two nations. It will come into effect once the ratification instruments are exchanged and will be applicable from 1 January of the year following its entry into force. This approval marks a significant step in enhancing economic cooperation and tax relations between the UAE and Kuwait.

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).



Russia and the UAE Conclude Tax Treaty Negotiations

According to a release from the Emirates News Agency, officials from Russia and the United Arab Emirates have successfully concluded the final round of negotiations for a new income and capital tax treaty, with the initialing of the agreement. This new treaty must be signed and ratified before it can enter into force.

Currently, the two countries have a limited income tax treaty in place, signed in 2011, which primarily applies to income and gains derived by a contracting state or its financial and investment institutions. The new treaty will expand on this, covering broader aspects of income and capital taxation between Russia and the UAE.

For more information, please click [here](#).

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).



Ukraine Publishes Synthesized Texts of Tax Treaties with the UAE and the UK as Impacted by the BEPS MLI

Ukraine's Ministry of Finance has published the synthesized texts of the tax treaties with the United Arab Emirates and the United Kingdom as impacted by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). The synthesized texts were prepared on the basis of the reservations and notifications submitted to the Depository by the respective countries. The authentic legal texts of the treaties and the MLI take precedence and remain the legal texts applicable.

The MLI applies for the [2003 Ukraine-UAE tax treaty](#):

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2020; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 June 2020.

The MLI applies for the [1993 Ukraine-UK tax treaty](#):

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2020; and
- with respect to all other taxes in Ukraine, for taxes levied with respect to taxable periods beginning on or after 1 June 2020; and
- In the UK, from 1 April 2021 for corporation tax and from 6 April 2021 for income tax and capital gains tax.

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).



Saudi Arabia Tax Updates

Value-Added Tax

The Zakat, Tax and Customs Authority ('ZATCA') sets guidelines for selecting Taxpayers in Wave 20 for implementing the Integration Phase of E-invoicing

On the 3 February 2025, the Zakat, Tax and Customs Authority (ZATCA) announced its 20th wave of taxpayers for implementing the Integration Phase (Phase 2) of E-invoicing, which now includes taxpayers whose revenues subject to VAT exceed 1.50 million Saudi Riyals (SAR) during the tax years 2022 or 2023. The taxpayers who meet the criteria should integrate their E-invoicing solutions with the FATOORA platform no later than 31 October 2025.

ZATCA has outlined below the additional requirements for Phase 1 & 2 of the implementation of E-invoicing, which includes:

- Integrating E-invoicing solutions with FATOORA;
- Issuing e-invoices in a specific format;
- Including additional fields in the invoice.



The below table provides a summary of the sequence of target groups and important timelines.

Target groups	Taxable turnover in 2021	Go-live date	To be fully integrated by	Likely penalty dates for non-compliance
1 st Wave	Exceeds SAR 3 Billion	1 February 2023	30 June 2023	1 July 2023
2 nd Wave	Exceeds SAR 500 Million	1 July 2023	31 December 2023	1 January 2024
3 rd Wave	Exceeds SAR 250 Million	1 October 2023	1 February 2024	Post 1 February 2024
4 th Wave	Exceeds SAR 150 Million	1 November 2023	29 February 2024	Post 1 March 2024
5 th Wave	Exceeds SAR 100 Million	1 December 2023	31 March 2024	Post 1 April 2024
6 th Wave	Exceeds SAR 70 Million	1 January 2024	30 April 2024	Post 1 May 2024
7 th Wave	Exceeds SAR 50 Million	1 February 2024	31 May 2024	Post 1 June 2024
8 th Wave	Exceeds SAR 40 Million	1 March 2024	30 June 2024	Post 1 July 2024
9 th Wave	Exceeds SAR 30 Million	1 June 2024	30 September 2024	Post 1 October 2024
10 th Wave	Exceeds SAR 25 Million	1 October 2024	31 December 2024	Post 1 January 2025
11 th Wave	Exceeds SAR 15 Million	1 November 2024	31 February 2025	Post 1 February 2025
12 th Wave	Exceeds SAR 10 Million	1 December 2024	28 February 2025	Post 1 March 2025
13 th Wave	Exceeds SAR 7 Million	1 January 2025	31 March 2025	Post 1 April 2025
14 th Wave	Exceeds SAR 5 Million	1 February 2025	30 April 2025	Post 1 May 2025
15 th Wave	Exceeds SAR 4 Million	1 March 2025	31 May 2025	Date Awaited
16 th Wave	Exceeds SAR 3 Million	1 April 2025	30 June 2025	Date Awaited
17 th Wave	Exceeds SAR 2.5 Million	1 May 2025	31 July 2025	Date Awaited
18 th Wave	Exceeds SAR 2 Million	1 June 2025	31 August 2025	Date Awaited
19 th Wave	Exceeds SAR 1.75 Million	1 July 2025	30 September 2025	Date Awaited
20 th Wave	Exceeds SAR 1.5 Million	1 August 2025	31 October 2025	Date Awaited

