

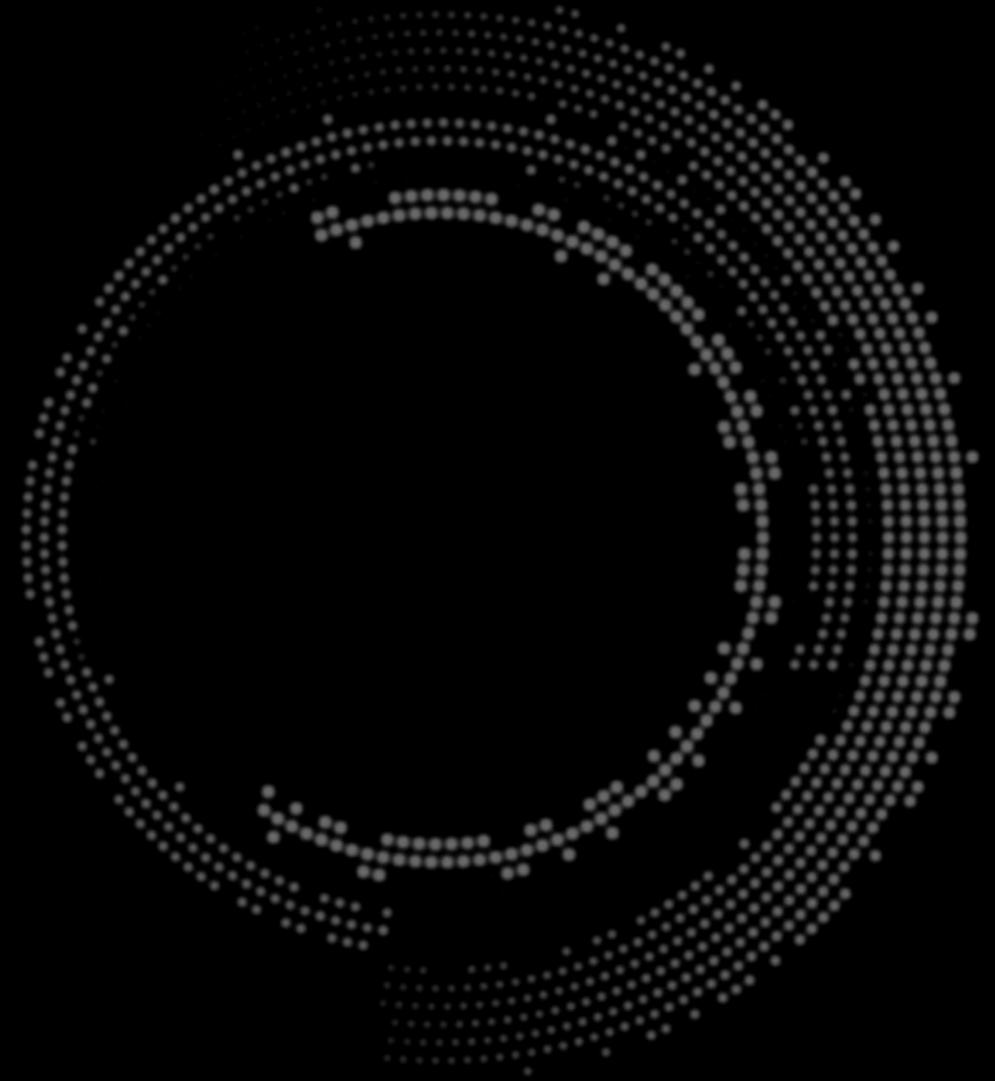


Qatar Tax Conference 2021
Qatar business outlook and tax
developments over the past 12 months

February 2021

Agenda

-  Qatar - Economic and business outlook
-  Qatar – The investment destination of the future
-  Corporate Income Tax
-  Withholding Tax
-  Contract reporting
-  Dhareeba
-  International Tax updates
-  Qatar Transfer Pricing developments
-  Indirect Tax



Qatar - Economic and business outlook

Economic and business outlook

Qatar remains a sustainable economy and continues to maintain a growth momentum

“H.E. Ali Shareef Al-Emadi, Minister of Finance”

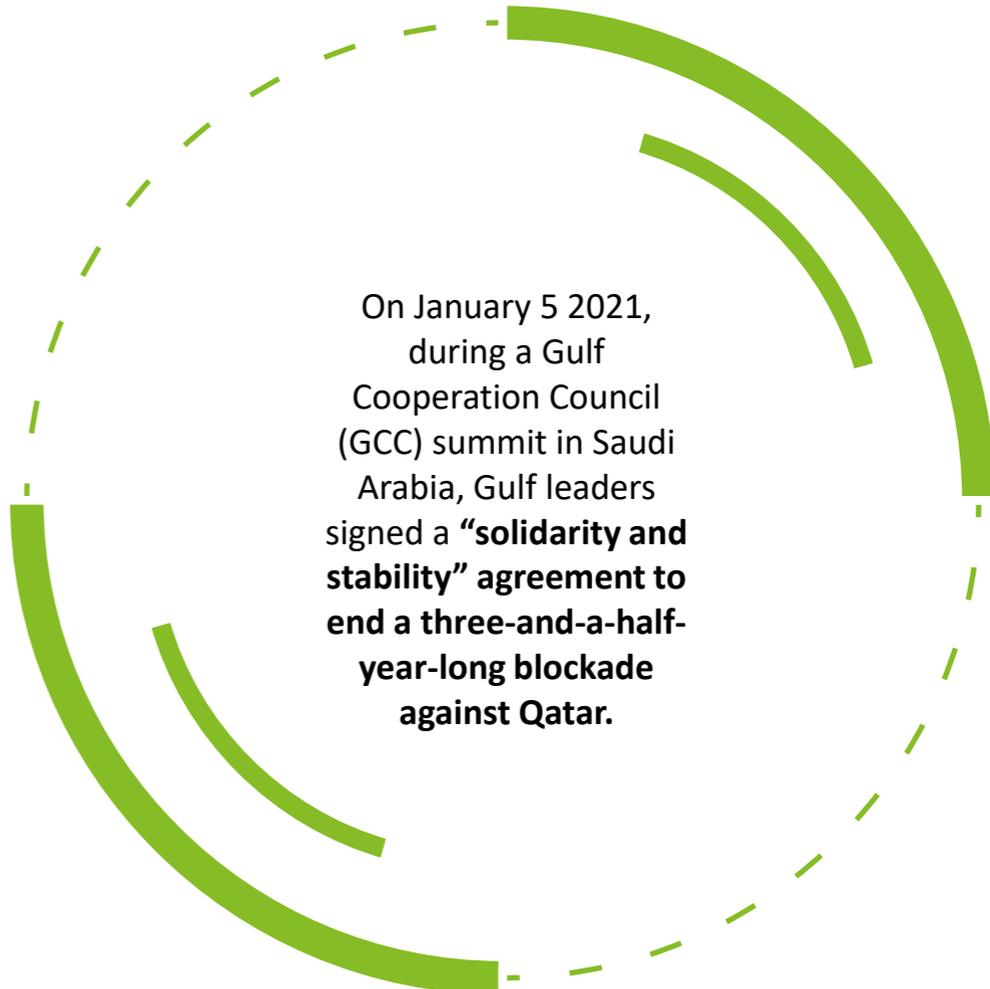
Revenue in 2021’s budget is based on a conservative average oil price assumption of \$40 per barrel. This reflects a continued policy of conservative revenue estimation to maintain a fiscal balance and minimize the impact of the fluctuation in energy prices on the budget.

“Qatar Chamber Chairman Sheikh Khalifa bin Jassim Al Thani”

Qatar’s budget for 2021 confirms the resilience and the durability of the national economy despite the repercussions of the COVID-19 pandemic.

“International Monetary Fund – Statement issued by IMF team”

The ambitious structural reform agenda underpins Qatar’s economic diversification efforts to enhance long-term potential growth.



On January 5 2021, during a Gulf Cooperation Council (GCC) summit in Saudi Arabia, Gulf leaders signed a **“solidarity and stability”** agreement to end a three-and-a-half-year-long blockade against Qatar.

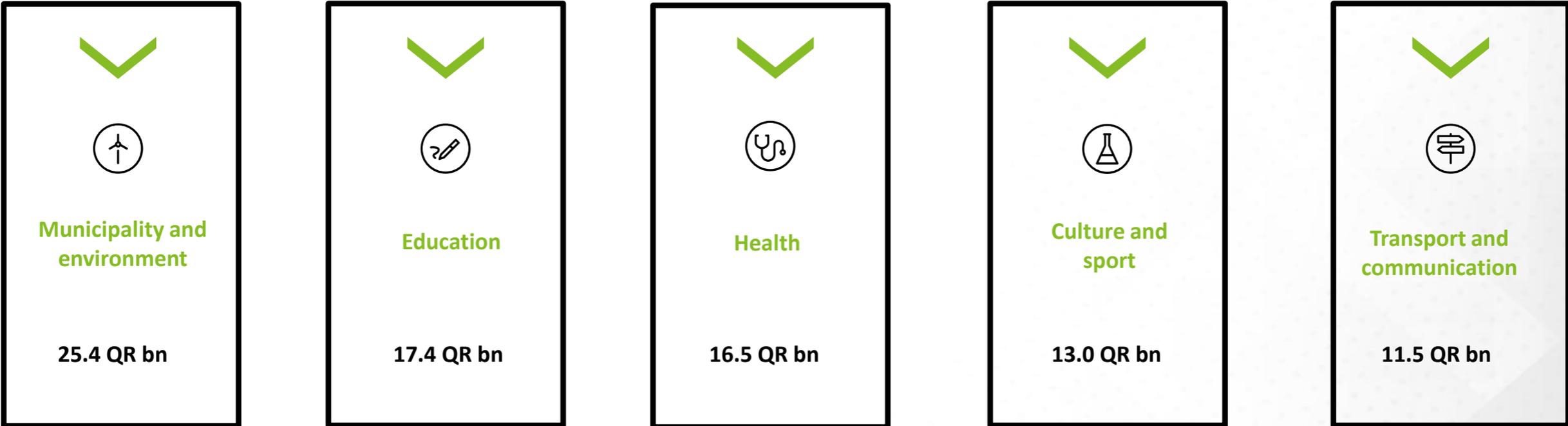
Economic and business outlook

Conservative revenue estimation to maintain a fiscal balance

		QAR Bn		
		FY 2019	FY 2020	FY 2021
Revenue	Oil revenue	170	168	121.6
	Non-oil revenue	44.7	43	38.5
	Total	214.7	211	160.1
Oil price-based budget \$40 per Barrel in 2021				
Total expenditure	Salaries and wages	61.4	59	57.9
	Current expenditure	62.7	58	60.7
	Minor capex	4.1	3.5	4.0
	Major projects	80.2	90	72.1
	Total	208.4	210.5	194.7

Economic and business outlook

Allocation of QR. 72.1 Bn to Major Projects



Economic and business outlook

A sound spending plan for Major Projects over the next 4 years

2021	2022	2023	2024	Total
5.9 QR bn	9.1 QR bn	11.5 QR bn	27.4 QR bn	53.9 QR bn

Major projects

Projects	Estimated cost (QR bn)
Development of existing areas and new citizens' lands	35.2
Roads and Public Places Beautification projects	1.6
Drainage and Estuaries	4.9
Maintenance	5.8
Hamad Medical Corporation	1.1
Ministry of Municipality and Environment	2.1
Ministry of Transportation and Communications	1.0
Others	2.2
Total	53.9

Snapshot of tax developments in Qatar in the past 12 months

- 4 months extension of Income Tax Return submission deadline for Tax year 2019 allowing taxpayer manage the impact of COVID 19

- Extension for FACTA and CRS submission deadline due to additional difficulties brought by COVID 19

- MLI enters into force on 1 April 2020

- Circular 4 issued in August 2020 clarifying tax exemptions applicable to share of profits attributable to Qatari nationals.

