



**Premier
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AUDIT | TAX | ADVISORY

Monthly Updates on Tax

VOL. 54 | February 2025

TAX NEWS LETTER

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GCC TAX UPDATES

The Gulf Cooperation Council (GCC) region continues to witness significant tax reforms as governments focus on strengthening their fiscal frameworks and aligning with international standards. Below is a detailed update on key tax developments across the UAE, Saudi Arabia, Oman, and Bahrain for February 2025.

United Arab Emirates (UAE)

INTRODUCTION OF DOMESTIC MINIMUM TOP-UP TAX (DMTT)

The UAE introduced the Domestic Minimum Top-up Tax (DMTT) for financial years beginning on or after January 1, 2025. This tax ensures that multinational enterprises (MNEs) with global consolidated revenues exceeding €750 million are subject to a minimum effective tax rate of 15%, in line with the OECD's Pillar Two framework. The move is aimed at preventing tax base erosion and ensuring fair taxation of large corporations operating in the UAE.

[Read the official update here](#)

GRACE PERIOD FOR TAX RECORD UPDATES

The Federal Tax Authority (FTA) announced a grace period until March 31, 2025, for registrants to update their tax records. During this period, businesses can rectify any discrepancies without incurring administrative penalties. The initiative is part of the UAE's commitment to enhancing compliance and maintaining transparency in tax reporting.

[Read the official update here](#)

Kingdom of Saudi Arabia (KSA)



EXTENSION FOR ZAKAT REGULATION COMPLIANCE

The Zakat, Tax, and Customs Authority (ZATCA) on February 15, 2025, issued Ministerial Resolution (MR) 947, extending the timeline for Zakat payers to apply the new Zakat regulations for fiscal periods beginning before January 1, 2024, to April 30, 2025.

Previously, under MR 1007, Zakat payers could apply the new regulations by submitting a request within 60 days from the publication of MR 1007, which was by May 19, 2024. Additionally, they had the right to apply the new regulations within 60 days from the notification of assessment procedures by ZATCA. The recent amendment provides an extended deadline, allowing more time for Zakat payers to opt for the new regulations.

[Read the official update here](#)

ZATCA ISSUED VAT REFUND FOR DONORS OF PUBLIC BENEFIT PROJECT

On February 17, 2025, ZATCA released a tax bulletin outlining the controls and requirements for registering donors—whether individuals or entities—as eligible parties to recover incurred (VAT). The bulletin also clarified the definition of a "public benefit project" and detailed the registration process through ZATCA portal.

[Read the official update here](#)



CONCLUSION

The tax landscape across the GCC is undergoing rapid transformation, with significant changes in corporate taxation, compliance requirements, and international tax alignment. Businesses operating in the region must stay informed and proactive in adapting to these evolving tax regulations to ensure full compliance and optimize tax planning strategies.

For expert guidance on tax compliance, structuring, and strategic planning in the GCC, our team at Premier Brains Global is here to help. Reach out to us for tailored solutions that align with the latest regulatory updates.



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"Reach out and let's connect!"

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