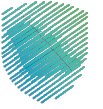




Guideline for
**Amendments to the Implementing
Regulation of Value Added Tax (VAT)
Issued by ZATCA's Board of Directors
Resolution No. (01-06-24) dated
November 19, 2024**



The Zakat, Tax and Customs Authority (ZATCA) has issued this simplified guideline to clarify specific procedures related to the application of statutory provisions, effective as of the date of issuance. This document does not constitute an amendment to any applicable laws or regulations in the Kingdom of Saudi Arabia.

ZATCA affirms that the clarifications provided in this guideline-where applicable-should be interpreted in accordance with the relevant statutory provisions. If any clarification or content in this guideline is subsequently modified without a corresponding change to the statutory text, the updated clarification shall apply only to transactions conducted after the revised version is published on ZATCA's official website.

This guideline has been prepared to explain Decision No. (01-06-24), dated November 19, 2024, issued by the Board of Directors of ZATCA concerning amendments to the Implementing Regulation of Value Added Tax (VAT) (hereinafter referred to as "the Regulations").

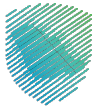


Table of Contents

1. Introduction	05
1.1 Implementation of the VAT Law in Saudi Arabia	05
1.2 Zakat, Tax and Customs Authority (ZATCA)	05
1.3 What is Value-Added Tax (VAT)?	06
1.4 About the Guideline	06
2. Key Clarifications on Amendments to the Implementing Regulation of Value Added Tax (VAT)	07
2.1 Provisions for Tax Group Registration	07
2.1.1 Requirements for Tax Group Registration	07
2.1.2 Responsibilities of the Tax Group Representative	13
2.1.3 Legal Implications of Tax Group Registration	14
2.2 Cessation of Economic Activity by a Taxable Person	15
2.3 Supply of Services	17
2.4 Deemed Supply	19
2.5 Transfer of Economic Activity	21
2.5.1 Tax Rights and Obligations After Completion of the Transfer	22
2.6 VAT Suspension Regulations	23
2.7 Provisions for Services Supplied to Non-GCC Residents	27
2.8 Government Subsidies Paid to Suppliers	28
2.9 Input VAT Deduction for Goods Supplied Under Financing Contracts	29
2.10 Electronic Marketplace	31
2.10.1 Definition	31
2.10.2 Facilitation of Service Supply by an Electronic Marketplace from a Non-Resident Supplier	33



2.10.3 Facilitation of Goods or Services Supply by an Electronic Marketplace from a Non-Registered Resident	37
2.11 Input VAT Deduction on Certain Restricted Purchases When Service Provision Is Mandatory	40
2.12 Provisions on Correcting VAT Returns	42
2.13 Offsetting Refundable Amounts Against Other Amounts Owed to ZATCA	43
2.14 VAT Refunds	44



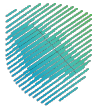
1. Introduction

1.1 Implementation of the VAT Law in the Kingdom of Saudi Arabia

The Kingdom of Saudi Arabia (hereinafter referred to as “the Kingdom”) ratified the Unified VAT Agreement for the Gulf Cooperation Council (GCC) Countries under Royal Decree No. (M/51), dated Jumada Al-Awwal 3, 1438 AH (hereinafter referred to as “Unified VAT Agreement”). Pursuant to the provisions of the Unified VAT Agreement, the Kingdom issued the Value-Added Tax (VAT) Law under Royal Decree No. (M/113), dated Dhul-Qi’dah 2, 1438 AH, along with the Implementing Regulations of the VAT Law (hereinafter referred to as “the Regulations”), initially issued under Decision No. (3839), dated Dhul-Hijjah 14, 1438 AH, by the former General Authority of Zakat and Tax (now the Zakat, Tax and Customs Authority). These Regulations have since been amended through subsequent decisions issued by the Board of Directors of the Zakat, Tax and Customs Authority (ZATCA).

1.2 Zakat, Tax and Customs Authority (ZATCA)

ZATCA is the government entity responsible for the implementation and administration of value-added tax (hereinafter referred to as “the tax”, unless otherwise specified) in the Kingdom. Its core responsibilities include: registering and deregistering taxable persons, managing VAT return filings and refund processes, conducting tax audits and field inspections, and imposing penalties and fines for non-compliance with VAT regulations. ZATCA was established by a decision of the Ministerial Council, following the merger of the General Authority of Zakat and Tax and the General Customs Authority into a unified entity. Accordingly, any reference in this guideline to either of the former entities shall be understood as referring to the Zakat, Tax and Customs Authority (ZATCA).



1.3 What is Value-Added Tax (VAT)?

Value-added tax (VAT) is an indirect tax levied on the import and supply of goods and services at each stage of the production and distribution process, with certain exceptions. It is a consumption-based tax that is currently implemented in over 160 countries worldwide. VAT is collected and remitted throughout the supply chain—from manufacturers acquiring raw materials to retailers selling the final product to end consumers.

Unlike other forms of taxation, VAT-registered individuals are required to:

- Collect VAT from their customers on each taxable sale at the applicable tax rate;
- Pay VAT to their suppliers on taxable goods and services purchased, also at the applicable tax rate.

In the Kingdom of Saudi Arabia, VAT-registered individuals must charge VAT at a standard rate of 15%, where applicable. This amount is added to the final sale price of goods or services provided. Registered persons must separately account for the VAT collected on taxable sales—referred to as “output VAT”—and remit this to the Zakat, Tax and Customs Authority (ZATCA). Conversely, VAT is also applied to the purchases made by registered individuals, with 15% VAT charged—again assuming the standard rate applies. The VAT paid on such purchases is called “input VAT”.

For more comprehensive information on VAT in the Kingdom of Saudi Arabia, please consult the official VAT Guidelines available on the ZATCA website.

1.4 About the Guideline

This guideline is intended for all individuals and entities affected by the amendments to the Implementing Regulation of Value Added Tax (VAT). It explains the changes to the relevant statutory provisions and aims to assist taxpayers by providing additional clarifications for those subject to VAT regulations.



For guidance on specific transactions, individuals may submit a request for an interpretive decision or may visit ZATCA's official website. The website offers a wide range of tools and resources designed to assist VAT-registered individuals, including visual instructional materials, relevant data, and answers to frequently asked questions.

2. Key Clarifications on Amendments to the Implementing Regulation of Value Added Tax (VAT)

2.1 Provisions for Tax Group Registration

2.1.1 Requirements for Tax Group Registration

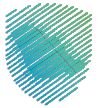
The recent amendments to the Implementing Regulation of Value Added Tax (VAT) introduce key changes to the requirements for tax group registration, clarifying the responsibilities of the group representative and the implications of forming a VAT tax group.

A tax group refers to two or more legal persons (entities) residing in the Kingdom who are treated as a single taxable entity for VAT purposes. The group is registered under a unique Taxpayer Identification Number (TIN), issued by the Zakat, Tax and Customs Authority (ZATCA) and communicated to the group representative.

The registration criteria have been revised to include two new restrictions: A tax group cannot include a person who is eligible for VAT refunds or an investor in a special economic zone. VAT group registration must comply with the conditions and requirements set out in Article (10) of the Regulations. These requirements are as follows:

(1) Residency and VAT Registration Eligibility

All members of the tax group must be resident in the Kingdom, This means that each legal entity must have a legal establishment or a fixed place of business in the Kingdom. In addition, each member must be eligible for VAT registration; all members must meet the voluntary registration threshold as defined in the Regulations.



(2) Ownership Structure and Control Requirements

50% or more of the capital, voting rights, or market value of each legal entity in the tax group must be owned-directly or indirectly-by: the same legal entity, the same legal entities or a legal entity (inside or outside the tax group) that exercises control and authority over the other group members.