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Douglas](#) or Tax Director [Mohammad Huwitat](#).

Corporate Tax

The Saudi Zakat, Tax, and Customs Authority (ZATCA) Clarifies the Application of Double Taxation Relief Under Tax Treaties

ZATCA has released new guidance on double taxation relief under Saudi Arabia's tax treaties. The guidance explains different methods available under various treaties:

- **Exemption Methods:**

- **Full Exemption Method:** The state of residence ignores income taxed in the source country for local tax purposes and doesn't factor the exempt income into the tax rate.
- **Exemption with Progression Method:** The state of residence does not levy tax on income taxed in the source country but considers it when determining the tax rate for other income.

- **Credit Methods:**

- **Full Credit Method:** The state of residence credits taxpayers for the full tax payable in the source country, even if it exceeds the local tax.
- **Ordinary Credit Method:** The state of residence credits taxpayers for the tax paid in the source country, limited to what the local tax would have been.

The guidance includes examples for each method type and extends to Zakat taxpayers, who generally do not apply double taxation relief methods, but the treaties include clauses ensuring Zakat systems are not prejudiced. For dual status taxpayers subject to both Zakat and income tax, partial double taxation relief methods apply based on ownership.

Steps for obtaining double taxation relief involve submitting an application with necessary details. The application is re-viewed, and further information may be requested before approval or denial of the exemption or credit.

The guidance also lists Saudi Arabia's tax treaties, detailing the type of double taxation relief provided and relevant treaty articles. Most treaties apply the ordinary credit method, while some use the exemption or a combination of methods for specific incomes like dividends, interest, and royalties.

To access the guide, please click [here](#).

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Daglas](#) or Tax Director [Mohammad Huwitat](#).

The Saudi Zakat, Tax, and Customs Authority (ZATCA) Issues Guidance on Withholding Tax Including Claims for Reductions and Exemptions Under Tax Treaties

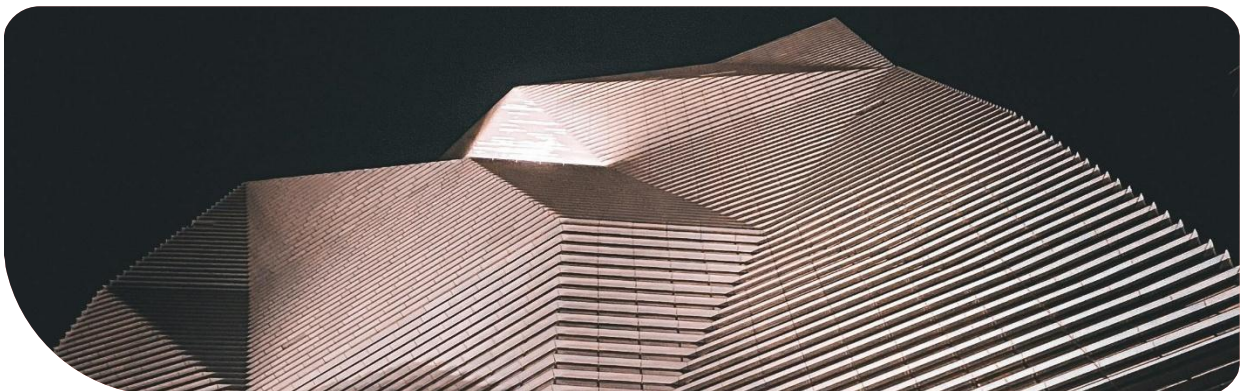
ZATCA has released comprehensive guidance on withholding tax as per domestic legislation and international tax treaties. The guidance elaborates on the application of withholding tax to payments made to non-residents from Saudi Arabian sources, outlining domestic rates and providing specific examples for various income types, such as dividends, interest, and royalties. The guidance also details the procedures for claiming treaty benefits, which can be done through direct application of reduced rates or exemptions at the time of payment, or via subsequent refunds.

