VAT

هيئة الزكاة والضريبة والجمارك
Zakat, Tax and Customs Authority

Tax Circular

Refund of Value Added Tax for Diplomatic Entities

Second Version | May 2026

Note: The English version is for guidance purposes only. In case of any discrepancy between the Arabic and English versions, the Arabic version shall prevail

The Zakat, Tax and Customs Authority has prepared and issued this Guideline to provide clarification on certain treatments and procedures related to the application of the regulatory provisions that were in force at the time this Guideline was released. The material presented in this Guideline should not be interpreted as modifying, replacing, or amending any of the applicable laws or regulations in force within the Kingdom.

The Authority affirms that, where relevant, it will apply the interpretative treatments set out in this Guideline in accordance with the applicable regulatory provisions. Should any clarification or content contained in this Guideline be updated without a corresponding amendment to the underlying regulatory provisions, the revised interpretative guideline will apply only to transactions conducted after the date on which the updated version of the Guideline is published on the Authority's official website.

Amendments

#	Version No.	Amendment Date	Section / Item	Type of Amendment	Description of Amendment	Notes
1	2	MAY 2026	6, 7	Amendment	Updating treatment to comply with the amendments of the VAT Implementing Regulations No. (01 - 24 - 06) issued on 19th November 2024.	-

Table of Contents

1. Subject of the Circular 5

2. General Definitions 5

3. Overview of Tax Refund for Eligible Persons 6

4. Diplomatic Entity 7

5. Process for Registration of a Diplomatic Entity as an Eligible Person for Refund under the Law 7

6. Expenses and Costs Eligible for Refund 8

7. Submission of Refund Request 9

7.1 Refund Periods 9

7.2 Submission of Correct Claims 10

7.3 Claims Not Acceptable for Tax Refund 10

7.4 Required Information 11

7.5 Procedure for Submitting a Refund Request 12

1. Subject of the Circular

This Circular clarifies the mechanism, requirements, and obligations for the refund of Value Added Tax on expenses, purchases, and costs paid within the Kingdom by diplomatic entities eligible for refund.

This Circular discusses matters relating to Diplomatic Entities as one of the categories of Eligible Persons entitled to submit a refund request in respect of Tax amounts incurred on goods and services in the Kingdom, in accordance with what is approved by the Ministry of Foreign Affairs of the Kingdom of Saudi Arabia, taking into account the application of reciprocity to Diplomatic Entities pursuant to the list of Eligible Persons entitled to Tax refund issued by the Authority and any amendments thereto.

2. General Definitions

The following words and expressions – wherever they appear in this Circular – shall have the meanings assigned to them below, unless the context requires otherwise:

a. The Kingdom: The territory of the Kingdom of Saudi Arabia, which also includes areas located outside the territorial waters over which the Kingdom of Saudi Arabia exercises sovereignty rights and jurisdiction, in accordance with its laws and international law, with respect to its waters, seabed, subsoil, and natural resources.

b. The Authority: The Zakat, Tax and Customs Authority (ZATCA).

c. The Tax: Value Added Tax.

d. The Law: The Value Added Tax Law issued by Royal Decree No. M/113 dated 2nd Dhu al-Qi'dah 1438H/25th July 2017, including any amendments thereto.

e. The Implementing Regulations: The Implementing Regulations of the Value Added Tax Law issued pursuant to the Resolution of the Board of Directors of the "General Authority of Zakat and Tax at that time" No. 3839 dated 14th Dhu al-Hijjah 1438H/5th September 2017, including any amendments thereto.

f. The Unified Agreement: "The Unified Agreement for Value Added Tax of the Gulf Cooperation Council States, approved by the Kingdom pursuant to Royal Decree No. M/51 dated 3rd Jumada al-Ula 1438H/31st January 2017."

g. The Circular: The Tax Circular for the Refund of Value Added Tax for Diplomatic Missions.