This requirement emphasizes the necessity of having economic, financial or organizational links between legal entities within a tax group through ownership or control. Specifically, at least one person-or a group of persons-must hold 50% or more of the capital, voting rights, or market value of each legal entity in the tax group.

Ownership may be established directly, such as through the outright acquisition of shares, or indirectly, where the ultimate owner exercises actual ownership through intermediary entities.

In addition to ownership, the requirement can also be satisfied when a legal entity-whether part of the tax group or not-exerts authority and control over the other entities within the group.

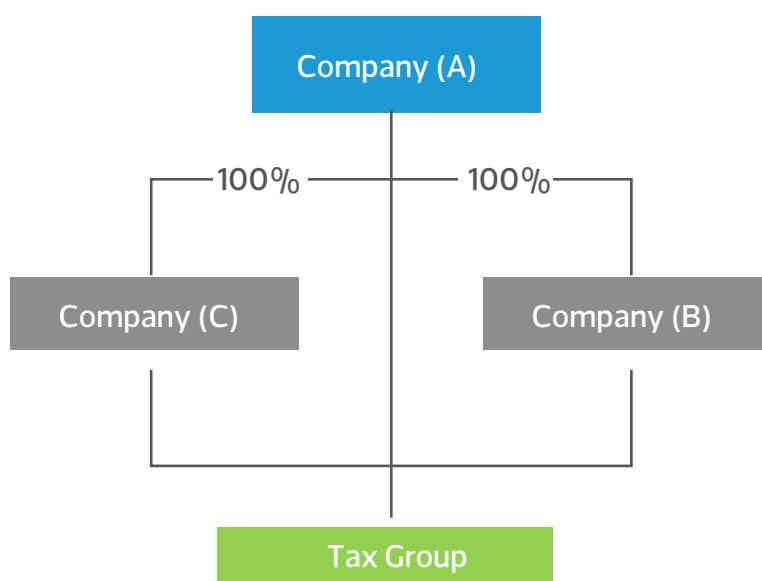
This means that qualifying links may exist not only through direct or indirect ownership but also where a legal entity possesses the ability to manage and direct the strategic and operational decisions of the group's members. Thus, the term "authority and control" refers to the ability to manage and steer the strategic and operational direction of other legal entities, either directly or indirectly.

ZATCA reserves the right to request supporting documentation to verify the existence of such control and authority among the legal entities within the tax group.



Example 1:

Company "A", headquartered in the Kingdom of Saudi Arabia, owns 100% of the capital of companies "B" and "C", which are also resident entities in the Kingdom. Since all three companies are eligible for VAT registration as taxable persons, conduct economic activities, and exceed the annual voluntary registration threshold, they meet the necessary conditions for VAT registration. Therefore, a tax group may be formed including companies A, B, and C.





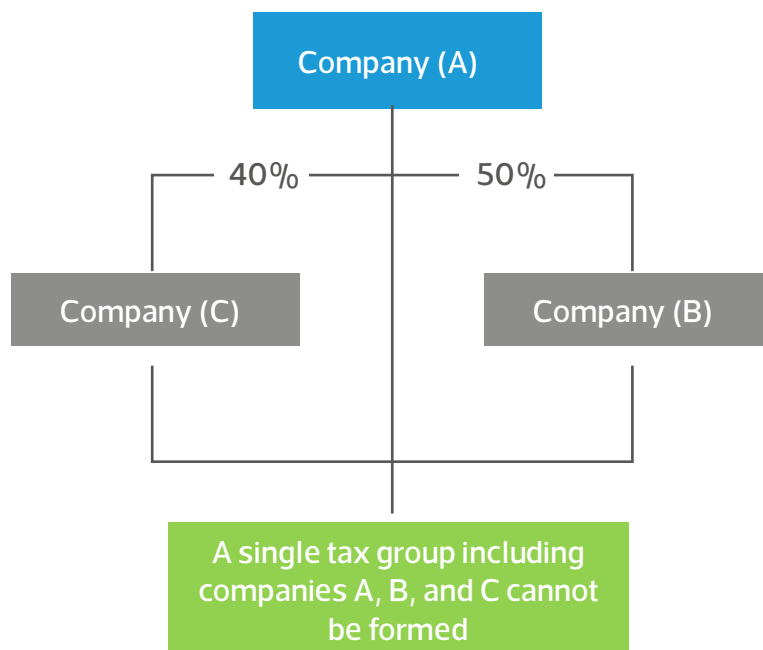
Example 2:

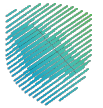
Company "A" is a resident entity and registered for VAT. It owns 50% of the capital in Company "B", and 40% of the capital in Company "C". The remaining 60% of Company "C" is owned by another legal entity.

In this case, a single tax group including companies A, B, and C cannot be formed because Company "A" does not meet the required threshold of 50% or more ownership, voting rights, or market value in Company "C".

However, a tax group can be formed between companies "A" and "B", as the ownership threshold and other eligibility requirements are satisfied in the case of these two companies.

Company (A)





(3) Restrictions on Tax Group Membership

None of the members of the group shall be licensed to operate in any special zone that enjoys customs suspension status, in accordance with the relevant regulatory provisions for those zones, and/or be a member of another tax group.

Economic activities in special zones are subject to a zero percent tax rate under specific regulations. Accordingly, this condition prevents any member of the tax group from being licensed to operate in any special zone with customs suspension status. Further clarification regarding supplies related to special economic zones will follow, based on the amendment to Article (32 bis) in the Regulations, as detailed in section 2.5 of this guideline.

To ensure the clarity and accuracy of tax obligations, a legal entity that is already a registered member of one tax group is not permitted to join or form another tax group simultaneously.

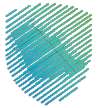
Example 3:

Company "A" is licensed to operate in a special economic zone with customs suspension status. As a result, it cannot join a tax group with other companies.

To comply with VAT regulations, companies seeking tax group registration must ensure that all prospective members operate outside special economic zones that have customs suspension status.

(4) Restrictions on Tax Group Members Being Eligible for VAT Refund

The applicant, or any member of the group, must not be eligible for a refund under the provisions of Article (70) of the Regulations, except in the following cases: individuals recognized as being eligible for a refund as licensed real estate developers whose licensed real estate activities are exclusively limited to supplying real estate for sale and ownership transfer to their employees; or individuals recognized as being eligible for a refund as donors to public benefit projects. This condition ensures that neither the applicant nor any member of the group qualifies for a value-added tax (VAT) refund under Article (70) of the Regulations.



All requirements must be continuously met by every member of the group throughout the entire period of the tax group's registration as a taxable entity. It is not enough for the group to meet these conditions only at the time of registration; rather, compliance must be maintained for the duration of the tax group's registration.

If any change occurs that causes a member to no longer meet one of these conditions-such as losing control, failing to maintain the required ownership percentage, or being registered as an eligible-applicant for VAT refund contrary to the permitted criteria-the Authority may take necessary actions in accordance with its powers.

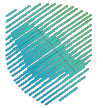
Furthermore, existing tax groups containing members who become ineligible due to these amendments will be granted a six-month grace period from the effective date of the amendments in order for the group representative to adjust the group's status and achieve compliance with the new regulations.

Example 4:

Company "A" is registered as a VAT refund-eligible entity. Its licensed activities are strictly limited to the sale and transfer of property ownership exclusively to its employees. Since Company "A" qualifies under the exception outlined in Article (10), Paragraph (1)(D)(1) of the Regulations, it may be included in a VAT tax group without affecting the group's eligibility. It is important to note that a tax group is treated as a single taxable person for VAT purposes. Therefore, supplies of goods or services between members of the same tax group are considered outside the scope of VAT.

