



**Premier
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AUDIT | TAX | ADVISORY

Monthly Updates on Tax

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TAX NEWS LETTER

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IN THIS EDITION

United Arab Emirates (UAE)

- Deadline for Natural Persons to Register for Corporate Tax
- Eligibility criteria and Accreditation procedure for Service Providers under the Electronic Invoicing System
 - ▶ Key Accreditation Requirements
 - ▶ Accreditation Process & Validity
 - ▶ Ongoing Compliance & Termination
- FTA Issues Policy on Clarifications and Directives
- FTA clarifies amendments in UAE VAT Executive Regulations (Majority of such amendments were effective from Nov 15, 2024). Few of key points from the clarification have been mentioned hereunder

Kingdom of Saudi Arabia (KSA)

- ZATCA Announces the 22nd Wave of E-Invoicing Integration
- Excise Tax Return Filing Deadline for January-February

Oman

- Import Ban on Excise Goods Without Digital Tax Stamp (DTS) – Effective June 1, 2025





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 March 2025.

United Arab Emirates (UAE)

DEADLINE FOR NATURAL PERSONS TO REGISTER FOR CORPORATE TAX

The UAE's Federal Tax Authority (FTA) has urged natural persons conducting business in the UAE to register for Corporate Tax by March 31, 2025, to avoid a AED 10,000 penalty. This applies to individuals whose turnover exceeded AED 1 million in 2024, including sole proprietors and joint ventures. Those surpassing the threshold by July 31, 2024, must file their Corporate Tax Return by September 30, 2025.

[Read the official update here](#)

ELIGIBILITY CRITERIA AND ACCREDITATION PROCEDURE FOR SERVICE PROVIDERS UNDER THE ELECTRONIC INVOICING SYSTEM



The UAE Ministry of Finance has issued Ministerial Decision No. 64 of 2025, establishing eligibility criteria and accreditation procedures for service providers under the upcoming eInvoicing system. While the decision mainly impacts service providers, businesses adopting eInvoicing should be aware of these requirements when selecting an Accredited Service Provider (ASP).

Key Accreditation Requirements:

To qualify as an ASP, service providers must:

- Be legally registered in the UAE or a recognized foreign jurisdiction.
- Maintain a minimum paid-up capital of AED 50,000.
- Hold Peppol certification and comply with Peppol interoperability rules.
- Have at least two years of experience in eInvoicing operations.
- Obtain ISO 22301 (business continuity) and ISO/IEC 27001 (information security) certifications.
- Maintain mandatory insurance, including:
 1. AED 2.5M professional indemnity insurance
 2. AED 5M crime insurance
 3. AED 5M cyber fraud insurance
- Provide at least 100 free eInvoice exchanges per year.

Accreditation Process & Validity:

- Service providers must apply with required documents.
- The Ministry will review applications within 90 days.
- Pre-approval and testing include interoperability and compliance checks.
- Accreditation is valid for two years, with renewal required at least 70 days before expiration.

Ongoing Compliance & Termination:

1. The Ministry will conduct periodic evaluations.
2. Accreditation may be revoked if providers fail to comply, receive valid taxpayer complaints, or cease operations.
3. Providers may object to termination decisions within 40 days.

[Refer the official update here](#)

FTA ISSUES POLICY ON CLARIFICATIONS AND DIRECTIVES

The FTA has clarified procedures for providing official guidance on tax matters, ensuring transparency and consistency in tax interpretations.

[Read the official update here](#)



FTA CLARIFIES AMENDMENTS IN UAE VAT EXECUTIVE REGULATIONS (MAJORITY OF SUCH AMENDMENTS WERE EFFECTIVE FROM NOV 15, 2024). FEW OF KEY POINTS FORM THE CLARIFICATION HAVE BEEN MENTIONED HEREUNDER:

- Zero-Rating Exports: Update in documentation requirements to substantiate zero rating of export of goods.
- International Transport Services: Zero-rating of the domestic transportation of goods as part of an international transport service applies if the supplier is contractually liable for the full transport service.
- Medical Insurance VAT Recovery: Businesses can reclaim VAT on spouse (one wife) & dependent children's medical insurance (up to 3 children under 18 years of age).
- Tax Invoices: Full tax invoices are mandatorily required to be issued for imported services that are reported under reverse charge mechanism unless an exception is granted by FTA.

Taxpayers should review their VAT positions to ensure compliance.

[Read the official update here](#)

KINGDOM OF SAUDI ARABIA (KSA)

ZATCA ANNOUNCES THE 22ND WAVE OF E-INVOICING INTEGRATION

The Zakat, Tax, and Customs Authority (ZATCA) has announced the Twenty-Second Wave of the Integration Phase of E-invoicing, targeting taxpayers whose VAT-subject revenues exceeded SAR 1 million in 2022, 2023, or 2024. Affected businesses will be required to integrate their E-invoicing solutions with the Fatoora Platform by December 31, 2025.

Phase Two (Integration Phase) introduces stricter requirements than Phase One (Generation Phase), including system integration, specific invoice formats, and additional invoice fields. ZATCA will notify each wave of taxpayers at least six months in advance of their integration deadline.

This initiative is part of Saudi Arabia's economic development and digital transformation strategy, building on the success of Phase One, which was launched on December 4, 2021. Phase One required businesses to replace handwritten and manually generated invoices with compliant E-invoicing solutions featuring QR codes and standardized formats. ZATCA aims to enhance tax compliance, consumer protection, and efficiency through this phased rollout.

[Read the official update here](#)



EXCISE TAX RETURN FILING DEADLINE FOR JANUARY-FEBRUARY

The Zakat, Tax, and Customs Authority (ZATCA) has urged businesses subject to Excise Tax to file their tax returns for January and February no later than March 15, 2025. Late submissions will result in a 5% penalty for every 30-day delay after the due date.

Excise Tax in Saudi Arabia applies to goods that negatively impact public health or the environment, including soft drinks, energy drinks, sweetened beverages, and tobacco products.

[Read the official update here](#)

OMAN

IMPORT BAN ON EXCISE GOODS WITHOUT DIGITAL TAX STAMP (DTS) – EFFECTIVE JUNE 1, 2025

With effect from June 1, 2025, soft drinks, energy drinks, and other Excise goods (except sweetened beverages) must bear a Digital Tax Stamp (DTS) to be imported into Oman.

This third phase of DTS ensures electronic tracking of products from production to sale, preventing tax evasion and illegal trade.

[Refer 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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