- MOU signed between the GTA and the General Authority of Customs to integrate and make the Excise tax process efficient

- In line with the BEPS action plan, Qatar issued detailed directives for Mutual Agreement Procedures (MAP) work

- Introduction of new digital tax portal “Dhareeba” allowing taxpayers to effectively manage their tax affairs.

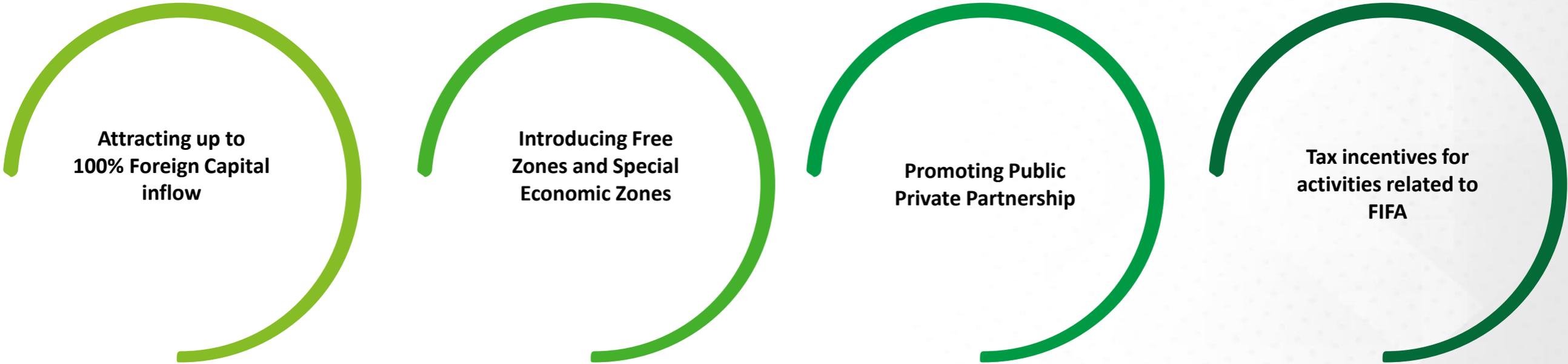
- Issuance of new circulars by Qatar Financial Centre regarding tax exemption related to entities listed on the Qatari stock market and tax exemptions of income derived by defence contracts – January 2021

- Domestic PE regulations aligned with OECD guidelines

Qatar – The investment destination of the future

Qatar – The investment destination of the future

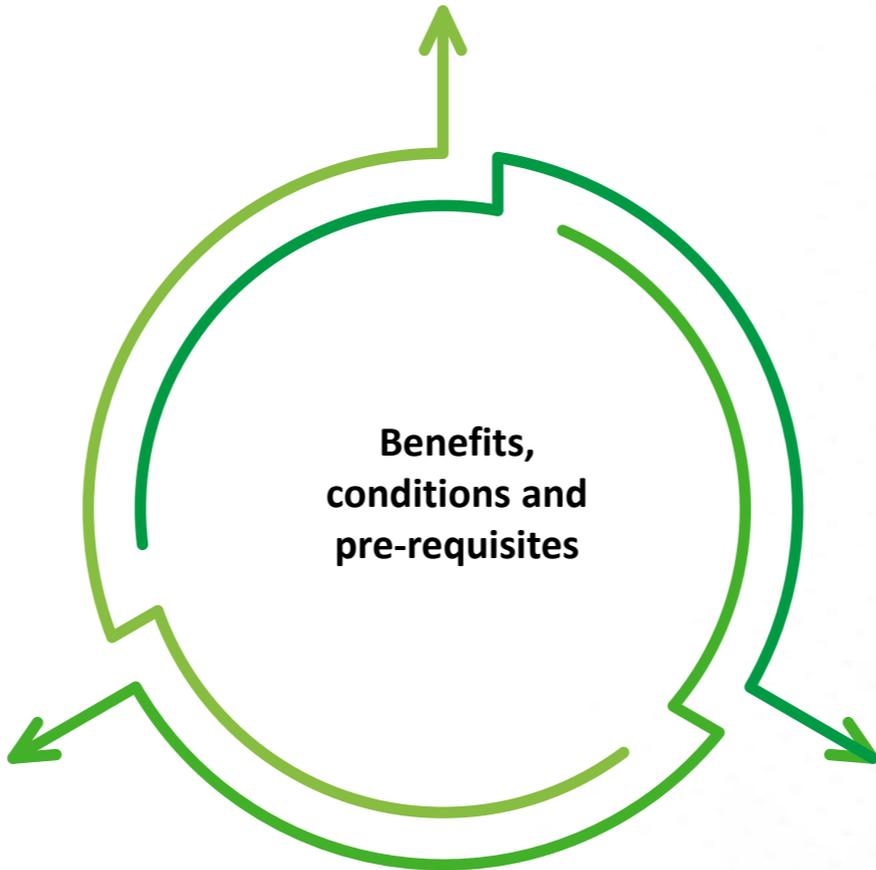
Promoting economic development through attracting foreign direct investment



Qatar – the investment destination of the future

Attracting up to 100% direct foreign capital inflow

An application accompanied with a detailed business case must be submitted to obtain the Ministerial approval.



Foreigners are permitted to own 100% capital, whether cash or in kind, in all commercial and economic activities, except banking and insurance.

Benefits such as allocation of commercial land, possible Tax and custom duty exemptions, and access to market.

Qatar – The investment destination of the future

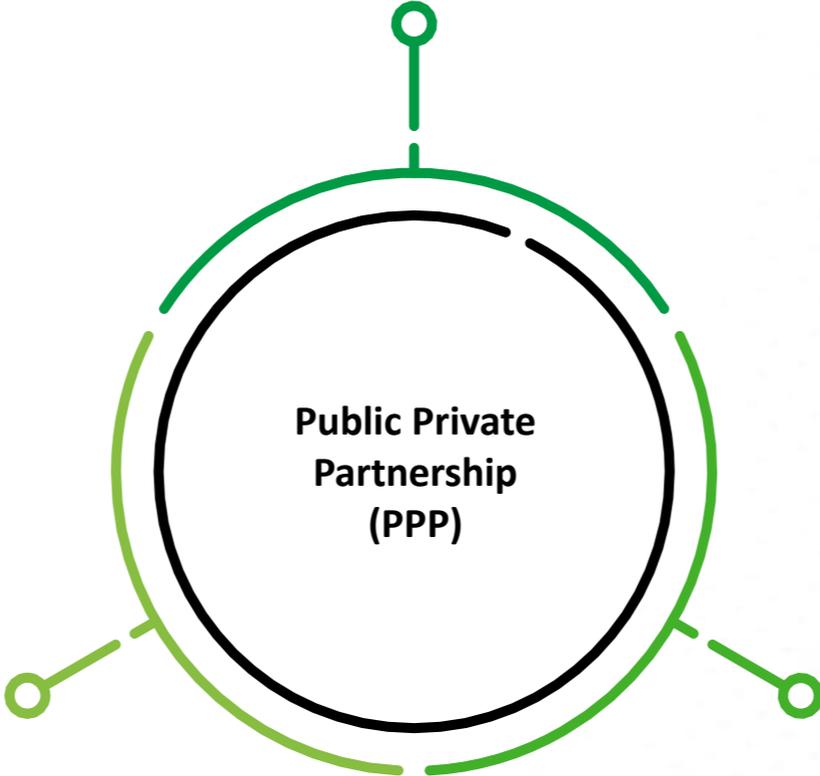
Facilitation through Free Zones and Special Economic Zones



Qatar – The investment destination of the future

Promoting Public Private Partnerships (PPP)

A robust legal framework to regulate the PPP.

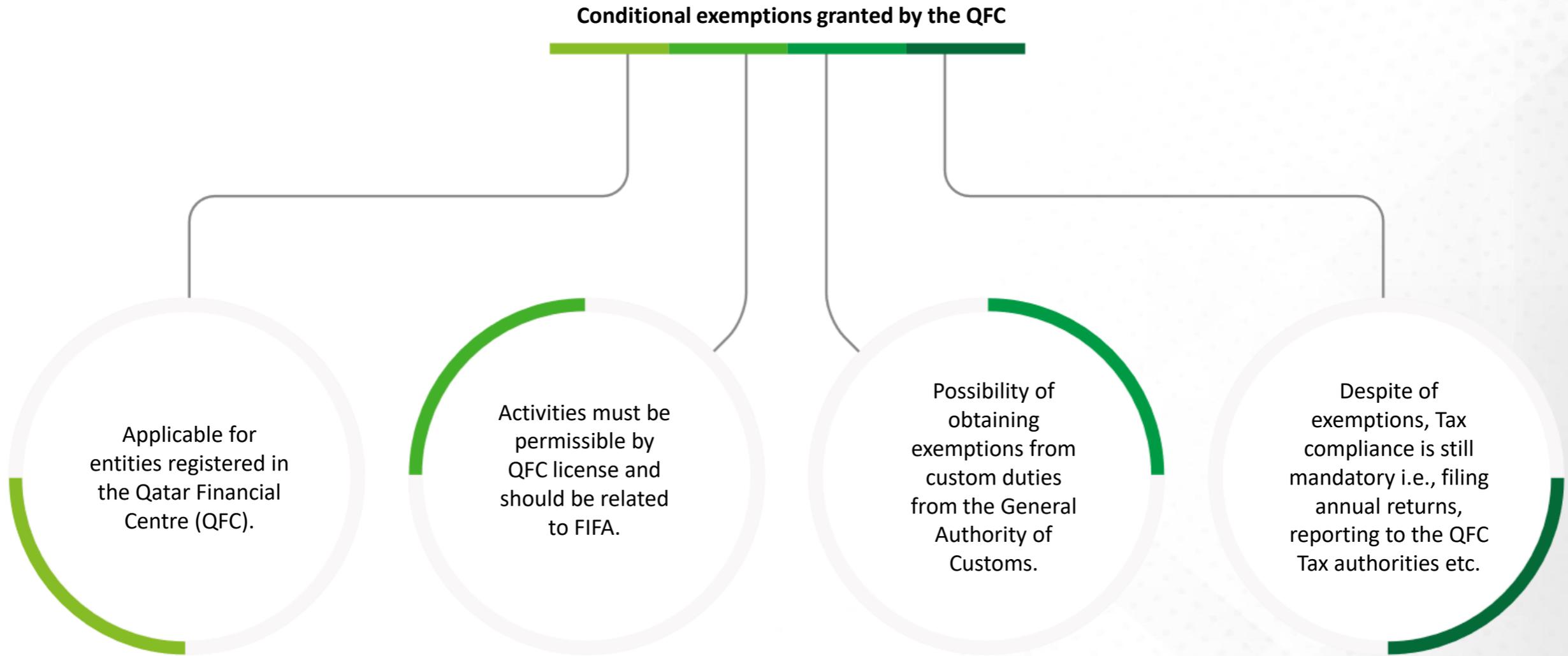


With the objective to organize agreements between Public bodies and private sector allowing investment and financing opportunities with promising returns.