However, there are two cases in which an individual eligible for a refund may be part of a tax group, which are the following:

1. A licensed real estate developer eligible for a refund whose licensed real estate activities are exclusively limited to supplying real estate for sale and transferring ownership to their employees.
2. An individual recognized as being eligible for a refund as a donor to public benefit projects.



2.1.2 Responsibilities of the Tax Group Representative

In accordance with the amendment to Paragraph (1) of Article (11) of the Implementing Regulation of Value Added Tax (VAT), the representative of the tax group bears the primary responsibility for all rights and obligations arising from the group's VAT registration, acting on behalf of all its members.

The representative serves as the principal liaison between the tax group and the Zakat, Tax, and Customs Authority and is responsible for the following: submitting VAT returns on behalf of the group, and managing correspondence and communication with ZATCA, ensuring overall compliance with VAT obligations applicable to the group as a single taxable entity.

This designation of responsibility does not override the joint liability of all tax group members. Each member remains jointly and severally liable for all tax obligations, including any penalties or liabilities incurred during their membership period, in accordance with the VAT Law and Regulations. This framework ensures shared accountability for tax compliance across all group members.

Pursuant to the amendment to Paragraph (6) of Article (11) of the Regulations:

- Upon approval of a tax group registration, ZATCA will issue a new Taxpayer Identification Number (TIN) for the tax group and notify the representative accordingly.
- The individual TINs of previously registered group members will be suspended for VAT purposes.
- The tax group will be treated as a separate and independent taxable entity, distinct from its individual members.
- A new VAT registration certificate, reflecting the group's unique TIN, will be issued by ZATCA and delivered to the group representative.

For tax groups that were registered prior to the effective date of these amendments, the group representative will be granted a transition period of 180 days from the date the amendments are published in the official gazette. During this period, the group representative must review and adjust the group's membership to ensure full compliance with the updated requirements specified in Article (10) of the Implementing Regulation of Value Added Tax (VAT).



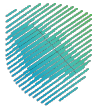
2.1.3 Legal Implications of Tax Group Registration

The tax group formation request is submitted using the form prepared by ZATCA, which must, at a minimum, include information about all group members as stipulated in Article 8 of the Regulations. Additionally, a copy of the agreement between group members, designating the tax representative and confirming representative's own acceptance of the appointment, must be provided. This agreement serves as an acknowledgment by the tax group that all conditions and requirements for registration as a tax group have been met.

The registration of a tax group entails a number of regulatory provisions introduced through amendments, including the addition of Paragraph (7) to Article (11) of the Regulations, which clarifies the regulatory implications of tax group registration and establishes guidelines on how tax groups should be handled. Once registered, a tax group is treated as a single entity, meaning that any economic activity conducted by a member is considered to have been carried out by the tax group as a whole.

Similarly, any supply made by a group member is regarded as a supply made by the tax group, and the same applies to imports of goods and services. Additionally, the amendments clarify the treatment of output and input tax, stipulating that any output tax imposed by a member of the tax group is deemed to be imposed by the tax group, and any input tax incurred by a member is considered to have been borne by the tax group.

The amendments also include modifications to Paragraph (7) of Article (12), addressing the ZATCA's power to remove tax group status for any transactions between group members or to cancel the group's registration-effective from either a past or future date-if maintaining the tax group results in, or would result in, tax advantages that conflict with the purpose of the system or regulations. ZATCA is empowered to exclude a group member, with notification to the tax group representative, while maintaining the tax group status for the remaining members, in the following cases:



1. where the member's continued inclusion leads to, or would lead to, tax advantages conflicting with the purpose of the Law or Regulations; or
2. if it is proven that the member does not meet the conditions for joining the tax group.

2.2 Cessation of Economic Activity by a Taxable Person

The recent amendments to the Implementing Regulation of Value Added Tax (VAT) include revisions to Article (13), which clarify the obligations of a taxable person following the cancellation of their VAT registration. Specifically, the amendments confirm that the transfer of an economic activity resulting in the full cessation of that activity constitutes a valid reason for VAT deregistration.

Regardless of the reason for deregistration, the taxable person is required to retain invoices, credit and debit notes, books, and records as stipulated under Article (66) of the Regulations, for the duration specified therein.

In all cases, cancellation of VAT registration does not absolve the taxable person of any outstanding obligations owed to ZATCA prior to the cancellation date.



Example 5:

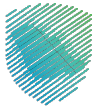
Company "A", a contracting company registered with ZATCA as a taxable person, decides to cease conducting its economic activity. Instead of liquidating or closing the business, it opts to transfer the entirety of its operations to Company "B", another company operating in the same sector.

As a result of this transfer, Company "A" ceases all economic activity, and all associated operations are transferred to Company "B".

In this case, Company "A" must submit a request for VAT deregistration. Deregistration will take effect from the date determined by ZATCA, subject to its approval. In all cases, Company "A" must fulfill all outstanding tax obligations before ZATCA can approve the deregistration request.

In addition, the transferee (company B) is required to notify ZATCA of the transfer within thirty (30) days from the date of the transfer, unless the transferor (company A) has already submitted a deregistration request in accordance with Paragraph (4) of Article (13).

After deregistration, Company "A" remains obligated to retain all invoices, credit/debit notes, books, and records for the periods specified in Article (66) of the Regulations. Furthermore, Company "A" must settle any VAT liabilities related to periods prior to the effective deregistration date.



Example (6):

Building on the previous example, suppose Company "A" has partially transferred its business specifically its residential construction activities-to another entity but continues to operate its commercial contracting services.

In this case, Company "A" cannot cancel its VAT registration, as it still engages in ongoing economic activity. Therefore, it must continue to fulfill its tax obligations as a VAT-registered taxable person, provided it continues to meet the mandatory registration criteria.

2.3 Supply of Services

The concept of "supply" under VAT regulations is broadly defined to include any form of goods and/or services provided for consideration.

According to Article (7) of the Unified VAT Agreement, "A supply of services means any transaction that does not constitute a supply of goods under the provisions of this Agreement." Most business transactions involve the provision of goods, services, or both, from the supplier to the customer.

As part of the amendments to the Implementing Regulation of Value Added Tax (VAT) , Paragraph (2) of Article (14) has been added to clarify the meaning of service supplies. A supply of services is defined as any transaction that does not constitute a supply of goods, including (but not limited to) the following:

- a. Granting, transferring, assigning, suspending, or relinquishing a right.
- b. Providing a facility or benefit.
- c. Committing to refrain from performing an action or allowing it to occur.
- d. Agreeing to waive participation in an activity or preventing its occurrence.
- e. Transferring or assigning an indivisible share in a good.
- f. Allowing the use of intangible rights or transferring them, such as: Copyrights, patents, artistic rights, trademarks, and other intellectual property rights protected under applicable laws in the Kingdom.



Example (7):

Company "A", a cybersecurity technology firm, grants Company "B" the right to use a data protection software for ten years in exchange for a specific monetary fee. This transaction constitutes a supply of services, as it involves granting a usage license.

Example (8):

Company "A" and Company "B" agreed that Company "B" will not launch a specific product in the market for a defined period, in exchange for a fixed payment. Since this agreement involves a commitment to 'refrain from an action', it qualifies as a supply of services under VAT regulations.

Example (9):

Company "A" holds a patent on advanced manufacturing technology and grants Company "B" the right to use this patent for five years in exchange for annual fees. This transaction constitutes a supply of services because it involves granting the right to exploit intangible assets.