To apply reduced rates or exemptions directly, withholding agents must submit necessary documents through ZATCA's portal. These documents include a tax residency certificate from the foreign tax authority, a specific application form, and a declaration from the resident taxpayer. Certification by the Saudi embassy in the non-resident's country, or an apostille from the foreign tax authority, is required. If reduced rates or exemptions are not applied directly, non-residents can request refunds from ZATCA. This process involves submitting a tax residency certificate, an authorization letter, and withholding tax payment confirmation. There is generally a five-year statute of limitations for claiming treaty benefits.

The guidance also provides a list of Saudi Arabia's tax treaties, specifying the type of double taxation relief provided and relevant treaty articles. While most treaties apply the ordinary credit method, some use exemption methods or a combination for specific income types like dividends, interest, and royalties.

To access the guide, please click [here](#).

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Daglas](#) or Tax Director [Mohammad Huwitat](#).



Tax Treaties

Tax Treaty between Saudi Arabia and Serbia to be Signed

On 11 February 2025, the Saudi Council of Ministers granted authorization to the Ministry of Finance to sign an income tax treaty with Serbia. This groundbreaking agreement will be the first income tax treaty between the two nations. The treaty will come into effect after it is signed and ratified by both countries, marking a significant milestone in the financial and economic relations between Saudi Arabia and Serbia.

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Daglas](#) or Tax Director [Mohammad Huwitat](#).

Tax Treaty between Mauritania and Saudi Arabia has Entered into Force

The landmark income and capital tax treaty between Mauritania and Saudi Arabia officially entered into force on 1 January 2025. Originally signed on 2 December 2018, this treaty is the first of its kind between the two nations.

The treaty addresses various Mauritanian taxes, including those on non-commercial profits, wages, salaries, pensions, commercial and industrial profits, income from movable and immovable property, agricultural income, and real estate income. For Saudi Arabia, the treaty covers income tax and Zakat.

Key provisions of the treaty include the establishment of a permanent establishment (PE) for enterprises furnishing services through employees or engaged personnel if their activities exceed 183 days within any 12-month period in the contracting state.



The treaty also specifies withholding tax rates:

- Dividends: 5%
- Interest: 0%
- Royalties: 7%

Regarding capital gains, residents of one contracting state may be taxed by the other state on gains from the sale of im-movable property located in the other state, movable property forming part of a permanent establishment's business property, and shares in a company resident in the other state. Gains from the sale of other property by a resident of a contracting state are taxed only by that state.

Both Mauritania and Saudi Arabia apply the credit method to eliminate double taxation. This treaty will be applicable starting 1 January 2026, further strengthening the economic ties between the two countries.

Both Mauritania and Saudi Arabia apply the credit method to eliminate double taxation. This treaty will be applicable starting 1 January 2026, further strengthening the economic ties between the two countries.

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Daglas](#) or Tax Director [Mohammad Huwitat](#).

Saudi Arabia and Slovenia Discuss Progress in Tax Treaty Negotiations

According to a statement from Slovenia's Ministry of Finance, officials from Saudi Arabia and Slovenia convened on 16 January 2024, to discuss bilateral relations and the advancement of negotiations for an income tax treaty. If finalized, signed, and ratified, this treaty would mark the first of its kind between the two nations, representing a significant step forward in strengthening economic ties.

For more information, please click [here](#).