Aim to achieve the planned capital projects or mega projects planned by Public Works Authorities and other state agencies.

Qatar – The investment destination of the future

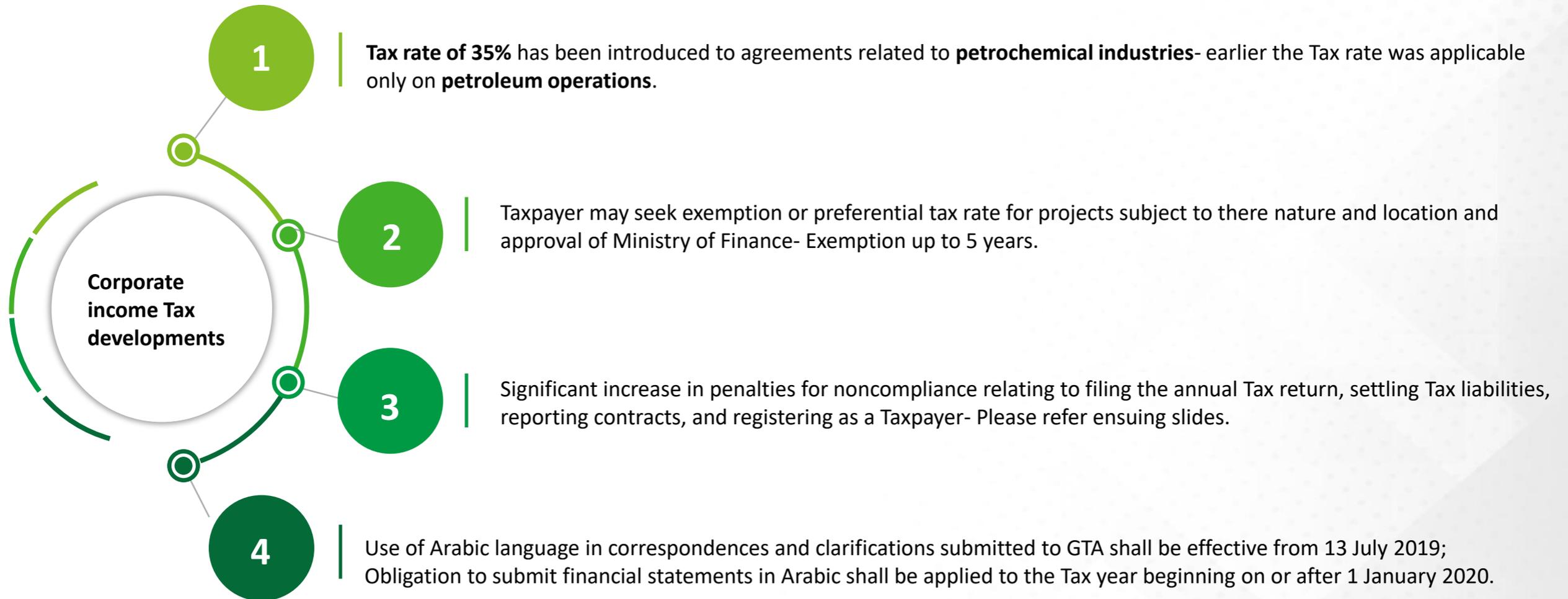
Tax incentives for activities related to FIFA



Corporate Income Tax

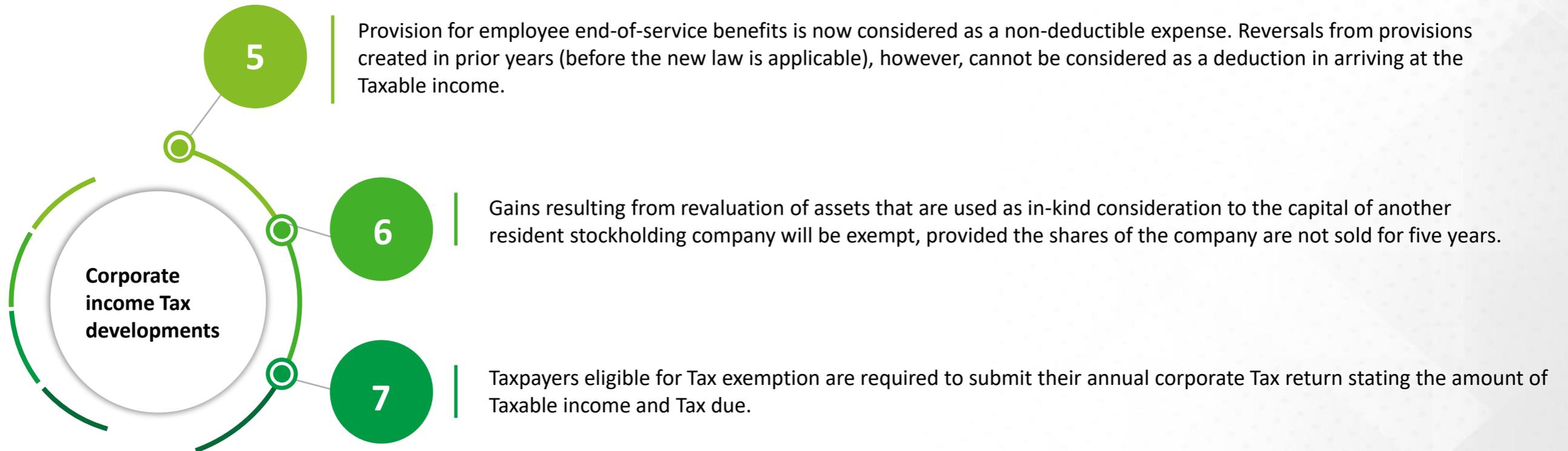
Corporate income Tax developments

Recap on major changes from the old Income Tax Law



Corporate income Tax developments

Recap on major changes from the old Income Tax Law (continued)



Corporate Income Tax developments

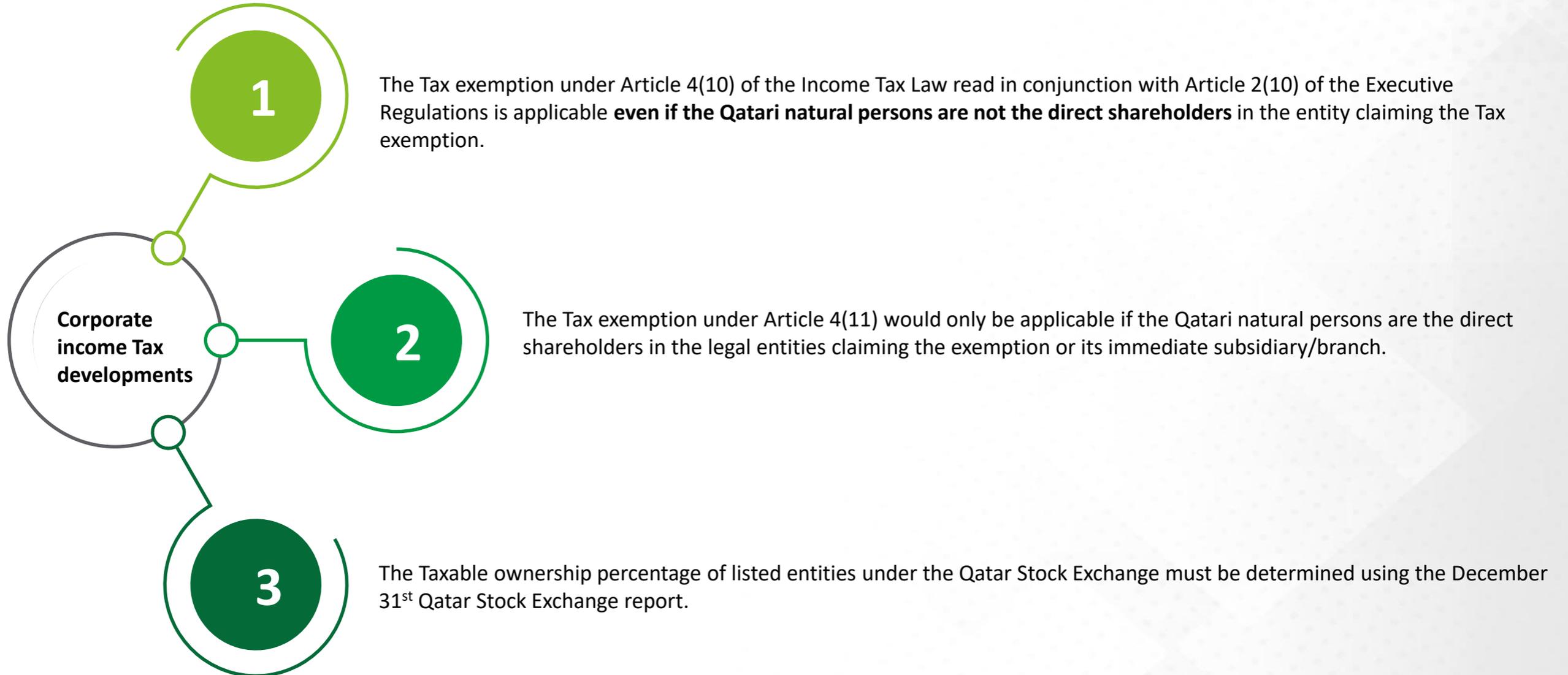
Changes to penalties applicable under the tax law

Particulars	Penalty under new ITL	Penalty under old ITL
Late filing of Tax return	QAR 500 per day up to maximum of QAR 180,000	QAR 100 per day up to maximum of QAR 36,000
Late payment of Income Tax	2% per month, up to a maximum of 100% of the amount of Tax due	1.5% per month, up to a maximum of 100% of the amount of Tax due
Late payment of Withholding Tax	2% per month, up to a maximum of 100% of the amount of Tax due	Introduced in new ITL
Failure to withhold Taxes	100% of the withholding Tax	100% of the withholding Tax
Contravention of the following provisions - Registration with the GTA; - Notification to the GTA of any change that can affect the Tax obligations	QAR 20,000	QAR 5,000
Tax-exempt entity failed to file a Tax return and corresponding documents	QAR10,000	QAR10,000
Failure to maintain proper accounting records and submit audited financial statements	QAR 30,000	QAR 15,000
Failure to report contracts/agreements to the GTA	QAR 10,000	Introduced in new ITL
Failure to comply with obligations as entered by the ministry for international agreements (such as CRS, FATCA, CbCR, etc.)	QAR 500,000	Introduced in new ITL