2.4 Deemed Supply

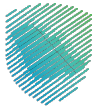
The amendments to the Implementing Regulation of Value Added Tax (VAT) modified certain paragraphs of Article (15) to clarify the concept of deemed supply in alignment with the statutory provisions outlined in Article (8) of the Unified VAT Agreement. It was emphasized that deemed supply applies only to cases explicitly stated in the Agreement, Law, and Regulations, unless otherwise specified.

The scope of deemed supply has been expanded to include cases where goods are retained after the cessation of economic activity or when a person is no longer eligible for VAT registration under the VAT Law and Regulations.

Additionally, the revised provisions extend the scope of application to cover all direct input VAT costs related to importing, purchasing, producing, or supplying goods and services associated with deemed supply, rather than applying input VAT only on purchases or imports. The new text also includes partial VAT recovery adjustments alongside deduction handling, stating that the value of deemed supply must be modified to reflect the actual percentage of tax deducted or recovered.

The exemptions from deemed supply classification when providing goods or services free of charge have been expanded. The new text introduces a condition stating that input VAT incurred must neither be deducted nor recovered, while requiring VAT-registered persons to maintain documentation proving non-deduction or non-recovery.

The determination of deemed supply value has been further clarified, specifying that the value should be either the purchase cost or production cost. If these cannot be determined, the fair market value at the date of deemed supply will be used, referencing the rules outlined in Article (38) of the Regulations.



A deemed supply occurring due to the cessation of economic activity or because a VAT-Registered person is no longer eligible for VAT registration is considered to have occurred on the date of economic activity cessation or the date of VAT deregistration, whichever is earlier.

Example (10):

An engineering consultancy firm provided free advisory services to a charitable organization. The firm did not deduct or reclaim input VAT related to the costs of the provided services. It retained documentation proving the incurred tax and its non-deduction.

Treatment:

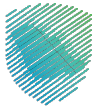
Providing free services does not constitute a deemed supply, as the firm did not deduct or reclaim input VAT associated with the services.

Example (11):

An agricultural company imported agricultural chemicals worth 500,000 SAR for use in its business activities and paid 75,000 SAR in input VAT, which it deducted in its VAT return. A year later, the company decided to cease business operations and retain the equipment for personal use.

Treatment:

Retaining equipment after ceasing business operations qualifies as a deemed supply of goods. The value of the deemed supply is determined based on the purchase cost or production cost. If neither can be identified, the valuation is based on the fair market value at the time of the deemed supply, in accordance with the valuation rules in Article (38) of the Regulations. VAT is imposed on the deemed supply, which must be disclosed in the VAT return covering the tax period in which the business cessation or VAT deregistration occurred, and the applicable tax must be paid accordingly.

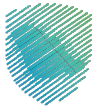


2.5 Transfer of Economic Activity

The new amendments to the Implementing Regulation of Value Added Tax (VAT) establish provisions for transferring taxable economic activity from one person to another, whether fully or partially, for the purpose of continuing the same activity by the recipient. Such transfers do not qualify as taxable supplies, provided that the following conditions are met:

- a. The goods and services representing the economic activity (or part of it) must be operationally independent, meaning they can function as a standalone economic activity for the recipient. The transferred business must include all tangible and intangible assets necessary for conducting the economic activity. This includes physical assets such as equipment and buildings, as well as intangible assets like intellectual property rights and trademarks.
- b. The recipient must be a taxable person registered with ZATCA or must become a taxable person as a result of the transfer. The recipient must use the transferred goods, services, and assets directly to conduct the same economic activity as the supplier. If the recipient is not already VAT-registered, they must register due to the transfer and immediately begin using the transferred assets and services for the same taxable business.
- c. Both the supplier and recipient must formally agree in writing that they intend for the transfer to be treated as a transfer of economic activity for the purposes of the Regulations.
- d. The supplier and recipient must notify ZATCA of the transfer by the end of the month following the transfer date, using the designated form. The notification must include the following details:
 1. Names and addresses of the supplier and recipient.
 2. Taxpayer Identification Number (TIN) of the supplier (and the recipient, if registered).
 3. Proof of VAT registration application by the recipient, if not previously registered.
 4. Date of the economic activity transfer.
 5. Detailed list of goods and services included in the transfer.
 6. Signed agreement between the supplier and recipient confirming the economic activity transfer.
 7. Any additional documents required by ZATCA.

If the transfer of economic activity does not meet all the above conditions, including proper notification to ZATCA, the transferred goods and services will be treated as taxable supplies subject to VAT.



2.5.1 Tax Rights and Obligations After Completion of the Transfer

First: Succession of the recipient to the position of the supplier

Upon completing the transfer of economic activity according to the agreement between the supplier and recipient, the recipient assumes certain tax rights and obligations in place of the supplier:

- **Right to Deduct or Recover Input VAT:** The recipient is entitled to exercise the right to deduct or recover input VAT associated with the transferred activity, including adjustment of input VAT or output VAT previously declared by the supplier, in accordance with the provisions of Article (40) of the Regulations.
- **Record-Keeping Obligations:** The recipient is responsible for maintaining records related to the transferred activity in compliance with regulatory requirements.

Second: Ongoing Responsibility of Supplier and Recipient

Both the supplier and recipient remain jointly responsible for tax obligations that arise before or after the transfer, as per the VAT Law and Regulations, unless otherwise agreed. In all cases, the recipient does not assume liability for tax violations committed by the supplier before the transfer date, specifically those related to the transferred goods and services.

Third: Taxpayer Identification Number

The recipient must apply for VAT registration with ZATCA to obtain a separate Taxpayer Identification Number (TIN) unless they were already registered before the transfer. The transfer does not result in the supplier's Taxpayer Identification Number being transferred to the recipient-the recipient must obtain a new TIN upon registration.



2.6 VAT Suspension Regulations

The amendments to the Implementing Regulation of Value Added Tax (VAT) introduced a new article titled "VAT Suspension on Imports and Supply Transactions Linked to Tax Suspension". This article aims to regulate the tax treatment for goods subject to suspended customs duties upon importation, as well as transactions within special economic zones where VAT suspension applies. The key provisions of this article are outlined below:

1. VAT Rate of 0% on Certain Supplies

A 0% VAT rate applies to supplies made to or within customs suspension schemes, in accordance with the Unified Customs Law, under the following circumstances:

- When goods are supplied to customs suspension zones.
- When goods are transferred or supplied within such zones, meaning goods already under customs suspension remain within the suspended framework.
- When temporarily imported and transferred goods are re-exported for specific purposes, such as:
 - Repair: Goods imported for repair purposes.
 - Restoration: Goods requiring restoration to preserve their original condition.
 - Processing or transformation: Example-importing machinery for repairs.
 - Additional services: Any services related to goods while they remain in the Kingdom, provided they comply with the procedures outlined in the Unified Customs Law regulating temporary import and export transactions.

2. VAT Collection in Tax Suspension Cases

VAT is suspended on imported goods placed under customs suspension regimes, provided they comply with the Unified Customs Law conditions. VAT becomes payable when goods exit customs suspension, in line with the procedures specified in the Unified Customs Law.



3. Export Treatment of Goods

Goods exiting customs suspension zones for export outside GCC countries are treated as exports in accordance with applicable VAT rules.

4. VAT Treatment of Goods in Special Economic Zones

Tax treatment for goods imported into special economic zones, supplied within them, transferred between special zones, or exiting customs suspension follows the same VAT mechanisms applied to supplies to customs suspension zones, temporary imports of goods, or exit of goods from customs suspension to the Kingdom or GCC territory.