Should you need any further clarification and details regarding this update, please contact our GT KSA Tax Team – Head of Tax [Adel Daglas](#) or Tax Director [Mohammad Huwitat](#).

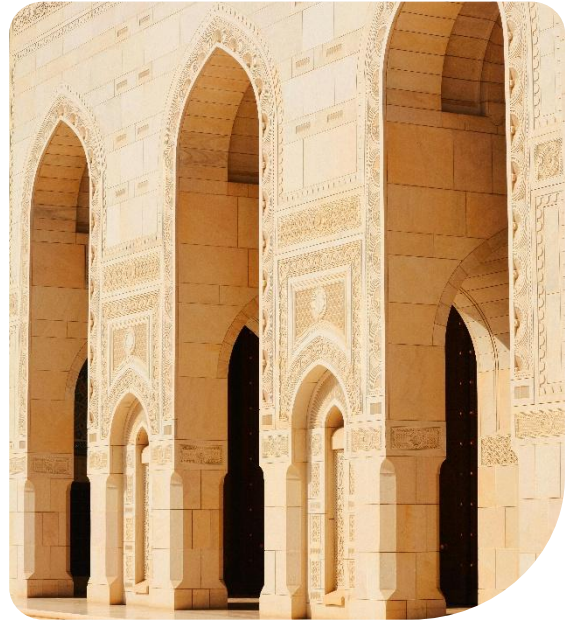
Oman Tax Updates

Tax Treaties

Iraq Authorizes Tax Treaty Negotiations with Oman

On 28 January 2025, the Iraq Council of Ministers authorized negotiations for an income tax treaty with Oman. This prospective agreement, if finalized, signed, and ratified, would be the first income tax treaty between the two nations, marking a significant step in enhancing their bilateral relations.

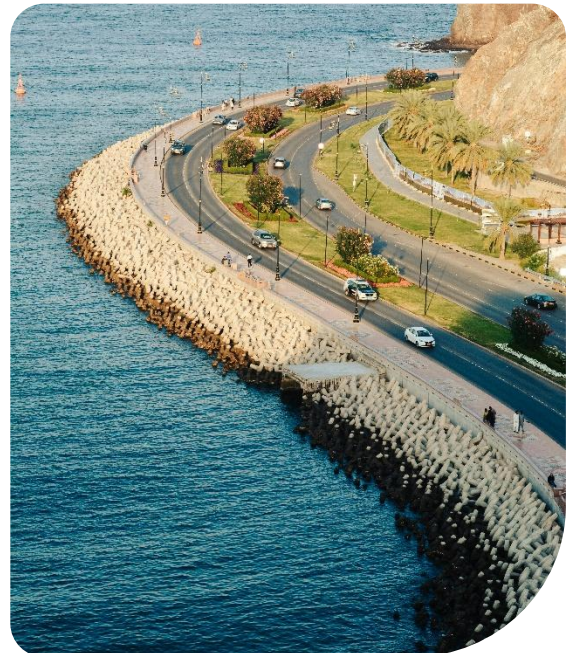
Should you need any further clarification and details regarding this update, please contact our Head of Advisory - GT Oman [Badar Al Hashmi](#).



Amending Protocol to Tax Treaty between India and Oman Signed

On 27 January 2025, officials from India and Oman signed a protocol amending the 1997 tax treaty between the two nations. This protocol, the first of its kind, will enter into force once the ratification instruments are exchanged. Further details of the protocol will be published once available, marking a significant update in the tax relationship between India and Oman.

Should you need any further clarification and details regarding this update, please contact our Head of Advisory - GT Oman [Badar Al Hashmi](#).



Egypt Ratifies Pending Tax Treaty with Oman

On 16 January 2025, Egypt published Decision No. 320 of 2024 in the Official Gazette, ratifying the pending income tax treaty with Oman. The treaty, initially signed on 22 May 2023, will enter into force after the exchange of ratification instruments. This marks the first operational tax treaty between the two countries, following a previous agreement signed in 2000 that never came into effect. The new treaty will be applicable from 1 January of the year following its entry into force, further strengthening economic ties between Egypt and Oman.