Corporate income Tax developments

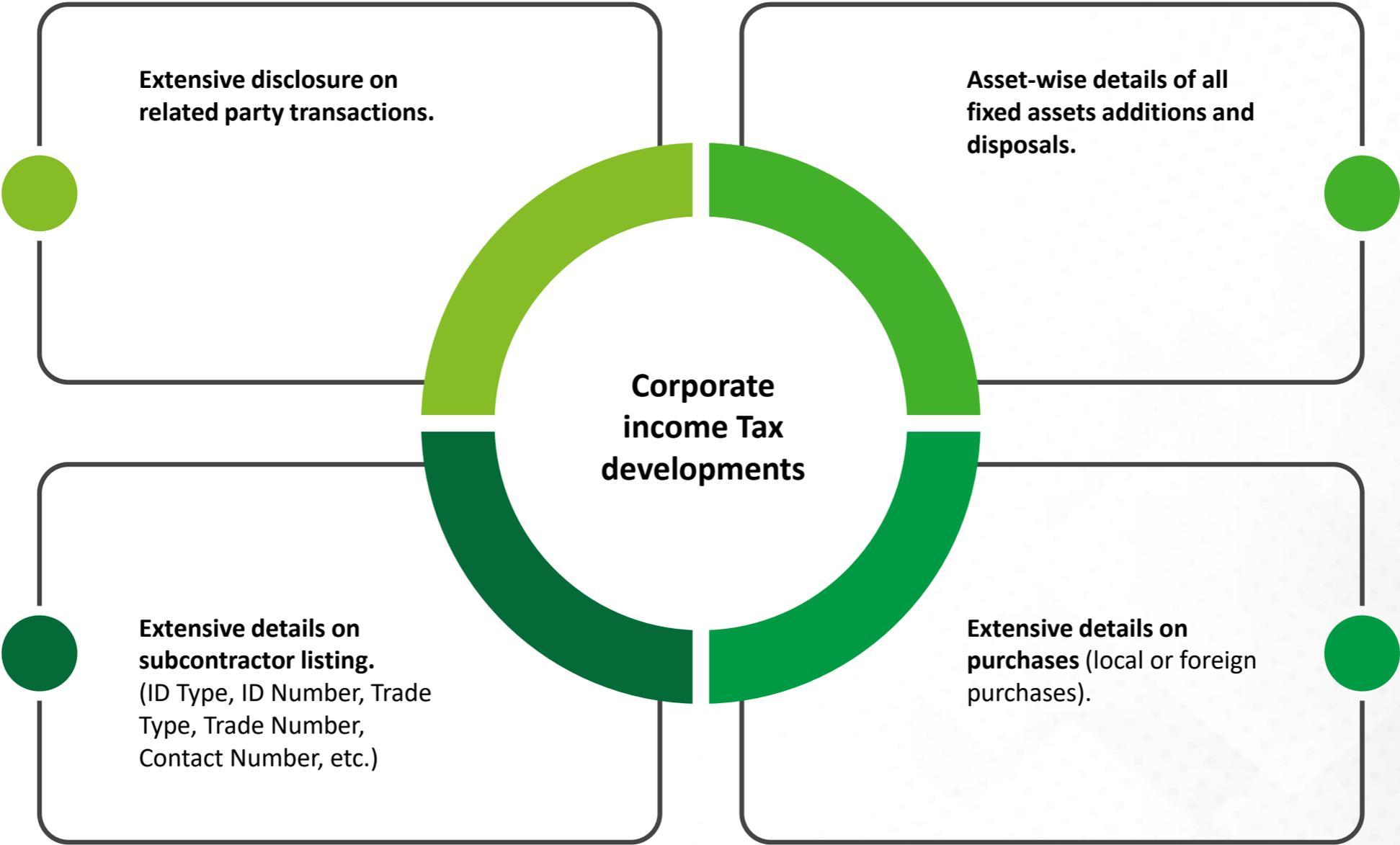
Clarifications issued by the GTA on the Executive Regulations (Circular 4/2020)

On August 2020, the General Tax Authority (“GTA”) has clarified salient points on certain provisions of the Executive Regulations in relation to the Income Tax Law (Law no. 24 of 2018).



Corporate income Tax developments

Additional requirements for the 2020 CIT filing



Corporate income Tax developments

Dhareeba requirement - Subcontractor details

1 Basic Information2 Return's Information3 Additional Information4 Summary5 Declaration

Sub Contractor Details

Transaction with Related Party
 Yes No

Residence of Subcontractor
 Resident Non Resident

ID Type ⓘ
Select ▼

Issuing Country
Select ▼

Issue Date
dd/MM/yyyy 📅

Type
Select ▼

ID Number ⓘ
[Text Box]

Nationality
Select ▼

Expiry Date
dd/MM/yyyy 📅

Amount
[Text Box]

Trade Name
[Text Box]

Mobile Number
+ [Text Box] [Text Box]

Email Address
[Text Box]

Description
[Text Box]

Trade Type
[Text Box]

Phone Number
+ [Text Box] [Text Box]

Zone	Street	Building	Floor	Office #
[Text Box]				

◀ Back20Next ▶

Corporate income Tax developments

Dhareeba requirement - Depreciation

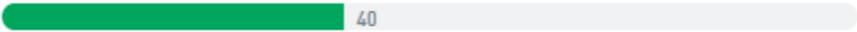
1 Basic Information **2 Return's Information** **3 Additional Information** **4 Summary** **5 Declaration**

Asset **Asset Type** **Asset Category** **Asset Code**

Select Select Select

Asset Brief Description

Sr.No.	Description	Amount
1.0	> General Information	
2.0	> Accounting Depreciation	
3.0	> Tax Depreciation	

[◀ Back](#)  [Next](#)

Corporate income Tax developments

Dhareeba requirement - Purchases

<input checked="" type="checkbox"/> 2.1.2 Purchases	0.00
2.2.1.1 Local Purchases	0.00
2.2.1.2 Foreign Purchases	0.00

Corporate income Tax developments

Clarifications issued by the GTA on Tax payments

The GTA has updated its official bank accounts

Going forward, Taxpayers are now required to remit payments to the below bank account:

Account Name: GENERAL Tax AUTHORITY

IBAN: QA53 QNBA 0000 0000 0013 2932 4606 1



Corporate income Tax developments

Updates on QFC Tax regulations

The QFC Tax Authority has recently released an amended QFC Tax Regulations to achieve parity of treatment with the State Tax Regime.



1

The Qatar Financial Centre (QFC) Tax Authority has amended **Article 82 of the QFC Tax Regulations** (Election for Special Exempt Status) to include QFC entities that are listed in the Qatar Stock Exchange to the list of entities eligible for the exempt status.

2

The QFC Tax Authority issued a Concessionary Statement of Practice (CSoP) which lays down the criteria for QFC entities wishing to exempt income from defense or security contracts which are carried out for the benefit of the **Ministry of Defense (MoD), the Ministry of Interior (Moi) or other defense or security agencies in the State.**

Withholding Tax



Withholding Tax

All non-resident service payments will now attract Withholding Tax at 5%

5% WHT

Single withholding Tax rate of 5% will now apply for payment made to non-residents (without a PE in the Qatar) for all service payments including royalties and interest.

Withholding Tax

Consumption test

Services rendered by non-resident vendors will be subject to withholding Tax if consumed, used or utilized inside Qatar.

12 months rule

Effective December 11, 2019, all accrued invoices would now qualify for the 12-month rule. Such invoices must be subject to Withholding Tax, whether paid or not.

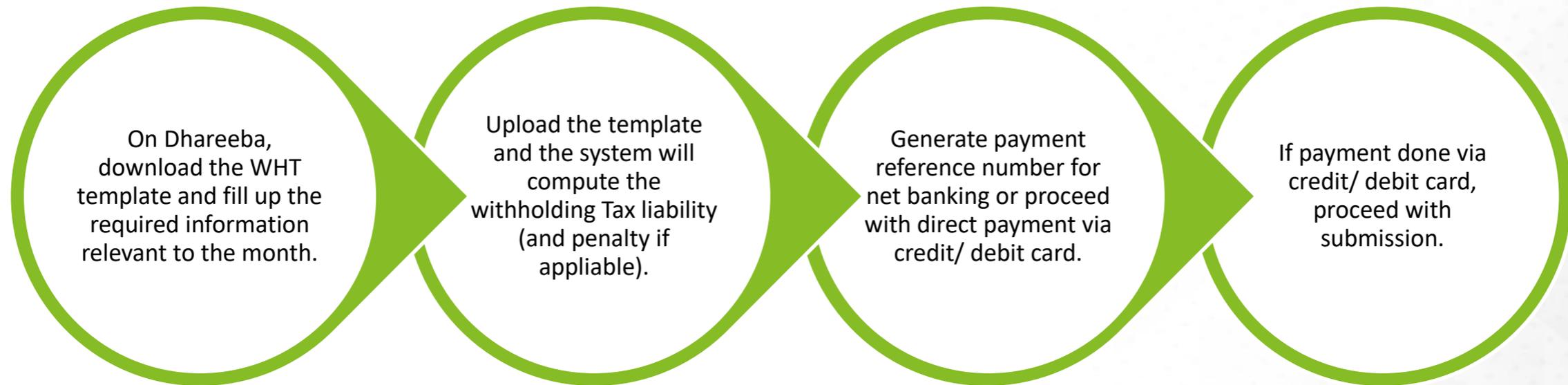
Withholding Tax – Information required

Below is the snapshot of the WHT template highlighting the required information to complete the withholding Tax filing:

Type of Transaction	Type of payment	Description of the Transaction	Payment Document	Reference Number	Payment Document date	Payee payment date	Currency

Amount Subject to WHT	Rate	Payee's Id Type	ID Number	Trade Name	First Name	Last Name	Jurisdiction of Residence

Withholding Tax Filing Process – Direct payment



Withholding Tax – Net banking

For net banking, ensure correct payment reference is mentioned.

Upload the remittance advice on the system under the payment tab.

GTA will reconcile and approve the payment on the system.

Once the GTA has approved the payment, proceed with the submission.

Payment Instruction Slip – Net Banking

Below is the snapshot of payment instruction slip:

Total payment to be made: 1251.05 QAR

Home → Bank Transfer

090000116123

Payment Instructions Slip

Pay:	0013-293246-061
TIN:	5000204388
Payment Reference Number:	090000116123
Currency & Amounts:	QAR 1251.05
Taxpayer Name:	ملاحة كاتريال

Should you have any queries, you can to frequently asked questions on our website (www.gta.gov.ma) or contact us directly at Government Call Center: 16565 or +974 4406 9941 from outside Qatar or support@gta.gov.qa

Instructions :
These instructions need to be read and understood before to proceed with Bank Transfer.