These transactions comply with Paragraphs (1), (2), (3), and (4) of Article (32 bis) of the Regulations, provided the following conditions are met:

- The special zone has customs suspension status.
- The goods are linked to licensed activities within the zone.
- The goods are placed under customs suspension.
- Effective control measures are in place to monitor the movement of goods within and outside the special zone.

Taxpayers must retain invoices and supporting documents related to transactions within special economic zones to ensure compliance, including: invoices, supporting documents (such as transport contracts, customs clearance forms), or any other relevant records proving the nature of the transaction and its link to the special zone.



5. Documentation Compliance

Taxable persons must retain documentation proving the location of goods at the time of supply, including movement records and customs suspension status, especially for goods in special economic zones. Documentation must comply with customs regulations under the Unified Customs Law.

6. Exemptions

Water and all forms of energy (electricity, gas, lighting, heating, cooling, air conditioning) are exempt from these VAT suspension rules, as they do not fall under customs suspension procedures.

Example (12):

A plumbing company in a special economic zone imported raw materials worth 2 million SAR from abroad, placing them under customs suspension in a warehouse within the zone. The imported materials were intended for manufacturing plastic products inside the Kingdom.

Treatment:

VAT is suspended on the raw materials while under customs suspension. VAT becomes payable once the materials exit suspension for domestic consumption, requiring VAT return submission and payment of the due tax.



Example (13):

A mobile phone manufacturing company supplied glass materials worth 8 million SAR to a special economic zone for use in a licensed project within the zone.

Treatment:

A 0% VAT rate applies to the supply to the special economic zone, provided that:

- The zone has customs suspension status.
- The supplied materials are associated with licensed activities in the zone.
- The goods are placed under customs suspension.
- Effective control measures are in place to monitor the movement and supply of goods within and outside the zone.

Example (14):

An industrial equipment company transferred machinery worth 50,000 SAR from a special zone in Jeddah Port to a special zone in Dammam Port, without changing the equipment's status.
Treatment:

A 0% VAT rate applies to the transfer between the two special zones, provided that:

- The zone operates under customs suspension.
- The equipment is associated with licensed activities within the special zone.
- The goods remain under customs suspension.
- Effective control measures track the movement and supply of goods within and outside the zone.



Example (15):

A company established in the Kingdom (outside the special zone) supplied electricity worth 50 million SAR to a special zone for industrial facility operations.

Treatment:

Imported electricity does not qualify for the 0% VAT rate. VAT applies to electricity at the standard rate of 15%, since electricity is not subject to customs suspension procedures under applicable tax laws.

2.7 Provisions for Services Supplied to Non-GCC Residents

The amendments to the Implementing Regulation of Value Added Tax (VAT) introduced clarifications on the tax treatment of services supplied to non-GCC residents, which qualify for a 0% VAT rate provided the applicable conditions are met.

The key modifications are found in Paragraphs (C) and (D) of Paragraph (2) of Article (33) of the Regulations, which specify that for a service to qualify for the 0% VAT rate, the following conditions must be met:

- The Customer or any related person must not directly benefit from the supplied service while present in a GCC member state.
- The service must not be physically performed on tangible goods located in a GCC member state during the supply process.



Example (16):

Company "A", a registered VAT taxpayer specializing in industrial equipment maintenance, supplied a service to a non-GCC resident regarding the repair method for a specific pump. However, the actual repair work was carried out by another company based in the Kingdom.

Treatment:

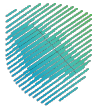
Since the service was physically performed on tangible goods in the Kingdom, the transaction does not qualify for the 0% VAT rate.

2.8 Government Subsidies Paid to Suppliers

Paragraph (6) of Article (26) of the Unified VAT Agreement states: "The taxable supply value shall be reduced by the following: - (b) The value of subsidies granted by the member state to the supplier."

To clarify the definition of subsidies in VAT provisions and distinguish them from consideration for taxable supplies, the amendments introduced Paragraph (2) of Article (39) of the Regulations, stating:

"Amounts paid by a government entity to a supplier are not considered subsidies if they constitute full or partial compensation for the supply of goods or services to the government entity." Thus, if the paid amount (or part of it) corresponds to the supply of goods or services benefiting the government directly or indirectly, it is not considered a subsidy but rather taxable consideration for those supplies.



Example (17):

A government entity contracts Supplier "A" to develop infrastructure in a remote area, with the aim of making land ready for real estate development at competitive prices by various property developers, including Supplier "A" itself. Under the agreement, the government provides a specified financial sum to Supplier "A" as financial support, covering all infrastructure costs incurred by Supplier "A".

Treatment:

In this case, the supply is made for the benefit of the government entity and in accordance with the agreement between the two parties. Therefore, the amount paid is not considered a subsidy but rather compensation for the supply of infrastructure, the costs of which will be incurred by the supplier in the execution of the project on behalf of the government entity.

2.9 Input VAT Deduction for Goods Supplied Under Financing Contracts

As a general rule, a VAT-registered person who deducts input VAT on a received supply but has not fully paid for it within twelve months following the month of supply must adjust the deductible input VAT by an amount equivalent to the unpaid tax. This adjustment must be included in the VAT return for the tax period corresponding to the expiration of the twelve-month period.¹ As an exception to this rule-recognizing the nature of financing contracts for taxable purchases entered into with licensed financial institutions-the Regulations amendments allow the full deduction of input VAT incurred on goods supplied under financing contracts such as lease financing, murabaha agreements, and lease-to-own arrangements, provided the following conditions are met:

1. The contract or agreement remains in effect.
2. There is no legal dispute concerning the contract or agreement.
3. The supplier has declared the full amount of VAT due on the supply in the VAT return for the relevant tax period.
4. The customer holds a written certificate issued by the supplier, confirming full VAT declaration.

1. Paragraph (10) of Article (40) of the Regulations.



Example (18):

In August 2025, Company "A" entered into a lease financing contract with Company "B" to acquire industrial equipment worth 100,000 SAR, agreeing to pay monthly installments of 3,194.45 SAR over three years, inclusive of 15% VAT (15,000 SAR). Upon signing the contract, Company "B" issued an invoice for the full supply value (115,000 SAR) and declared the entire VAT due in its VAT return. Company "A" consistently paid its installments and obtained a written certificate from Company "B" confirming full VAT declaration.

Treatment:

Since all exception conditions under Paragraph (10) of Article (40) of the Regulations are met, Company "A" is entitled to deduct the full input VAT in its tax return.

Example (19):

Using the same scenario as Example (18), six months later, Company "A" discovered that the equipment was defective and did not meet the agreed specifications, leading it to stop paying the remaining installments and file a lawsuit.

Treatment:

Due to the legal dispute jeopardizing the continuity of the contract, the exception allowing full input tax deduction under financing contracts does not apply in this case. Accordingly, Company "B" must adjust the value of the supply in proportion to the VAT related to the unpaid installments. The total value of the outstanding installments after six months is SAR 95,833.30. This adjustment must be reported in the VAT return for September 2026, which marks the end of the 12-month period following the month of the original supply transaction.



If the input tax has been adjusted in accordance with the above and the taxable person later settles the previously unpaid consideration, they may increase the deductible input tax accordingly. This increase should correspond to the VAT calculated on the amount paid and must be included in the VAT return for the tax period in which the payment was made, or in a subsequent tax period.