Should you need any further clarification and details regarding this update, please contact our Head of Advisory - GT Oman [Badar Al Hashmi](#).

Oman and Bahrain Sign Agreement to Eliminate Double Taxation and Prevent Fiscal Evasion

In January 2025, the governments of the Sultanate of Oman and the Kingdom of Bahrain signed a landmark agreement in Muscat aimed at eliminating double taxation and preventing fiscal evasion concerning taxes on income. The agreement also focuses on the prevention and avoidance of taxes between the two nations.

The historic signing marks a significant step in enhancing economic cooperation and strengthening fiscal relations between Oman and Bahrain. Officials from both governments have expressed optimism that this agreement will encourage cross-border trade and investment.

Further details about the agreement and its implementation are expected to be released by the respective authorities in due course.

Should you need any further clarification and details regarding this update, please contact our Head of Advisory - GT Oman [Badar Al Hashmi](#).



Excise Tax

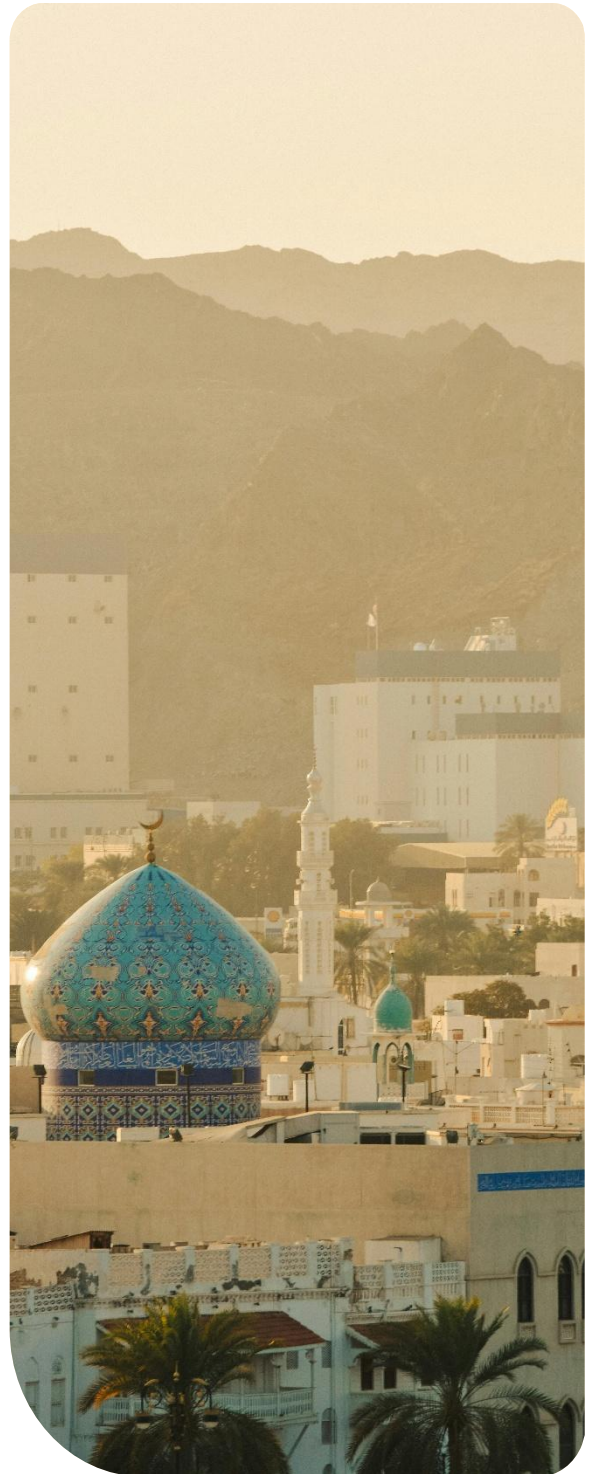
Oman releases New Digital Tax Stamp Requirement for Excise Products in 2025

Starting from 1 June 2025, importers of soft drinks, energy drinks, and other excise products (excluding sweet drinks) will be mandated to comply with the new Digital Tax Stamp (DTS) requirement. According to the regulations, these products will not be permitted for importation without the proper DTS.