- Go to your online banking for Bank to Bank transfer; Log in to your bank account using your banking credentials and add the following as a beneficiary before making the payment:
For payments in QAR - GTA Account "0013-293246-061" / IBAN Number "QA53 QNBA 0000 0000 0013 2932 4606 1" / SWIFT Code "QNBAQAQXXX"
For payments in USD - GTA Account "0013-048898-053" / IBAN Number "QA51 QNBA 0000 0000 0013 0488 9805 3" /

Withholding Tax filing process – Net banking

Click on the pending payment tab and select the relevant payment reference:

Pending Payment Transfer

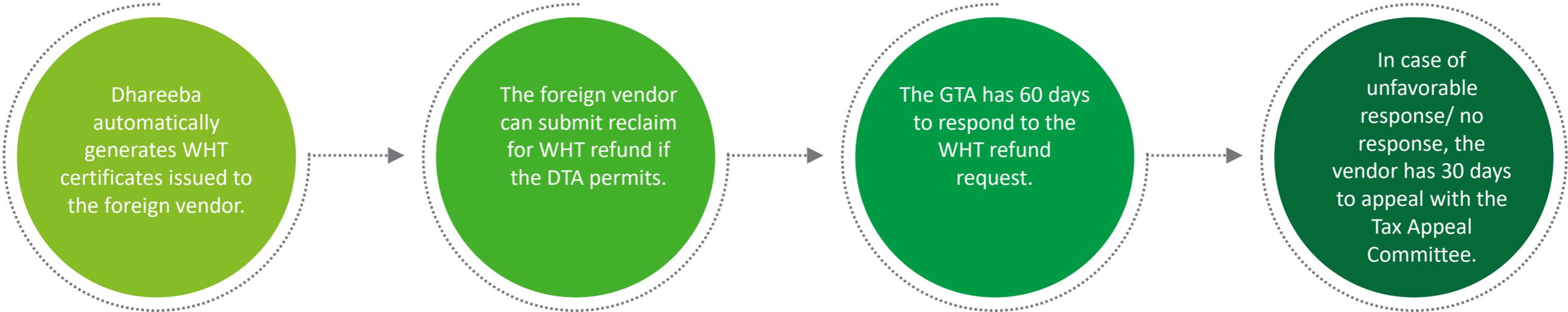
Generated On	Payment Reference #	Payment Method	Currency	Amount	Actions
18/11/2020	90000114539	Bank Transfer	QAR	175,071.32	  
14/01/2021	90000121684	Bank Transfer	QAR	521.51	  
14/01/2021	90000121690	Bank Transfer	QAR	1,898.25	  

Upload the payment advice and relevant details:

Pending Transfer Details

Generated On 14/01/2021 	Payment Reference Number 90000121690	Bank Name <input type="text"/>
Payment Method Bank Transfer	Currency QAR	Amount 1,898.25
Transfer Date DD/MM/YYYY 	Sender Account Name <input type="text"/>	Bank Receipt Number <input type="text"/> 

Withholding Tax refund process



Contract reporting



Contract reporting

Applicability

Government bodies, authorities, public establishments, companies, associations, private establishments, associations, private philanthropic foundations, private institutions for public benefit and individual enterprises.

What needs to be reported?

Contracts concluded with non-residents with no permanent establishment in the State of Qatar, regardless of their value.

Contracts concluded with residents or with non-residents who have a permanent establishment in the State of Qatar if the contract value attains:

- QAR 200,000 (two hundred thousand Qatari Riyal) for service contracts, and
- QAR 500,000 (five hundred thousand Qatari Riyal) for contracting, supply and services.

How and when to report?

The contracts must be reported within 30 days. As per the Income Tax Law, a penalty of **QR 10,000/-** per contract is applicable on each contract not reported.

Contract reporting

FAQ

1 Would it include reporting of pure supply of goods/materials?

2 How to report Purchase Orders?

3 Should we report client contracts and supplier contracts both?



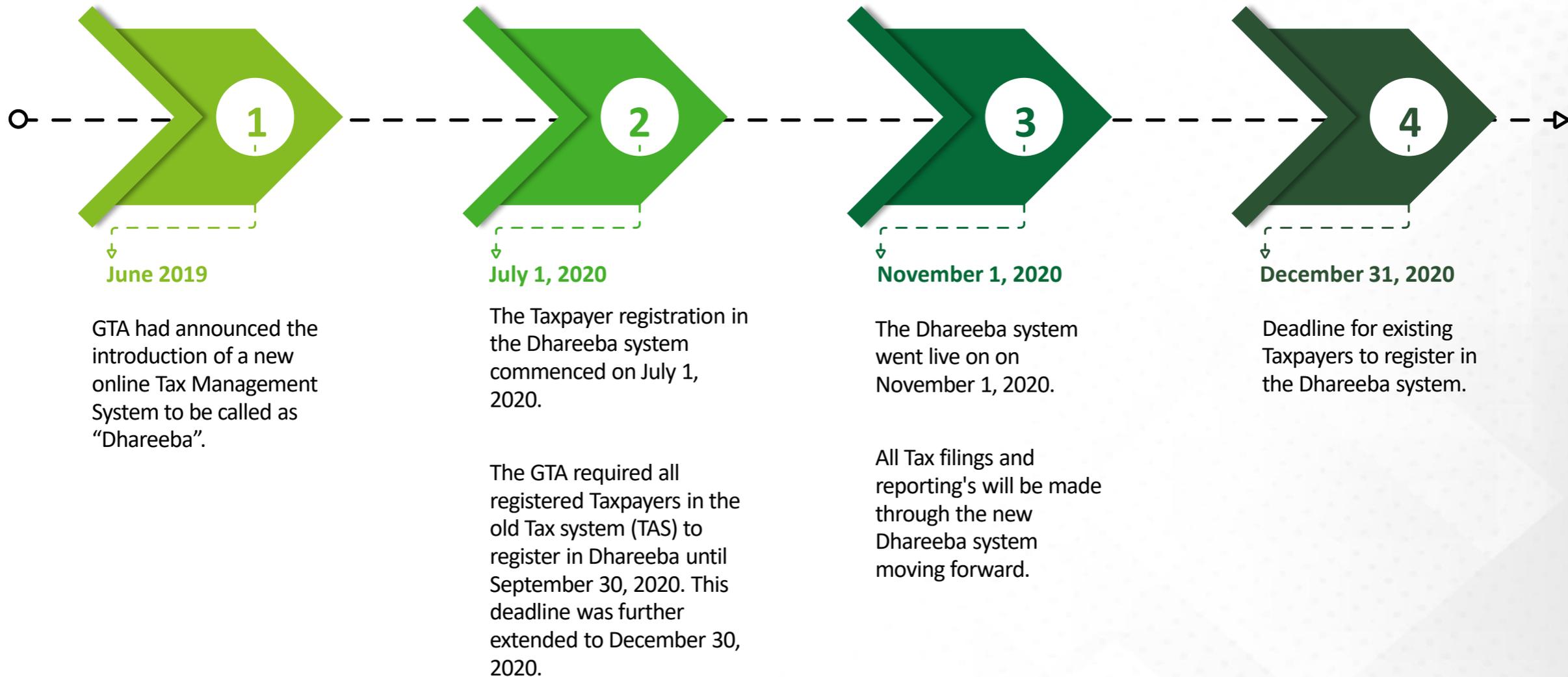
Trends observed at GTA and appeals

Trends observed at GTA and appeals



DHAREEBA – the new digital tax management system of the GTA

Timeline

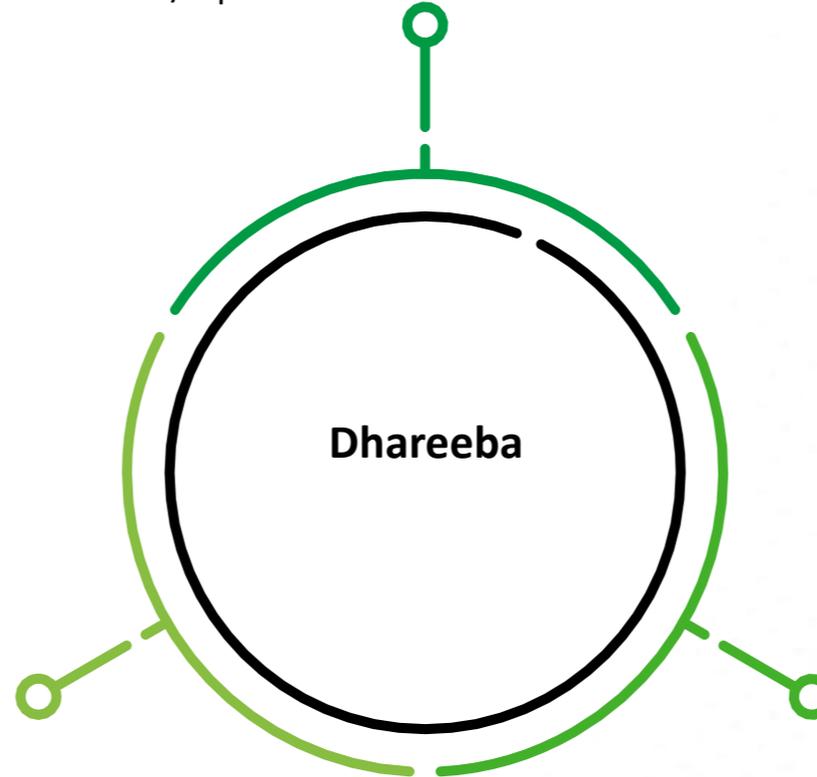


DHAREEBA – the new digital tax management system of the GTA

An all-inclusive digital platform to cater taxpayer's needs

Dhareeba is the new online Tax administration system in Qatar replacing the old TAS management system.

Administrative Ease: Tax administration through a Taxpayer representative/Tax agent (e.g. Deloitte). This would allow Tax agents to file returns/reports and communicate to the GTA on behalf of the Taxpayer.



Online Management (www.dhareeba.gov.qa): The Dhareeba system allows Taxpayers to validate and file Tax returns, make payments, and make certain Tax related requests online. The online system and the support center are available 24/7.

Gov't call center: 16565
Calling from outside Qatar: +974 4406 9941
Email: support@dhareeba.qa

Integrated Services: The Dhareeba system is connected with the other relevant government agencies' system/s which should allow point-to-point exchange of data/information. It also allows connection between Taxpayers and the General Tax Authority (GTA).

DHAREEBA – the new digital tax management system of the GTA

An easy to navigate user interface

Home Return/Statement Payments/Refunds Requests Declarations Taxpayer Services

Home

- My Notifications (2) View
- My Certificates (1) View
- My Profile Amend View
- Manage Employees Open
- Manage Taxpayer Representative Assignment Disengage
- Correspondence in/out to GTA View

• Deloitte TIN: 20016
• Full Access
• Period – suggest to cover until end of 2021

• Employees should first make a NAS account
• Requirements:

- QID/Passport
- Email
- Mobile

DHAREEBA – the new digital tax management system of the GTA

Submissions of all types of tax returns, CIT, WHT and CGT

The screenshot displays the DHAREEBA digital tax management system interface. At the top, a dark navigation bar contains six menu items: Home, Return/Statement, Payments/Refunds, Requests, Declarations, and Taxpayer Services. The 'Return/Statement' menu item is currently selected. Below the navigation bar, the page title 'Return/Statement' is displayed. The main content area features three large, white rectangular cards with red borders. Each card represents a different tax-related function: 1. 'Filing Obligations' with a document icon containing a dollar sign and a person icon, and a 'View' button at the bottom. 2. 'Capital Gains Tax Return' with a bar chart icon containing a dollar sign, and 'Create' and 'View' buttons at the bottom. 3. 'Withholding Tax Statement' with a money bag icon containing a percentage sign, and 'Create' and 'View' buttons at the bottom.