2.10 Electronic Marketplace

2.10.1 Definition

The amendments to the Implementing Regulation of Value Added Tax (VAT) define an Electronic Marketplace for VAT purposes as:

“A digital or electronic platform, or its equivalent, whose primary or secondary purpose is to enable suppliers to showcase, offer, provide, or contract for their products-whether goods or services-with benefiting customers.”²

2. Paragraph (4/b) of Article (47) of the Regulations.



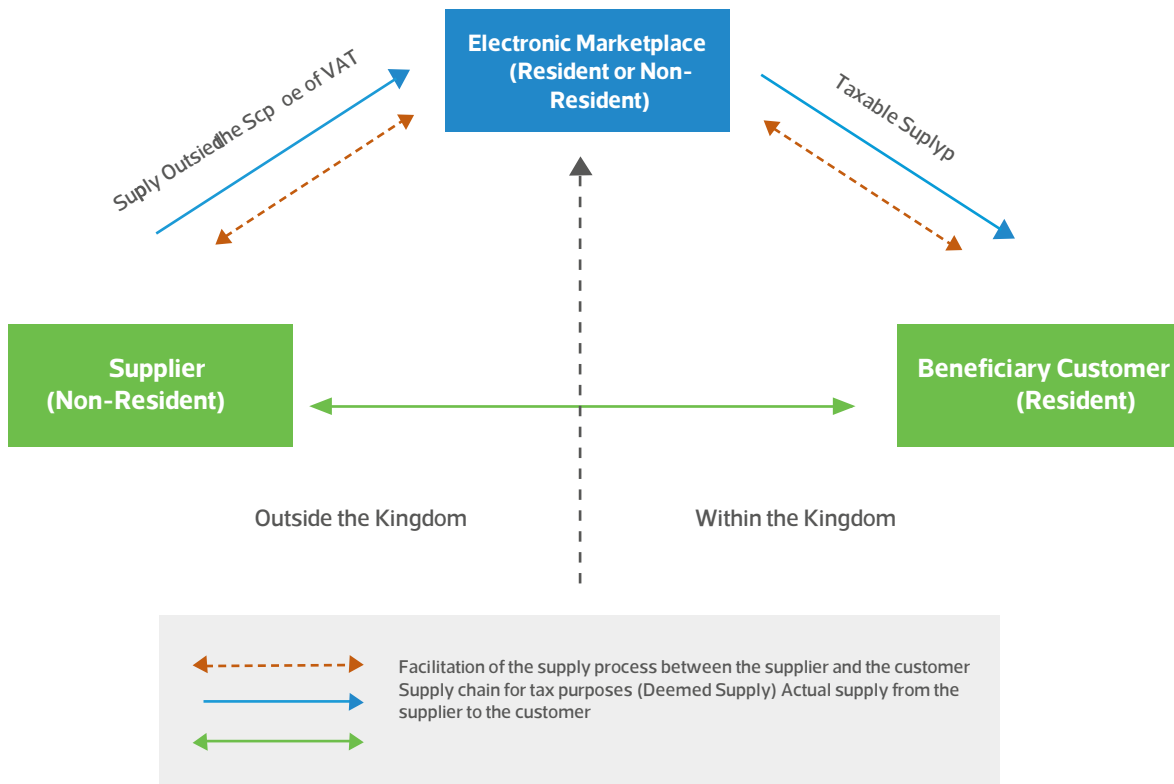
For a platform to be classified as an electronic marketplace, it must actively facilitate the supply process for goods or services. Thus, if its role is limited to processing payments related to purchases, advertising and marketing, or simply redirecting customers to another electronic marketplace-which then facilitates the actual supply-it does not qualify as a facilitator of supply.³ The following examples offer further clarification:

No.	Example	Does it qualify as an electronic marketplace facilitating supply?
1	An electronic payment platform facilitates online payments between customers and e-commerce stores by enabling transactions via credit cards or bank transfers. When a purchase is made through an online store, the platform transfers the payment amount from the customer's account directly to the store's account only.	
2	A marketing platform promotes goods and services on behalf of e-commerce stores through advertisements, including images, videos, and promotional articles, to attract potential buyers. However, it does not process transactions; instead, it redirects customers to another e-commerce platform that manages the purchasing process.	X
3	The Best Choice platform showcases electronic products-such as smartphones and other electronic devices-allowing customers to compare features and prices across multiple e-commerce stores. This enables users to identify the best deals. Like the marketing platform, Best Choice does not handle transactions but redirects customers to another platform where the actual purchase takes place.	
Since the platforms described in examples (1), (2), and (3) are limited to processing payments, conducting marketing and advertising activities, or redirecting customers to other platforms for the actual supply of goods or services, they are not considered to be facilitating the supply process.		

3. Paragraph (4/a) of Article (47) of the Regulations.

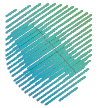


2.10.2 Facilitation of Service Supply by an Electronic Marketplace from a Non-Resident Supplier



The amendments to the Implementing Regulation of Value Added Tax (VAT) provide further clarifications regarding the conditions under which an electronic marketplace is not liable for tax payments on electronic services supplied through its platform—whether the electronic marketplace is resident or non-resident and acts as an intermediary for a non-resident supplier.

The provisions in Paragraph (2) of Article (47) of the Regulations extend the application of Article (9) of the VAT Law, which states that if a VAT-registered taxable person supplies goods or services in their own name on behalf of another party, they are treated as making the supplies for themselves under VAT regulations.

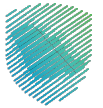


In cases where an electronic marketplace facilitates the supply of services as an intermediary for one or more non-resident suppliers, the market is considered to have purchased the services from the non-resident suppliers for its own account and to have resupplied them under its own name to the final customer. Consequently, the electronic marketplace is responsible for collecting and remitting VAT on taxable supplies made through its platform within the Kingdom.

This regulation results in two separate supplies, with tax treatment explained as follows:

1. The First Supply: From the Non-Resident Supplier to the Electronic Marketplace

- a. If both the supplier and electronic marketplace are non-resident in the Kingdom: The supply of services from the non-resident supplier to the non-resident electronic marketplace is outside the scope of VAT. This means the supplier is not required to register for VAT in the Kingdom and cannot claim input VAT incurred in the Kingdom.
- b. If the supplier is non-resident and the electronic marketplace is VAT-registered in the Kingdom: The supply of services from the non-resident supplier to the VAT-registered electronic marketplace is subject to the reverse charge mechanism. The electronic marketplace must declare the supply in its VAT return, while the non-resident supplier remains exempt from VAT registration and cannot claim input VAT incurred in the Kingdom.
- c. If the supplier is non-resident and the electronic marketplace is resident in the Kingdom but not VAT-registered: The supply of services from the non-resident supplier to the resident electronic marketplace is subject to VAT under standard rules. The non-resident supplier is responsible for VAT payment and must register for VAT in the Kingdom upon their first taxable supply, regardless of its value, while being eligible to deduct input VAT incurred in the Kingdom related to taxable supplies.

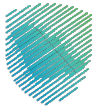


2. The Second Supply: From the Electronic Marketplace to the Customer Receiving the Facilitated Service

- a. If the electronic marketplace is non-resident and deals with non-registered customers in the Kingdom: The electronic marketplace must register for VAT in the Kingdom, regardless of the value of its supplies in the Kingdom. VAT is applicable on the total supply amount paid by the customer, and the market has the right to deduct input VAT incurred in the Kingdom related to taxable supplies.
- b. If the electronic marketplace is resident and VAT-registered in the Kingdom: The same VAT treatment applies as in scenario (a).
- c. If the electronic marketplace is resident but not registered or not required to register (Its revenues do not exceed the mandatory registration threshold): The supply of services through the market is not subject to VAT. However, the market bears the VAT imposed on the first supply from the non-resident supplier, who must register for VAT due to their supply to a non-registered resident entity (the electronic marketplace).