h. Diplomatic Entity: For the purposes of this Guideline, this includes categories of international bodies, including diplomatic missions such as foreign embassies, military attachés, and their affiliated technical and administrative offices, as well as general consulates, in addition to international organizations, bodies, and permanent delegations to international or regional organizations.
The definition of a Diplomatic Entity includes natural and legal persons eligible for the privileges and immunities under the Vienna Convention on Diplomatic Relations of 1961 or the Vienna Convention on Consular Relations of 1963.

i. Eligible Person / Eligible Person for Refund: This includes the categories of Diplomatic Entities set out in Paragraph (H) above, in respect of whom a Resolution has been issued by the Board of Directors of the Authority, with the approval of the Minister of Finance, confirming their entitlement to a refund of Value Added Tax as Eligible Persons for refund.

j. Representative of the Diplomatic Entity: The person appointed by the eligible Diplomatic Entity, or equivalent, to carry out the refund procedures of Value Added Tax on behalf of the Eligible Persons.

3. Overview of Tax Refund for Eligible Persons

Value Added Tax is applied to supplies of goods and services made by a taxable supplier in the Kingdom (taking into account certain limited exceptions), in accordance with the provisions of the Law and its Implementing Regulations. The taxable person shall levy Value Added Tax at the standard rate of 15% on taxable supplies of goods and services provided to any person or entity in the Kingdom, irrespective of the identity of the customer or their tax status.

Accordingly, Value Added Tax is imposed equally on supplies made to individuals, companies, public entities, or Diplomatic Entities. However, the Unified Agreement includes specific provisions regarding the refund of Tax to foreign governments, international organizations, bodies, and diplomatic missions,[1] in addition to the provisions of the Implementing Regulations, which stipulate the permitting of Eligible Persons to obtain a refund of the Tax incurred in the Kingdom[2], as set out in this Circular.

The tax rules and provisions in force in the Kingdom also provide that purchases made by any Diplomatic Entity in the Kingdom are not exempt from Value Added Tax. However, such Diplomatic Entities have the right to request a refund of the Value Added Tax paid by them on their purchases and costs incurred in the Kingdom, in accordance with the relevant requirements and conditions and subject to reciprocity.

It should be noted that exemption from Value Added Tax applies to imports of goods eligible for diplomatic exemptions pursuant to the Unified Customs Law of the Gulf Cooperation Council States and the rules and procedures applicable in the Kingdom concerning customs exemptions, and subject to reciprocity.

4. Diplomatic Entity

For the purposes of this Circular, the term Diplomatic Entity includes the following diplomatic bodies, missions, and international organizations:

- Foreign embassies, military attachés, and their affiliated technical and administrative offices.
- General consulates.
- International organizations, including permanent delegations to international or regional organizations.

(1) Paragraph 1 of Article 69 of the Unified Agreement: "Each Member State shall determine the conditions and controls for granting foreign governments, international organizations, bodies, diplomatic, consular, and military missions the right to request a refund of the Tax incurred on goods and services in the Member State, in implementation of international agreements concluded or on the basis of reciprocity."

(2) Article 70 of the Implementing Regulations.

5. Process for Registration of a Diplomatic Entity as an Eligible Person for Refund under the Law

A Diplomatic Entity shall be registered as an Eligible Person for refund after the Ministry of Foreign Affairs verifies the eligibility of the entity and its affiliates for the purpose of applying the refund provisions in accordance with the conditions set out in the Implementing Regulations(3). The Ministry of Foreign Affairs shall, in turn, be responsible for publishing and updating the list of such Diplomatic Entities in the Kingdom.