DHAREEBA – the new digital tax management system of the GTA

Other declarations and reports

Home Return/Statement Payments/Refunds Requests **Declarations** Taxpayer Services

Declarations

 Contract Declaration Create View	 Notification for Receipt of Excisable Goods View	 Notification on the CBC reporting entity Create View	 Submission of Master File/ Local File Open
 Voluntary Disclosure Create View	 Notification Approval for Non Objection Certificate View		

Dhareeba system in Qatar

Special requests

Home Return/Statement Payments/Refunds **Requests** Declarations Taxpayer Services

Requests

 Return Deadline Extension Create View	 Penalty Exemption Create View	 Change in Accounting Period Create View	 Special Depreciation Rate Create View
 Mutual Agreement Procedure (MAP) Create View	 Tax Residency Certificate Create View	 Request for Non-Objection Certificate (NOC) Open	

DHAREEBA – the new digital tax management system of the GTA

Reconciliation of overdue payments appearing on Dhareeba

The screenshot displays the Dhareeba web application interface. At the top, a dark navigation bar contains the following menu items: Home, Return/Statement, Payments/Refunds, Requests, Declarations, and Taxpayer Services. Below this, the 'Payments/Refunds' section is highlighted. It features four main cards:

- Total Due Payments:** Shows a balance of QAR 0.00. A 'Pay Taxes' button is located at the bottom.
- Advance Payments:** Includes 'Create' and 'View' buttons at the bottom.
- Pending Payment Transfers:** Includes a 'View' button at the bottom.
- Installment Plan Request:** Includes 'Create' and 'View' buttons at the bottom.

International Tax updates

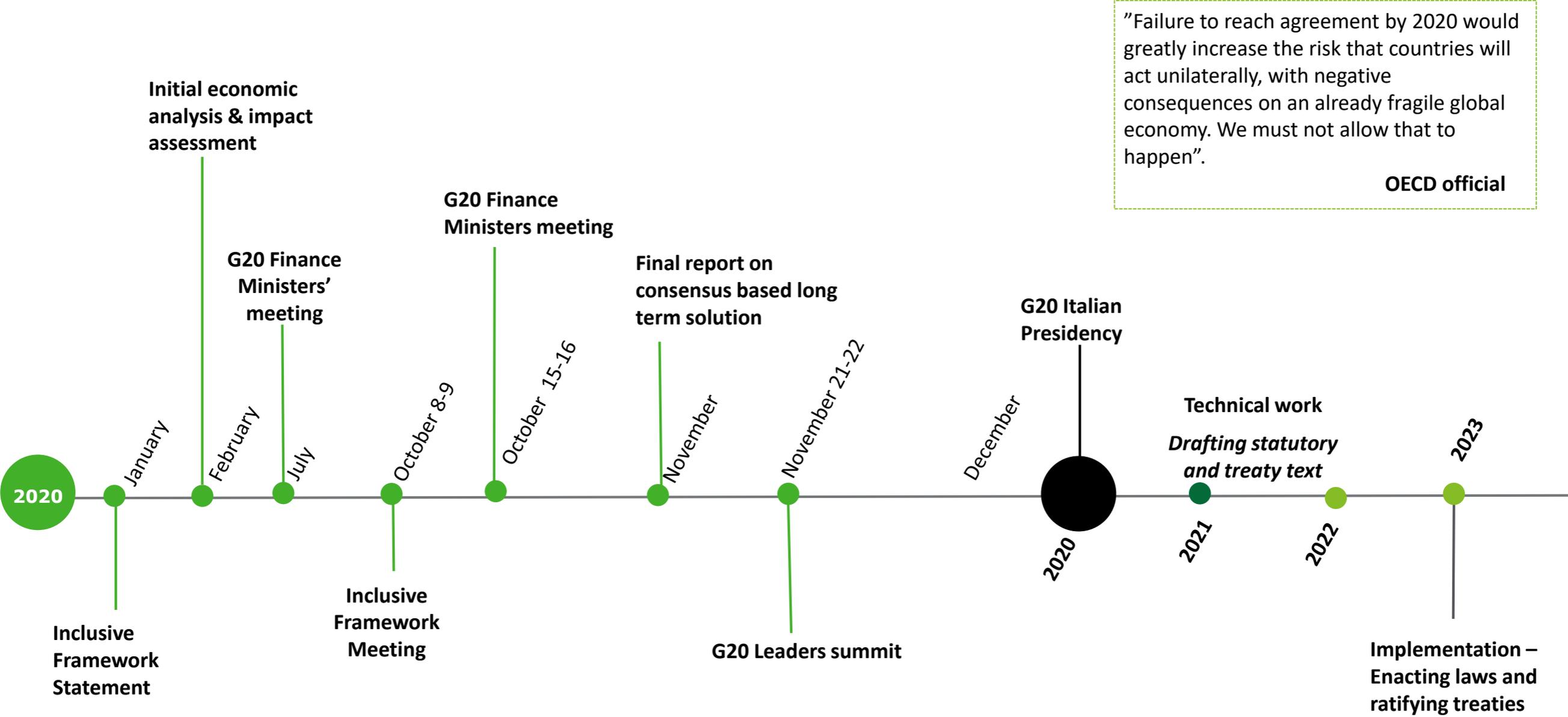
Global Tax update

How is the global Tax landscape changing?

Action 1: Address the Tax challenges of the digital economy (Pillar One and Two)

“Gaps”	“Frictions”		“Transparency”
i. Establishing international coherence of corporate income Taxation	ii. Restoring the full effects and benefits of international standards		iii. Ensuring transparency while promoting increased certainty and predictability
Action 2: Neutralize the effects of hybrid mismatch arrangements	Action 6: Prevent treaty abuse		Action 11: Establish methodologies to collect and analyze data on BEPS and the actions to address it
Action 3: Strengthen controlled foreign company (CFC) rules	Action 7: Prevent the artificial avoidance of PE status		Action 12: Require Taxpayers to disclose their aggressive Tax planning arrangements
Action 4: Limit base erosion via interest deductions and other financial payments	Assure that transfer pricing outcomes are in line with value creation	Action 8: Intangibles	Action 13: Re-examine transfer pricing documentation
Action 5: Counter harmful Tax practices more effectively, taking into account transparency and substance		Action 9: Risk and capital	Action 14: Make dispute resolution mechanisms more effective
Action 15: Develop a multilateral instrument		Action 10: Other high-risk transactions	

Timeline: Taxation of digital economy developments



”Failure to reach agreement by 2020 would greatly increase the risk that countries will act unilaterally, with negative consequences on an already fragile global economy. We must not allow that to happen”.

OECD official

What all multinationals need to know

Pillar one blueprint (profit allocation and new nexus rules unconstrained by physical presence)

Amount A

New Taxing right to market/user jurisdictions

A share of residual profit allocated to market countries using a formulaic approach/ no links to Arms length principle (ALP)

In-scope businesses only:

- Automated digital services
- Consumer-facing businesses
- Independent of physical presence

Amount B

Fixed 'baseline' return

for marketing and distribution functions based on the arm's length principle/ no new Taxing rights

All businesses

Tax certainty

Tax certainty

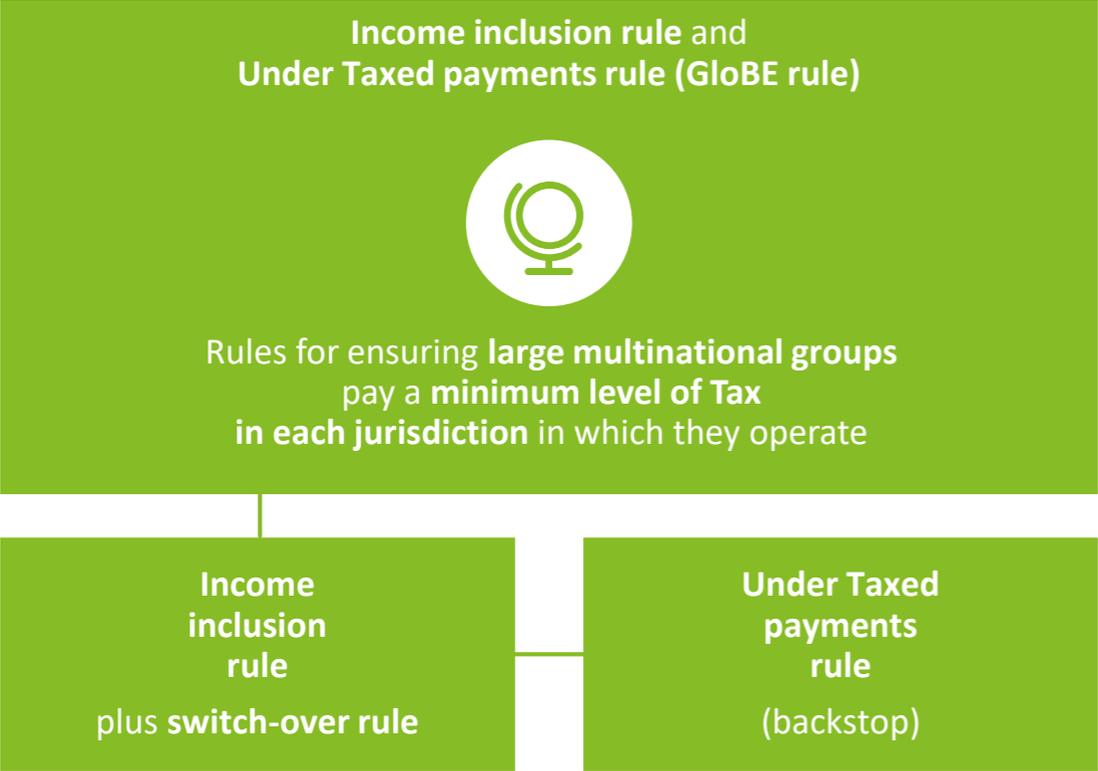
Through effective dispute prevention and resolution mechanisms

All businesses

The proposal does not yet have the political agreement of the Inclusive Framework countries

What all multinationals need to know

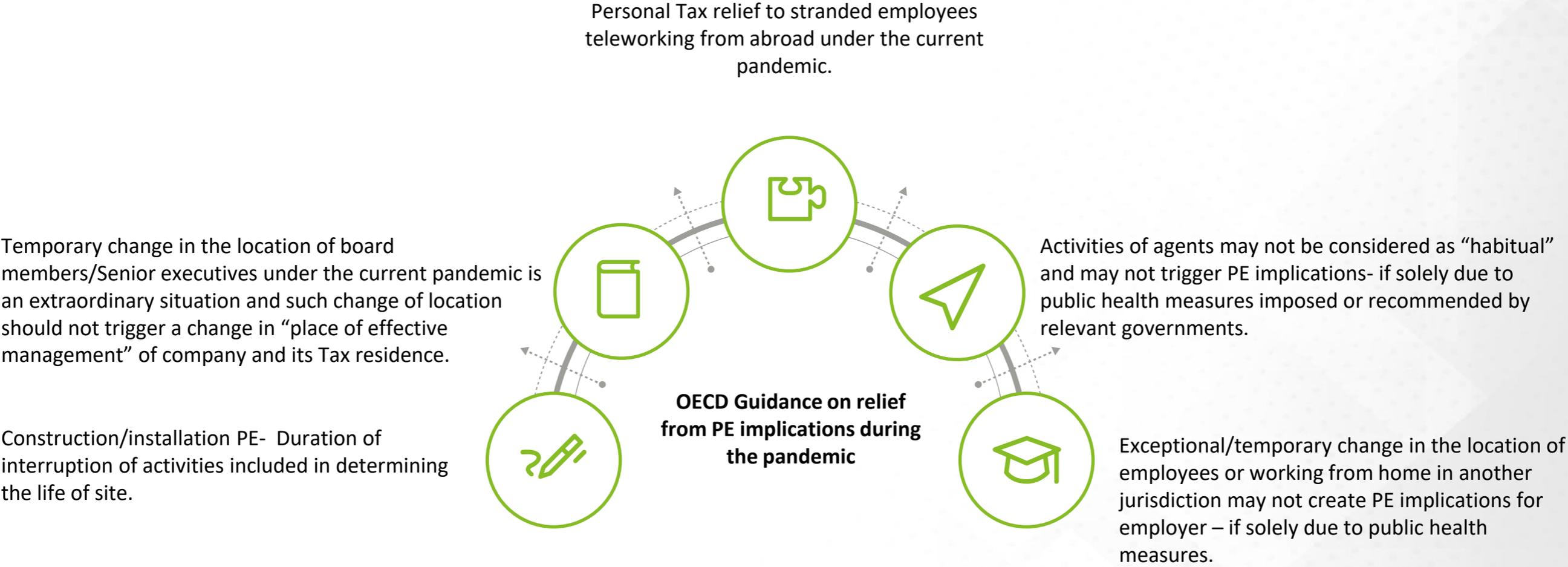
Pillar two blueprint – Global minimum Tax