The above provision does not apply if all of the following conditions are met:

- It is explicitly stated that the supplier-or non-resident suppliers-are the actual providers of the supply taking place within the Kingdom, and that the transaction is conducted through the electronic marketplace on behalf of the customer. This must be clearly reflected in the contractual arrangements between all parties involved, as well as in the tax invoice and the receipt issued to the customer.
- The electronic marketplace does not set the terms and conditions related to the supply of services offered through it, determine the consideration for such supplies, charge or invoice customers for the consideration, collect payments from customers, handle customer complaints, or provide promotions or compensation to customers in relation to the supply.



Example (20):

Company "A", a non-resident gaming company, sells electronic games via Platform "B", an electronic marketplace also non-resident in the Kingdom. Several customers based in the Kingdom purchase games through the platform.

Treatment:

Since both the supplier (Company A) and the electronic marketplace (Platform B) are non-resident, their transactions are outside the scope of VAT in the Kingdom. The second supply from the electronic marketplace to resident customers is treated based on the customer's VAT registration status:

- If the supply is made by a non-resident to non-registered customers, the supplier must register for VAT in the Kingdom.
- If the supply is made by a non-resident to VAT-registered customers, the resident customers must declare these supplies under the reverse charge mechanism.

Example (21):

Company "A" is an electronic marketplace that acts as an intermediary for selling online consultancy services. The market facilitates the sale of consultancy services provided by a non-resident supplier (a consultant not residing in the Kingdom) to customers located in the Kingdom. The market sets the prices, issues tax invoices to customers in its own name, collects payments from customers, and defines the terms and conditions related to the service.

Treatment:

Since the electronic marketplace controls pricing and manages all aspects of the supply, it is responsible for collecting and remitting VAT on taxable supplies within the Kingdom.



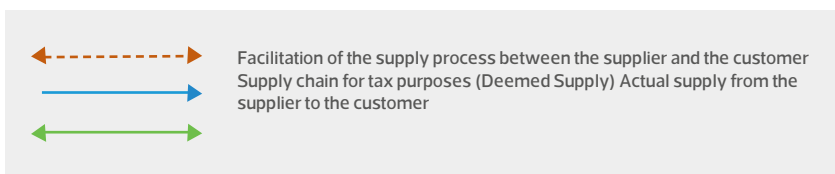
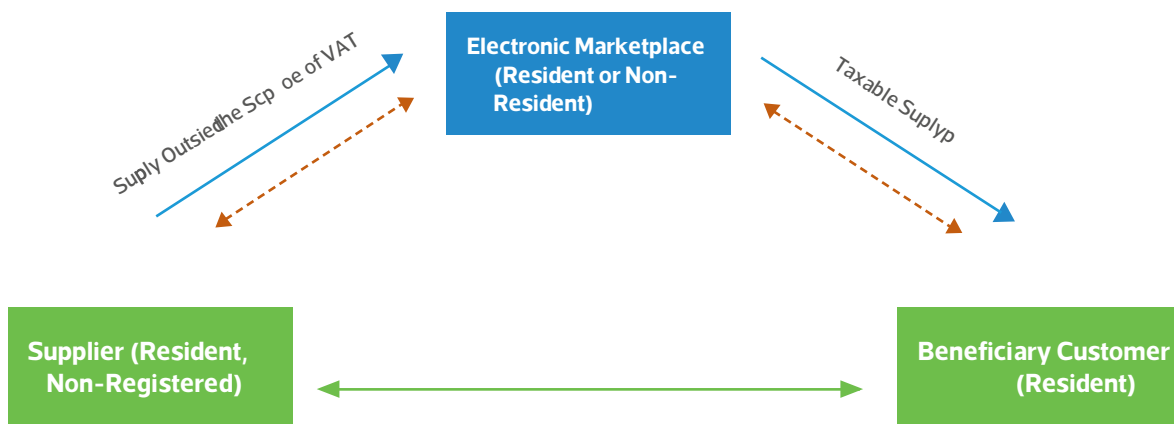
Example (22):

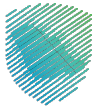
Using the same scenario, the customer purchases consultancy services directly from the non-resident supplier (the consultant), as evidenced by the tax invoice issued to the customer, which explicitly identifies the non-resident supplier as the provider of the service. Moreover, the electronic marketplace does not set the prices or terms, handle customer complaints, or provide promotions or compensation related to the supply.

Treatment:

Since the non-resident supplier is directly responsible for the supply, the VAT collection and payment obligations fall on the supplier, provided the customer is not VAT-registered in the Kingdom.

2.10.3 Facilitation of Goods or Services Supply by an Electronic Marketplace from a Non-Registered Resident





Starting from January 2026, amendments to Paragraph (3) of Article (47) of the Regulations will regulate situations where an electronic marketplace facilitates the supply of goods or services in the Kingdom as an intermediary for one or more resident suppliers who are not VAT-registered.

In such cases, the electronic marketplace is deemed to have purchased the goods or services from the non-registered resident suppliers for its own account and then resupplied them under its own name to the final customer. As a result, the electronic marketplace bears the responsibility for collecting and remitting VAT on all taxable supplies conducted through its platform in the Kingdom.

This framework creates two distinct supplies, with the tax treatment outlined as follows:

1. The First Supply: From the Non-Registered Resident Supplier to the Electronic Marketplace

- a. If goods are supplied by a non-registered resident supplier or a supplier not required to register for VAT with ZATCA in the Kingdom, and the supply is made through a taxable electronic marketplace (whether resident or non-resident), the supply is considered outside the scope of VAT. In this case, the resident supplier is not required to issue a tax invoice or collect VAT on its supplies.
- b. If services are supplied by a non-registered resident supplier or a supplier not required to register for VAT through a taxable electronic marketplace (whether resident or non-resident), the supply is likewise considered outside the scope of VAT, and the resident supplier is not required to issue a tax invoice or collect VAT on its supplies.

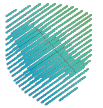


2. The Second Supply: From the Electronic Marketplace to the Customer Benefiting from the Supply Facilitation Service

- a. If the electronic marketplace is non-resident in the Kingdom and supplies are made to individual (non-registered) customers, the electronic marketplace must register for VAT purposes, regardless of the value of its supplies in the Kingdom. In this case, the full value of goods or services supplied through the electronic marketplace will be subject to VAT, and the market will have the right to deduct input tax incurred on expenses or inputs related to its economic activity in the Kingdom.
- b. If the electronic marketplace is resident and registered for VAT purposes with ZATCA, the same VAT treatment as outlined in (a) will apply.
- c. If the electronic marketplace is resident but not registered or not required to register, then supplies made through it will not be subject to VAT.

The above provision does not apply if all of the following conditions are met:

- It is explicitly stated that the non-registered resident supplier(s) are identified as the actual suppliers conducting the supply within the Kingdom, in both the contractual arrangements between all parties and the tax invoice/payment receipt issued.
- There exists a direct and independent contractual relationship between the non-registered resident supplier(s) and the final customer, compliant with applicable VAT regulations in the Kingdom, and the supplier(s) set all terms and conditions of the supply.
- The electronic marketplace does not set terms and conditions, determine pricing, charge customers, collect payments, handle complaints, offer promotions, or provide compensation related to the supply.



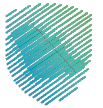
2.11 Input VAT Deduction on Certain Restricted Purchases When Service Provision Is Mandatory

Article 50 of the Implementing Regulation of Value Added Tax (VAT) defines specific categories of goods and services that are considered to be received outside the scope of economic activity, for which input tax deduction is not permitted. If a taxable person incurs costs or expenses for any of these restricted categories and uses them for non-economic purposes, such input tax is not deductible.

These expenses are typically incurred for the personal benefit of the employer, employees, or related persons. However, amendments to the regulations have introduced an exception, permitting input tax deduction when the provision of certain services is legally mandatory for the taxable person to offer to employees under applicable laws in the Kingdom.