Accordingly, if a natural person affiliated with a Diplomatic Entity becomes eligible for refund as an affiliate of a Diplomatic Entity, they may not submit a registration request or refund requests directly to the Authority. They must follow the procedures below:

1. The refund applicant must submit an official memorandum through the entity to which they are affiliated, to verify its entitlement to submit a refund request.
2. After confirmation by the Ministry of Foreign Affairs, the representative of the Diplomatic Entity shall submit a registration request as an Eligible Person to the Ministry of Foreign Affairs for the purposes of tax refund in the Kingdom, in accordance with the conditions determined by the Ministry of Foreign Affairs, including the reciprocity requirement applied by the Ministry.
3. Upon approval of the request by the Ministry of Foreign Affairs, the request shall be transmitted automatically to the Authority's Etimad Portal.
4. The Authority shall issue a list of names of Eligible Persons for refund and any amendments thereto.
5. Upon approval of the request by the Authority, the applying Diplomatic Entity shall be considered an Eligible Person, and a personal identification number for tax refund shall be issued for that entity and its affiliates. The personal identification number shall not be treated as equivalent to the tax identification number issued to taxable persons.
6. The remaining procedures for the refund request shall be completed through the Marasem Portal, where the representative of the Diplomatic Entity must enter the personal identification number obtained from the Authority in all refund requests, as well as in all correspondence with the Authority regarding refund requests.

(3) Provisions of Article 70 of the Implementing Regulations.

6. Expenses and Costs Eligible for Refund

Upon approval of the registration request as an Eligible Person, the representative of the Diplomatic Entity must verify that the Value Added Tax imposed on the Diplomatic Entity for each supply of goods and services separately is a refundable tax in accordance with the statutory provisions.

For the tax imposed on the supply of goods and services to be eligible for refund, it must first be ensured that it complies with the approval issued by the Ministry of Foreign Affairs, and thereafter all of the following requirements must be satisfied with respect to that supply:

- The supplier must correctly charge the tax on the goods and services received by the Eligible Person, and the supply must be made to the Eligible Person and not to any other party.

- This must be evidenced by the tax invoice. When the representative of the Diplomatic Entity submits refund requests for expenses and tax incurred in the Kingdom, the submitted tax invoice must include the name of the client (the Diplomatic Entity) and its address, provided that the issued invoice exceeds SAR 5,000.

- With respect to the tax included in refund requests and incurred by a diplomatic staff member affiliated with the eligible Diplomatic Entity (the Eligible Person), in accordance with the reciprocity requirement, in their capacity as a diplomatic employee, a simplified tax invoice may be submitted for expenses incurred in the Kingdom, provided that the entity maintains additional documentation proving the identity of the recipient of the supply. This applies in cases where the simplified invoice does not include the refund claimant's details, for example, but not limited to, a payment receipt to the supplier, bank payment records, or any other method that allows the Authority to verify that the invoice for which a tax refund is requested relates to the refund claimant.
  The tax paid on invoices dated prior to the refund period may be included, up to the maximum of the beginning date of the calendar year subject to refund.

- The Eligible Person must have received a tax invoice from the supplier, dated within the specified refund period, and retain the tax invoice when submitting the refund request.

- The expenses must not relate to commercial activities carried out by the eligible Diplomatic Entity, whether it is a governmental body, a governmental entity, or any of its natural persons.

7. Submission of Refund Request

7.1 Refund Periods

Diplomatic Entities may submit refund requests in respect of the following:

- Each quarterly period (i.e., each three-calendar-month period starting on 1st January and ending on 31st March, or starting on 1st April and ending on 30th June, or starting on 1st July and ending on 30 September, or starting on 1st October and ending on 31st December).
- Each calendar year (i.e., any Gregorian calendar year starting on 1st January and ending on 31st December).

An Eligible Person may submit a refund request in respect of each quarterly period or calendar year. In specific cases, the Authority may permit an Eligible Person to submit refund requests on a monthly basis. In all cases, the refund period shall be determined in the notice issued by the Authority approving the registration. A request may not be amended after submission, nor may more than one refund request be submitted in respect of each refund period.(4)

Any refund request must be submitted within a period not exceeding six months from the end of the relevant refund period. Upon submission, the request may not be amended, nor may more than one refund request be submitted in respect of each refund period(5).