All rules operate as a 'top up' to a minimum rate - minimum rates not yet agreed

The proposal does not yet have the political agreement of the Inclusive Framework countries

OECD guidance on impact of Covid-19 under International Tax treaty



Qatar Transfer Pricing developments

Transfer Pricing developments

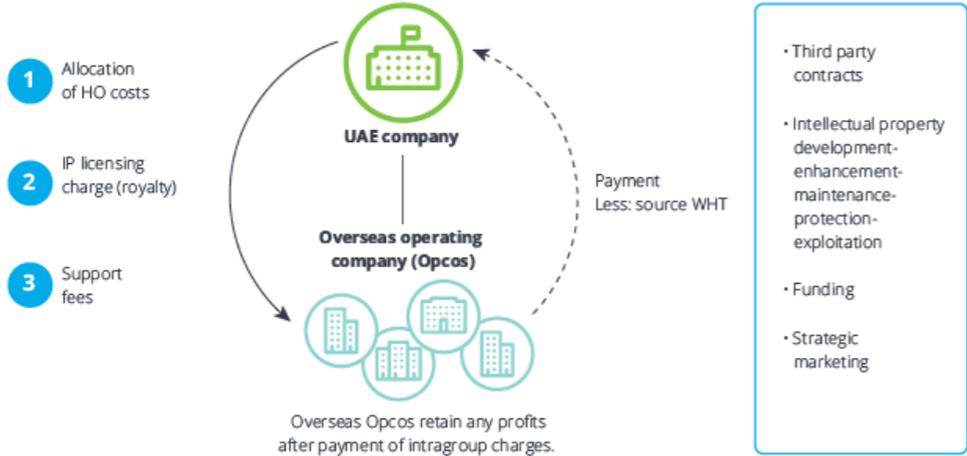
MENA region following global trends

A new era is coming

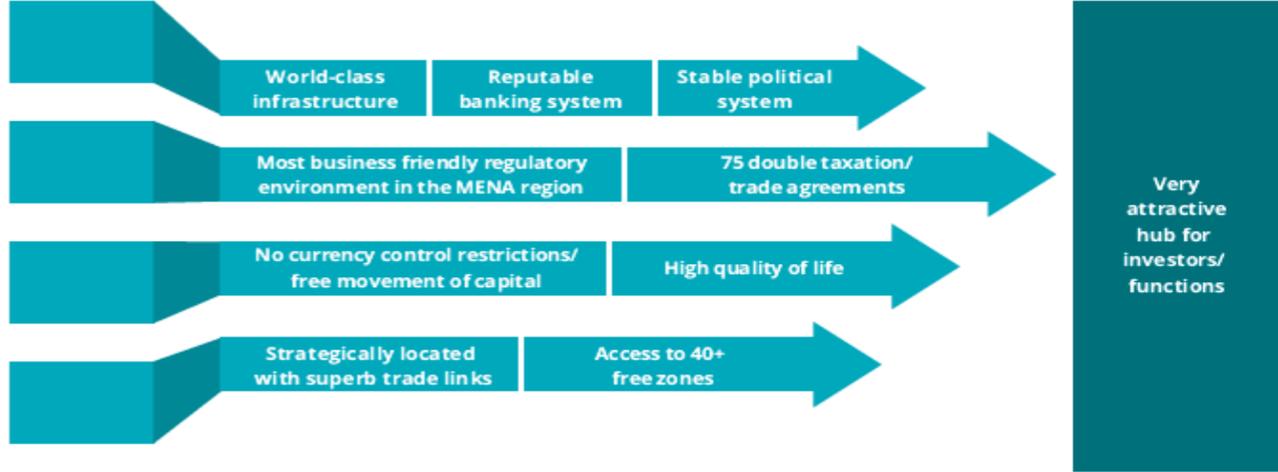
- Transfer pricing emerging as a key area of concern as Taxpayers observe added scrutiny by Tax authorities
- Challenges likely to increase in coming years
- Payment to overseas to become a key focus area – BEPS concerns

Impact of end of Qatar blockade by UAE, KSA and Others

- Revisit transactions/ structures – consider renewed UAE, KSA and other Middle East/GCC trade links
- Consider regional HO - Easier to align substance with transactions
- Movement of goods and services – regional hub model



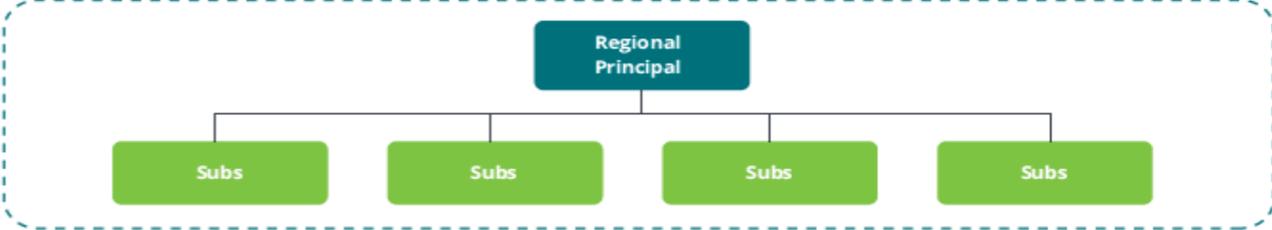
The UAE has moved ahead of Luxembourg and is closing in on the UK when the comparison is honed down global financial centers attracting FDI.



0% corporate income Tax

0% personal income Tax

full ownership for foreign investors allowed



Transfer Pricing developments

Transfer Pricing requirements in the Middle East

Country	Status of TP rules	MF requirement	LF requirement	CbC report requirement	Inclusive framework	Standard corporate Tax rate
Egypt	●	Required	Required	Required	✓	22.50%
Qatar	●	Required	Required	Required	✓	10%
Saudi Arabia	●	Required	Required	Required	✓	20% for non Saudi's share
Cyprus	●	N/A	N/A	Required	✗	12.5%
Oman	●	N/A	N/A	Required	✓	15%
UAE	●	N/A	N/A	Required	✓	0%
Bahrain	●	N/A	N/A	N/A	✓	0%
Jordan	●	N/A	N/A	N/A	✓	20%
Iran	●	N/A	N/A	N/A	✗	
Iraq	●	N/A	N/A	N/A	✗	
Kuwait	●	N/A	N/A	N/A	✗	15%
Lebanon	●	N/A	N/A	N/A	✗	17%
Syria	●	N/A	N/A	N/A	✗	
Yemen	●	N/A	N/A	N/A	✗	20%

Legend



Specific TP rules and documentation requirements in place



There are TP requirements to a certain extent



No specific TP rules nor documentation requirements

Transfer Pricing developments

TP compliance requirements

Background

- Qatar signed the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) on 4 December 2018.
 - Qatar has adopted the three-tier documentation under BEPS Action 13 including country-by-country reporting, local file and master file in local legislation.
 - Per the Executive Regulations introduced in 2019, Qatar TP compliance requirements include:
 - TP Policy disclosure
 - Master file
 - Local file
 - Country by country reporting
-



Transfer Pricing developments

TP Disclosure form

Applicability

- Qatar resident entities with domestic or international related party transactions.

Threshold

- More than 10 Million QAR of Assets or revenues in FY 2020
- TP form is currently active in Dhareeba for taxpayers that cross the threshold and declare they have related party transactions.

Contents

- Overview of business, list of major intangibles, transfer pricing policy.
- Transaction details - country of related party, amount of transaction and transfer pricing method.

Manner of submission

- To be filed with the income Tax return in Dhareeba Portal.

Due date

- To be submitted along with the Income Tax return – i.e., by 30 April 2021.

Transfer Pricing developments

Local File - Overview

Applicability

- As per executive regulations - local file to be prepared by entities that undertakes cross-border related party transactions.

Threshold

- De-minimis threshold not notified by GTA.
- Entities with related party transactions should maintain transfer pricing documentation for FY 2020 onwards.

Contents

- Format of the Local file is consistent with the BEPS Action 13 format.
- Local file will contain details of taxpayer - management structure, functional analysis and benchmarking of related party transactions.

Manner of submission

- Local file is not part of exchange mechanism and will have to be submitted locally in Qatar.

Due date

- Local file to be submitted on request to GTA or submitted by date notified by GTA.

Transfer Pricing developments

Master File - Overview

Applicability

- Master file to be prepared by Parent company (HQ) for the whole group.

Threshold

- De-minimis threshold not notified by GTA.
- Groups with related party transactions should maintain Master file for FY 2020 onwards.

Contents

- Consistent with the BEPS Action 13 requirements.
- Details of entire group - organization structure, group's business, intangibles and intercompany financial activities.

Manner of submission

- Master file is not part of exchange mechanism and will have to be submitted locally in Qatar.
- Subsidiary companies can use Master file prepared by HQ.

Due date

- Master file to be submitted on request to GTA or submitted by date notified by GTA.

Transfer Pricing developments

CbC Reporting - Overview

Applicability

- CbC reporting and notification required by Ultimate Parent Entity ('UPE') resident in Qatar.
- No Notification required by Constituent Entities resident in Qatar.

Threshold

- Consolidated revenue of multinational group is more than QAR 3 billion in the preceding financial year. (approx. EUR 700 million or USD 824 million).

Contents

- The format of CbC report as per OECD BEPS Action 13 template.
- Implementation guidance on various aspects provided by OECD.

Manner of submission

- CbC Report to be filed through GTA AEOI Portal electronically.