Importers must ensure that their excisable goods adhere to the new compliance standards and bear the DTS, as part of efforts to enhance tax compliance and streamline tax collection processes. The authorities urge all stakeholders to familiarise themselves with the requirements to avoid disruptions in their import activities.

For more detailed information, importers should refer to the official guidelines provided by the relevant authorities.

Should you need any further clarification and details regarding this update, please contact our Head of Advisory - GT Oman [Badar Al Hashmi](#).



Bahrain Tax Updates

Corporate Tax

The National Bureau for Revenue (NBR) Provides New Guidance on Entities in Scope of the Domestic Minimum Top-Up Tax and Updates Registration Guidance

The NBR of Bahrain has released the "Entities in Scope of DMTT Guide" on 16 January 2025, aimed at providing comprehensive information on the newly implemented Domestic Minimum Top-Up Tax (DMTT) which came into effect on 1 January 2025. The 15% tax applies to large multinational enterprise (MNE) groups operating within the country, specifically those with consolidated group revenue of at least EUR 750 million in two or more of the last four fiscal years. The guide elaborates on which entities are subject to the DMTT Law and clarifies exclusions. It also details the revenue test criteria, the various entity definitions, and provisions for "safe harbors" and exclusions that might reduce the tax liability for eligible entities to zero.



Additionally, on 19 January 2025, the NBR updated its [DMTT Registration Manual](#). This manual outlines the registration procedures and offers guidance on utilizing the NBR online portal. Taxpayers will find support in navigating the registration process and completing the necessary forms for DMTT registration.

For more information, entities are encouraged to review the detailed guides available on the NBR's official website.

To access the guide, please click [here](#).

Should you need further clarification and details regarding this update, please contact GT Bahrain Tax Team – Senior Partner [Jatin Karia](#) and Director [Shashank Arya](#).

Tax Treaties

Bahrain's Consultative (Shura) Council Approves Pending Tax Treaty with the UAE

On 19 January 2025, Bahrain's Consultative (Shura) Council, the upper house of the National Assembly, approved the ratification of the pending income tax treaty with the United Arab Emirates (UAE). The groundbreaking treaty, signed on 11 February 2024, marks the first agreement of its kind between the two nations. The treaty is set to come into effect on the first day of the second month following the exchange of ratification instruments. Its provisions will be applicable from 1 January of the year after it enters into force. This historic agreement aims to foster economic cooperation and enhance fiscal relations between Bahrain and the UAE.

Should you need further clarification and details regarding this update, please contact GT Bahrain Tax Team – Senior Partner [Jatin Karia](#) and Director [Shashank Arya](#).