For a quarterly period, the submission period for a refund request for the first quarter begins on the day following the end of the third calendar month and continues until the expiration of six months from the end of the relevant subsequent refund period. This allows the Diplomatic Entity six months from the end of the relevant refund period to compile all amounts eligible for tax refund during that period, and to complete and prepare supporting documentation proving the validity of the claimed amounts.

For a calendar year period, the submission period begins on the day following the end of the last calendar month of the year relevant to the refund claim (i.e., from the first day of the following year) and continues until the expiration of six calendar months.

(4) Paragraph 7 of Article 70 of the Implementing Regulations
(5) Paragraph 8 of Article 70 of the Implementing Regulations.

Example (1):

A Diplomatic Entity in the Kingdom incurred expenses, inclusive of Value Added Tax, for renting a meeting space for private events. If claims are submitted on a quarterly basis, the table below illustrates the relevant claim periods and the deadlines for submitting refund requests:

Period	Claim Period	Refund Request Submission Date
Period 1	1st January 2026 - 31st March 2026	Any day from 1st April 2026 to 30th September 2026
Period 2	1st April 2026 - 30th June 2026	Any day from 1st July 2026 to 31 December 2026
Period 3	1st July 2026 - 30th September 2026	Any day from 1st October 2026 to 31st March 2027
Period 4	1st October 2026 - 31st December 2026	Any day from 1st January 2027 to 30th June 2027

In the following year, the representative of the Diplomatic Entity changed the refund period, with the Authority's approval, to a calendar year starting from 1st January 2026 to 31st December 2026. Accordingly, the refund request for the annual expenses must be submitted during the period from 1st January 2027 to 30th June 2027.

The Authority may, once every twelve calendar months, change the refund period upon request from the Diplomatic Entity specifying the reasons for the change or at its own discretion. In the event of a change in the refund period, the Authority shall issue a notice to the Eligible Person indicating the new period and the effective date of the change.

7.2 Submission of Correct Claims

Prior to submitting a Value Added Tax refund request, it is essential to verify the claim details, claim period, claim amount, and supporting documentation. Failure to verify this information may result in submission of an incorrect refund claim to the Authority, which may lead to full or partial rejection of the refund request, and penalties may be imposed under the Value Added Tax Law for fraudulent claims submitted for VAT refund without entitlement.

If any Eligible Person recovers an amount of Tax incorrectly or without entitlement, they must voluntarily notify the Authority of the error immediately upon becoming aware of it and repay an amount equal to that Tax to the Authority, in accordance with the procedures specified by the Authority.

7.3 Claims Not Acceptable for Tax Refund

An Eligible Person is not required to submit a refund request for any specific period, as submission by the Eligible Person is optional. If the submission deadline expires without a request being submitted, this shall be deemed as no claim having been made for that period to the Authority, and the Eligible Person shall forfeit the right to claim a refund of any Tax for periods for which no refund request was submitted to the Authority.

The total amount of Tax subject to the refund request must not be less than SAR 5,000 during the refund period for each period[6]. The Authority shall not accept any refund request with a total amount less than SAR 5,000.

7.4 Required Information

The application must be submitted to the Authority using the form designated for that purpose, and it must include, at a minimum, the following information, data, and documents:

- **a.** The supplier's name and their Tax Identification Number (TIN).
- **b.** The tax invoice number or customs document number and the date of issuance.
- **c.** The total amount of the tax invoice or customs document.
- **d.** The payment date of the tax invoice or customs document.
- **e.** The Value Added Tax (VAT) amount.
- **f.** A description of the goods or services purchased.
- **g.** Bank account details for the transfer of the refund amount.