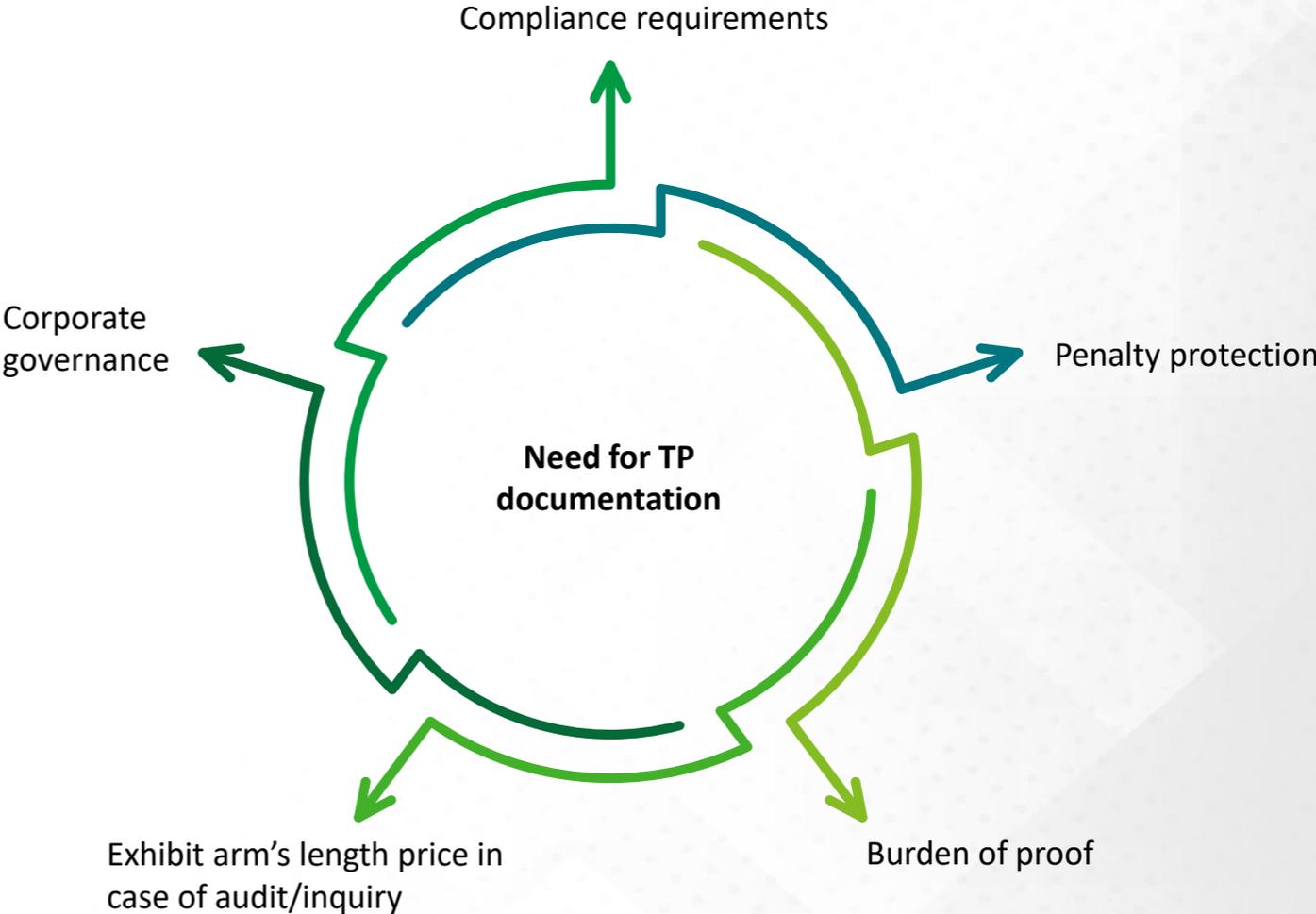
Due date

- CbC Report to be filed by 31 December 2021 for FY 2020.
- CbCR Notification to be filed by UPE in Dhareeba/ Letter to QFC by 31 Dec 2021.

Transfer Pricing developments

Need for Transfer Pricing documentation

As a taxpayer – Why do I need to prepare a Local file and Master file?



Transfer Pricing developments over past 12 months

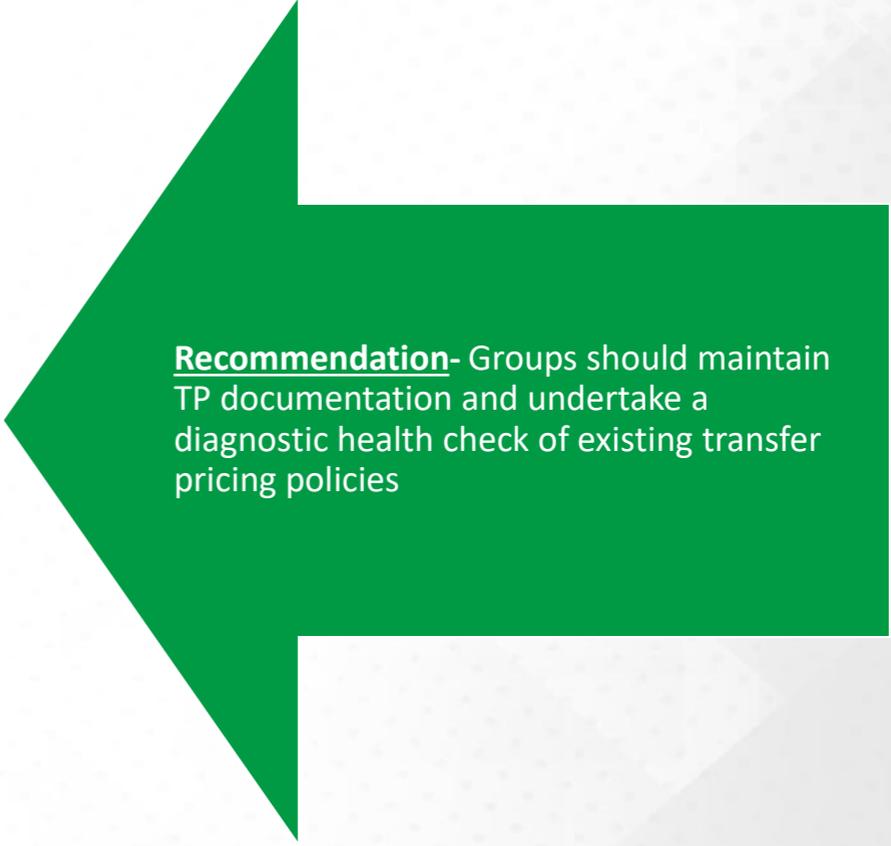
Local File - Overview



Risk -Based on magnitude of related party transaction, it is likely that that Tax authorities may request TP documentation or raise inquiries and start a transfer pricing audit

Risk Mitigation Strategy

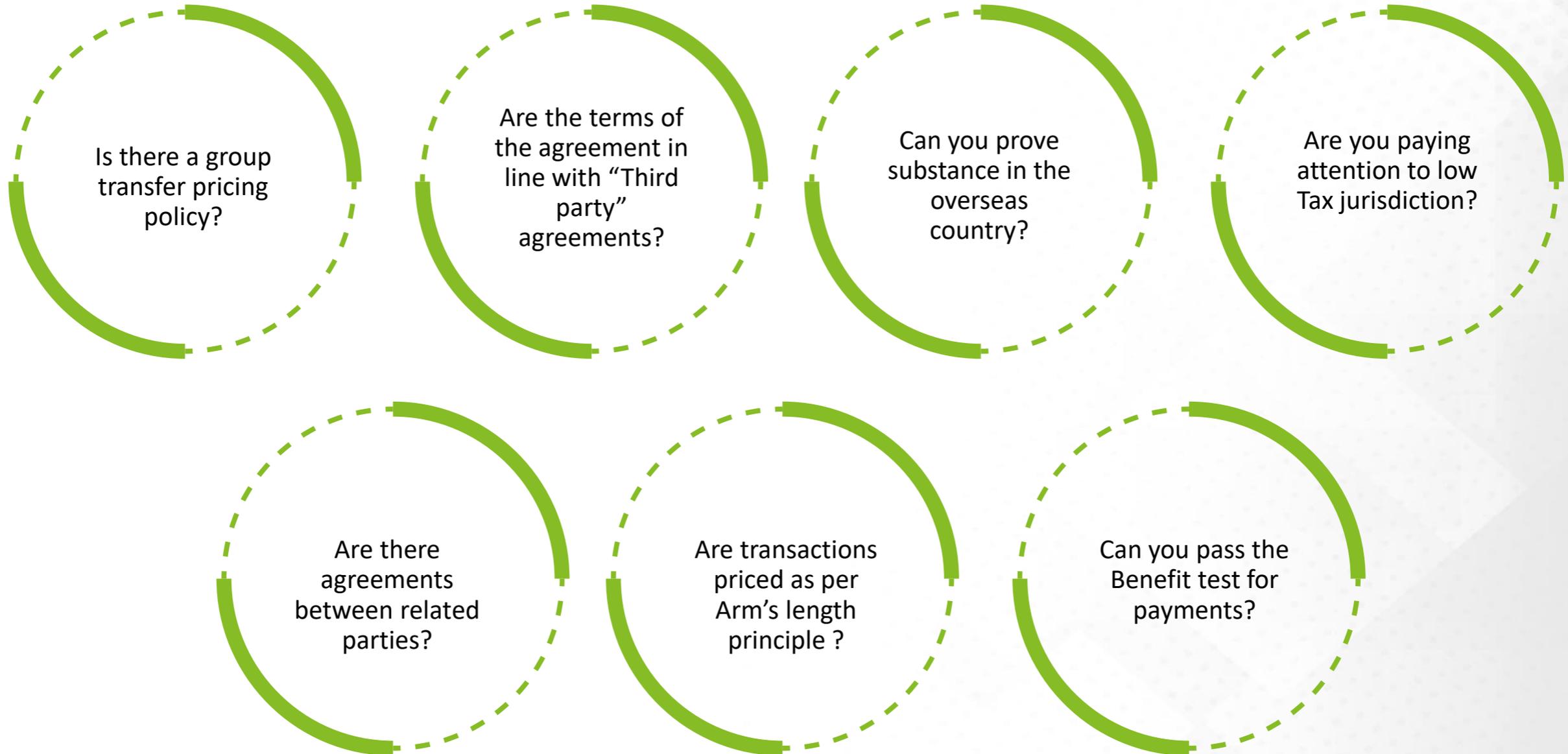
- Be compliant – transactions at arm's length
- Prepare for queries from tax authorities
- TP analysis before transaction - appropriately price it
- GTA approval if using any method other than comparable uncontrolled price (CUP) method (also referred to as unrelated comparable price)
- Assess impact of thin capitalization requirements
- For QFC entities explore advance tax rulings



Recommendation- Groups should maintain TP documentation and undertake a diagnostic health check of existing transfer pricing policies

Transfer Pricing developments

Typical concern areas



Indirect Tax

What should be on your agenda?

New Taxes/developments in the GCC - VAT in Oman from April 2021, mandatory E-invoicing in KSA by year end, extension of Tax amnesty in KSA until 30 June 2021 to name a few. VAT in Qatar – not if but when?

Lead time to manage changes, impacts of new developments – can you be compliant from day-1?

Review supply chain to capture opportunities in Qatar– lifting of blockade, exploring Free Zones for new investments, obtaining authorized economic operator status for ease of Customs administration.

Local considerations for Excise Tax

Local considerations for Excise Tax

Online filing in Dhareeba – Excise Tax Return filing through Dhareeba, product registration process in Dhareeba and identifying correct excisable items.

Tax opportunities – are you eligible for Tax suspension arrangements? When can you get a refund or credit?

Other compliance – are you complying with the law in terms of meeting record keeping, replying to audit and inspection queries?



Q&A



Deloitte “VAT in the GCC guide” mobile app

The app is free of charge and is designed to **help businesses** to understand VAT and its impact, whether they have already undergone implementation or are preparing for the introduction of VAT in the **three** remaining GCC countries.





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