



REGULATIONS FOR WHISTLEBLOWER REWARDS AND INCENTIVES

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GAZT English Translated Version

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TABLE OF CONTENT

| | |
|---|---|
| ARTICLE ONE. DEFINITIONS | 1 |
| ARTICLE TWO. VIOLATIONS..... | 1 |
| ARTICLE THREE. REPORTING METHOD | 3 |
| ARTICLE FOUR. DEPARTMENTS RECEIVING REPORT | 3 |
| ARTICLE FIVE. CONDITIONS OF REWARD ELIGIBILITY..... | 4 |
| ARTICLE SIX. COMMITTEE OF WHISTLEBLOWER REWARDS | 4 |
| ARTICLE SEVEN. REWARD CALCULATION | 5 |
| ARTICLE EIGHT. CONFIDENTIALITY | 5 |
| ARTICLE NINE. ENFORCEABILITY..... | 5 |



الهيئة العامة للزكاة والدخل
General Authority of Zakat & Tax

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ARTICLE ONE. DEFINITIONS

The following words and phrases shall, whenever stated in the Regulation, have the meanings prescribed thereto, unless the context otherwise requires:

the "Authority" General Authority of Zakat and Tax

the "Board" Board of Directors of General Authority of Zakat and Tax

the "Governor" Governor of General Authority of Zakat and Tax

"Authority Personnel" persons employed or working under the direction and control of the General Authority of Zakat and Tax on a permanent or temporary basis, directly or indirectly, under contract with the Authority or otherwise.

"Taxpayer" Person liable for registering; for Zakat or tax purposes.

"Whistleblower" All persons – other than the General Authority of Zakat and Tax Personnel – contribute to revealing violations of laws and implementing regulations, which are enforced under the Authority's supervision.

ARTICLE TWO. VIOLATIONS

A. For purposes of the Regulation, the violations required to be reported, shall be restricted to the following list:

1. Zakat Violations:

- I. Failure to register.
- II. Zakat Evasion.



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General Authority of Zakat & Tax

2. Violations of Value Added Tax ("VAT") Law:

- I. Failure to register.
- II. Tax evasion.
- III. Non-issuance of tax bills.
- IV. Charging VAT without being registered.
- V. Failure to maintain and save tax invoices, accounting books, records and documents.
- VI. Violating any other provision of the law or regulations.

3. Violations of Income Tax Law:

- I. Failure to register.
- II. Tax Evasion.

4. Violations of Excise Tax Law:

- I. Non-Registration.
- II. Tax Evasion.

5. Violations of the Real Estate Transfer Tax Law / Regulations:

- I. Non-disclosure of a Real Estate transaction.
- II. Calculation of Tax based on a value lower than the fair market value.
- III. Tax evasion.
- IV. Conducting bogus transactions, which do not reflect the tax due. .

B. The Governor may, depending on the interest requirements, update the above list.



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General Authority of Zakat & Tax

ARTICLE THREE. REPORTING METHOD

- A.** The violations shall be reported through the Authority's electronic channels, using the form prepared by the Authority for that purpose, provided that the following information shall be included:
1. Whistleblower Information (name, contact number, and ID number).
 2. Reported Person, and the address thereof.
 3. Type, date and place of violation.
 4. Supporting documents and information.
- B.** If the Whistleblower wishes to be paid a reward, such wish shall be expressed upon reporting.

ARTICLE FOUR. DEPARTMENTS RECEIVING REPORT

Upon receiving the report, the concerned departments shall undertake the following duties:

- A.** Study the report and verify the validity of the data.
- B.** Confirm that there are no previously submitted reports related to the same violation.
- C.** Recommend to the whistleblower reward committee granting the whistleblower a reward after verifying their eligibility.



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General Authority of Zakat & Tax

ARTICLE FIVE. CONDITIONS OF REWARD ELIGIBILITY

- A.** The rewards shall be granted at the discretion of the Authority, provided that the following conditions are met:
1. That the complaint reported results in the discovery of a violation set forth in these regulations.
 2. That the Whistleblower is not an Employee of the Authority or a spouse, in-law, or relative of the first degree thereof.
 3. Where the whistleblower is a public employee or similar, that discovery of the reported violation is not an official duty of the whistleblower in their capacity as a public employee.
 4. That the reported violation was not previously reported nor rewarded by the Authority.
- B.** A reward shall be payable based upon a resolution issued by the whistleblower reward committee.
- C.** No reward shall be payable before the collection of due amounts.

ARTICLE SIX. COMMITTEE OF WHISTLEBLOWER REWARDS

- A.** A "whistleblower reward committee" (the "Committee") shall be formed at the Authority by a resolution of the Governor.
- B.** The Committee shall be responsible for studying cases referred to it by the violation intake department, determining eligibility for a reward, and the reward amount.



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General Authority of Zakat & Tax

ARTICLE SEVEN. REWARD CALCULATION

A financial reward no less than one thousand (1,000) Saudi Riyals and not exceeding two and a half percent (2.5%) of the collected tax and penalties or one million (1,000,000) Saudi Riyals, whichever is less, shall be payable.

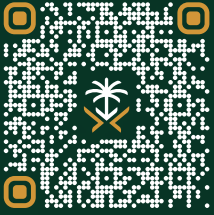
ARTICLE EIGHT. CONFIDENTIALITY

- A. The Authority shall maintain the confidentiality of reports and complains and may not disclose any information pertaining to the whistleblower's identity.
- B. The Authority shall not be required to disclose procedures [actions] taken regarding reported violations and the results or conclusions reached [in respect of the alleged violation].
- C. The Authority may [at its discretion] take any action is deems necessary if a reported violations is proven to be inaccurate.

ARTICLE NINE. ENFORCEABILITY

These regulations shall enter into force from the date of their approval by the Board, and shall be applicable to reports/complains made pursuant to Council of Ministers' Resolution No. (458) dated 11/08/1440H approving the payments of rewards to any person – other than GAZT Personnel – who participates or assists in the discover of a violation of the law under the regulatory and enforcement purview of the Authority.

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General Authority of Zakat & Tax



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