Kuwait Tax Updates

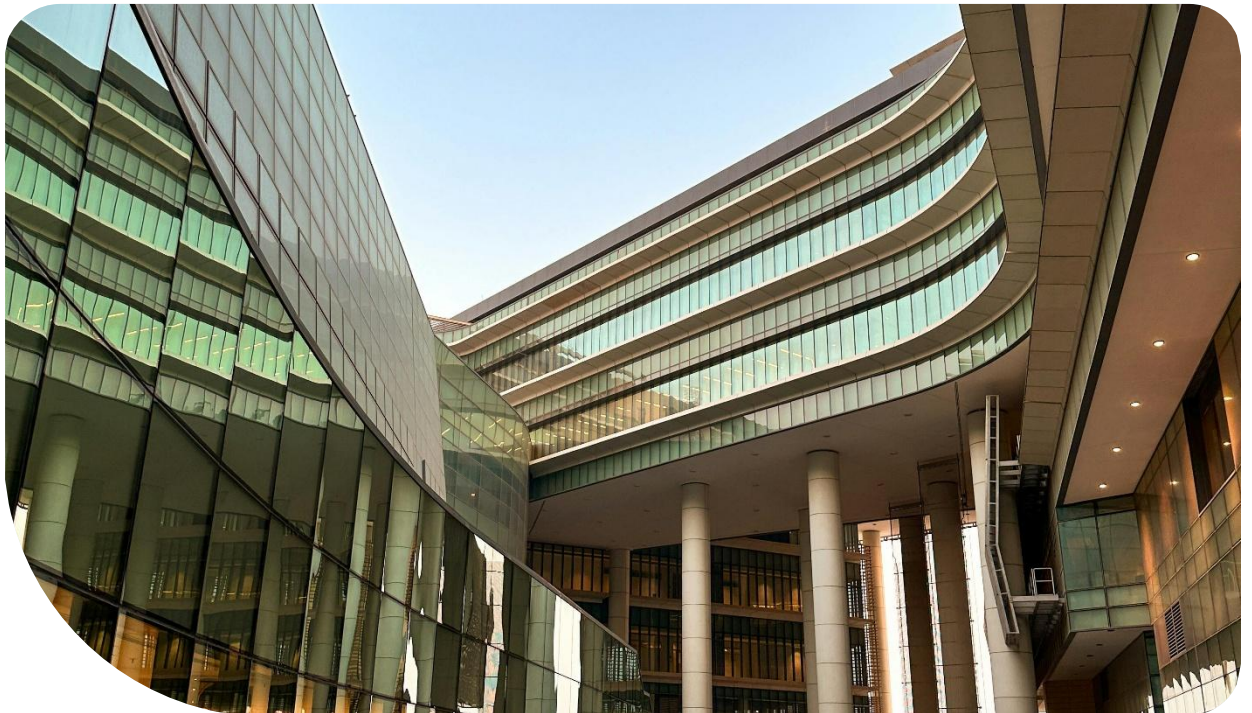
Corporate Tax

Kuwait Extends Statute of Limitation for Tax Claims

Kuwait has enacted Decree-Law No. 4 of 2025, amending Article 441 of the Civil Code established by Decree-Law No. 67 of 1980. This significant amendment extends the statute of limitations for tax claims from five years to ten years.

Decree-Law No. 4 of 2025 was officially published on 19 January 2025 and took effect immediately. The extension is anticipated to impact the resolution timeline for tax-related cases within the country, offering a longer period for authorities to address and resolve these claims.

Should you need any further clarification and details regarding this update, please contact our GT Kuwait Tax Team – Tax Partner [Hazem Al-Agez](#) or Tax Manager [Karim Ezz El-Din](#).



Qatar Tax Updates

Tax Treaties

Norwegian Cabinet Approves Amending Protocol to Tax Treaty with Qatar

On 24 January 2025, the Norwegian Cabinet approved the pending protocol to amend the 2009 income tax treaty with Qatar. The protocol, which was signed on 4 September 2024, marks the first amendment to the treaty and introduces several significant changes.

Key modifications include the replacement of the title and preamble to align with OECD BEPS standards. Additionally, Paragraph 1 of Article 21 (Offshore Activities) has been revised to ensure its application, subject to Article 23 (Limitation on Benefits). Article 23 now incorporates a principal purpose test, preventing treaty benefits if obtaining such benefits was one of the primary purposes of any arrangement or transaction, unless in accordance with the treaty's objectives. Moreover, Article 27 (Exchange of Information) has been updated to meet OECD standards for information exchange.

The protocol will come into effect 30 days after the exchange of ratification instruments and will be applicable from 1 January of the year following its entry into force. This amendment aims to enhance the transparency and effectiveness of the tax treaty between Norway and Qatar.

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).



Moldova and Qatar to Begin Tax Treaty Negotiations

In a recent announcement from Moldova's Ministry of Finance, it was revealed that officials from Moldova and Qatar met on 16 January 2025 and concurred on the necessity to initiate negotiations for an income tax treaty. This prospective treaty would be a pioneering agreement between the two nations.

Before the treaty can take effect, it must undergo a thorough process of finalization, signing, and ratification by both countries. The negotiations mark a significant step towards enhancing fiscal relations and economic cooperation between Moldova and Qatar.

For more information, please click [here](#).

Should you need any further clarifications and details regarding this information, please contact our International Tax Team – Partner [Anuj R. Kapoor](#) or Tax Director [Hassan Fadda](#) or, Associate Tax Director [Tatiana Stupenkova](#).



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