Based on the amendment to Article 50, input tax may not be deducted on the following expenses unless the goods or services are resupplied as taxable supplies:

- Entertainment, sports, or cultural services, including attendance at entertainment-related events.
- Hospitality services and food and beverage catering, unless the taxable person is legally obligated to provide such services to employees at the workplace under applicable Kingdom regulations.
- Insurance or healthcare services provided to employees and their dependents, unless there is a statutory obligation for the taxable person to provide these services under the Kingdom's applicable regulations.
- Purchase or lease of restricted vehicles, defined as vehicles designed to carry no more than ten persons. Exceptions to this restriction include:



- a. Trucks, cranes, and other heavy machinery used exclusively for economic activity, without being made available for personal use.
- b. Vehicles acquired for resale as part of the taxable person's economic activity, through sale, lease, or similar arrangements.
- c. Vehicles registered as emergency vehicles, such as ambulances, fire trucks, security, or patrol vehicles.
- d. Vehicles used exclusively for economic activity, without being made available for personal use.
 - Insurance, repairs, modifications, maintenance, or similar services related to restricted vehicles.
 - Fuel consumption for restricted vehicles.
 - Any goods or services intended for personal use or purposes unrelated to economic activity.

Example (23):

Ahmad, the owner of a retail company specializing in beauty products, invited his marketing team to a dinner as a gesture of appreciation for their efforts in boosting sales. During the dinner, they discussed departmental operations and future development opportunities.

Treatment:

Although the expense was incurred for the benefit of the team, the VAT on the dinner is non-deductible, as the food and beverage costs represent a personal initiative and are not a legal or regulatory obligation.

Example (24):

Al-Dhahabi Construction Company, a VAT-registered entity in the Kingdom, specializes in construction projects located in remote areas. To accommodate its employees in these remote locations, the company incurs several costs, including food and catering expenses.



Treatment:

The food and catering expenses incurred for employees in remote areas are deductible, as providing such services is a legal obligation for employers under the applicable Kingdom regulations.

Timeframe for Issuing Credit and Debit Notes

The amendments to the Regulations introduced a new provision specifying the timeframe for issuing credit and/or debit notes, as required under Article (54) of the Regulations. Taxable persons must issue the required notes within 15 days following the end of the month in which the event necessitating their issuance occurred.

2.12 Provisions on Correcting VAT Returns

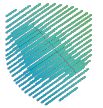
The amendments clarify Paragraphs (1) to (4) of Article (63) of the VAT Regulations regarding cases where a taxable person mistakenly submits a VAT return. The updated provisions explain the procedure for correcting errors and how to report the corrections in the tax return. The following examples illustrate the process:

Example (25):

Company "A", a VAT-registered logistics provider, submitted its VAT return for Q12024. Later, it discovered an error in the return, resulting in a 10,000 SAR understatement of the net VAT due.

Treatment:

The company can correct the error using the "Corrections" section in the VAT return for the tax period in which the error was discovered, by adding the missing amount to the net VAT due.



Example (26):

Company "B", a VAT-registered legal consultancy firm, submitted its VAT return for Q4 2023, but later identified an error that led to an overstatement of the net VAT due.

Treatment:

The company can correct the overstatement by adjusting the amount in any subsequent VAT return, provided it complies with the correction timeframe specified in Paragraph (4) of Article (63) of the Regulations.

2.13 Offsetting Refundable Amounts Against Other Amounts Owed to ZATCA

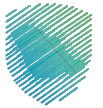
The amendment to Paragraph (5) of Article (69) of the Regulations affirms ZATCA's right to offset any refundable amounts due to VAT-registered persons against outstanding taxes, penalties, or other amounts owed under any regulation administered by ZATCA.

Example (27):

Company "A" submitted its VAT return for Q2 2024, which showed a net tax credit in its favor. However, the company had outstanding fines related to import/export violations that remained unpaid.

Treatment:

ZATCA may deduct these fines from the refundable VAT amount due to the company.



2.14 VAT Refunds

The amendments to Article (70) of the Regulations introduce several clarifications regarding the categories of persons who may be designated as eligible for VAT refunds, as well as the procedures for submitting refund applications. Individuals or entities within these designated categories may apply for recognition as eligible for a refund-subject to approval by the Minister of Finance-for VAT incurred and paid on purchases of taxable goods or services within the Kingdom.

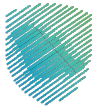
The designated categories eligible for VAT refunds are as follows:

- a. Foreign governments, international organizations, diplomatic and consular missions, military entities, and accredited members of the diplomatic and consular corps in the Kingdom.
- b. Charitable organizations, foundations, public benefit associations, and similar entities.
- c. Individuals not engaged in economic activity or operating in a specific economic sector.

ZATCA reviews refund requests based on a list of approved categories established by the Minister of Finance, in accordance with Board of Directors' requirements. It may request supporting documentation to verify eligibility. If an applicant fails to meet the required conditions, ZATCA may reject the request, providing written notification with the reason for rejection. Upon approval, ZATCA issues a personal identification number (PIN) for the refund process.

It is worth noting that the amendments specify several requirements for refund requests, including the timeframe for submission, which must not exceed six months from the end of the relevant refund period. Additionally, modifications to the request are not allowed after submission, and the total refund amount must be at least 5,000 SAR.

The amendments also require that the refund request include only VAT paid on goods or services documented by a customs declaration or a tax invoice dated within the refund period. Exceptions apply to monthly or quarterly refund requests, which may include VAT paid on tax invoices dated before the refund period, provided they do not predate the beginning of the calendar year for the refund period. Furthermore, the request must include at least the following details:



- a. Supplier's name and Taxpayer Identification Number.
- b. Tax invoice or customs declaration number and issue date.
- c. Total amount of the tax invoice or customs declaration.
- d. Date of tax invoice or customs declaration payment.
- e. VAT amount.
- f. Description of the purchased goods or services.
- g. Banking details for the refund transfer.
- h. Any additional information, data, or documents required by ZATCA within the refund request.

The default refund request submission frequency is quarterly or annually, but ZATCA may allow monthly requests under conditions set by the Board. The refund period may be changed once every twelve calendar months, either upon request by the refund-eligible person or at ZATCA's discretion.

A refund-eligible person may not claim VAT refunds on taxable economic activities where they deduct VAT as a registered taxable person under standard VAT return procedures. If VAT eligible for refund cannot be distinguished from deductible VAT or non-refundable VAT, the proportional deduction method outlined in Article (51) of the Regulations must be applied.

The amendments clarify ZATCA's right to review refund requests and request additional documents to complete the review, such as tax invoices, payment verification, or other necessary details. The refund applicant must provide the requested documents within twenty (20) business days. If the documents are not submitted within the specified period, ZATCA may reject the refund request.

If the request is approved, ZATCA shall pay the approved amount to the refund-eligible person's account within thirty (30) business days from the date the taxpayer is notified of the decision. Moreover, ZATCA may offset the refund against outstanding amounts owed. If the refund recipient receives an incorrect or undue refund, they must immediately notify ZATCA and repay



Refund requests are subject to examination, assessment, and appeals procedures as outlined in the Regulations. ZATCA may cancel a person's refund eligibility, and cancellation does not exempt the individual from repaying any outstanding dues that accrued before the cancellation date. ZATCA will notify refund-eligible persons of their registration cancellation and its effective date in the following cases:

1. The refund-eligible person fails to meet any qualification requirement.
2. The refund-eligible person intentionally submits multiple unjustified refund claims.
3. The Minister of Finance issues a decision revoking the eligibility status of a specific category



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