Upon submission of a refund request, the Eligible Person must retain books, records, and documents evidencing their entitlement to a refund, in particular the tax invoices or customs documents issued in their name relating to the supply subject to refund, as well as documents evidencing payment of that tax. By exception to the general provisions, a refund may be claimed for Tax paid under simplified invoices issued to foreign governments, international organizations, authorities, diplomatic, consular, and military missions, and accredited heads and members of the diplomatic and consular corps in the Kingdom, provided that reciprocity is applied or in accordance with applicable international agreements.[7]

(6) Paragraph 11 of Article 70 of the Implementing Regulations.
(7) Paragraphs 7/A and 7/C of Article 49 of the Implementing Regulations

Similarly, authorities and diplomatic missions are exempt from the obligation to retain books, records, and documents for 6 years from the end of the relevant refund period, subject to reciprocity or in accordance with applicable international agreements.

7.5 Procedure for Submitting a Refund Request

1. After the registration of the Diplomatic Entity as an Eligible Person for refund is accepted, the representative of the Eligible Diplomatic Entity shall submit the refund request through the Marasem Portal of the Ministry of Foreign Affairs. The request will be examined by the competent officer to verify the eligible expenses for each Diplomatic Entity based on the principle of reciprocity, and then the request will be forwarded to the Authority via the Etimad Portal. The Authority will review all requests submitted for each period, provided that the claimed tax exceeds the minimum threshold for refund eligibility.
2. The Authority may request copies of electronic invoices, proof of payment, or other information and documents – either automatically or in paper form – to verify the accuracy of the data contained in the submitted request. This will be communicated through a "Request for Additional Information" notice sent to the Diplomatic Entity via official channels, specifying the data and documents required by the Authority.

After submission of the requested documents and verification of the accuracy of the data provided by the Diplomatic Entity, the Authority will complete the processing of the request. The processing may include verification of the following, among other things:

- That the tax invoices were issued in the legal name of the Eligible Person, except in the case of simplified invoices, where the name of the Eligible Person is not required, but additional evidence proving that the Eligible Person incurred the expenses and paid the tax must be submitted (for further details, see Section 7.4 "Required Information").
- That the invoices and taxable expenses correspond with the refund request submitted by the representative of the Eligible Diplomatic Entity.
- That the Eligible Person submitted the claim within the statutory refund period.
- That the tax incurred by the Eligible Person does not relate to any economic or commercial activity carried out.

3. The representative of the Eligible Diplomatic Entity must submit the required data and information to the Authority within the period specified by the Authority. In all cases, the period specified by the Authority for providing the requested information shall not be less than 20 working days from the date of the Authority's request, in order to allow the Diplomatic Entities sufficient time to provide the required documents prior to the issuance of a decision on the claim. The Authority reserves the right to reject the refund request if the required documents are not submitted within the specified period.
4. Once the Authority's refund officer reviews the refund request and verifies the additional data and information, a decision will be made and a notice issued to the Eligible Person. The decision may be one of the following:
    - **Full approval of the request**.
    - **Partial approval of the request (i.e., approval of some expenses, specifying the amount approved and indicating the items excluded from approval)**.
    - **Full rejection of the request with an explanation of the reasons for rejection**.
5. If the Eligible Person is notified of approval of the request (either fully or partially), the Authority shall pay the approved refund amount to the bank account specified by the Eligible Person in their request within 30 working days from the date of notification of approval. The Authority may set off the approved refund amount against any Tax, fines, or other amounts due to the Authority.
6. In cases where the refund request receives partial acceptance or is rejected following the review, the Diplomatic Entity shall be notified of the preliminary assessment, including a specification of the invoices that were not accepted and the reasons for exclusion. The Entity may respond within the period specified by the Authority, either agreeing with the assessment or providing supporting documents to alter the outcome. A notice of the updated preliminary assessment will be issued to the Entity. If no response is received within the statutory period, the preliminary assessment shall be considered final, and a final assessment notice shall be issued to the Entity.



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