

الهيئة العامة للزكاة والدخل  
General Authority of Zakat & Tax



## MINISTERIAL RESOLUTION NO. (1343)

Dated: 28/03/1441 H | 25/11/2019 G



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## The Minister of Finance Chairman of General Authority of Zakat & Tax ("GAZT"/the "Authority")

By the powers and authorities legally vested in him;

PURSUANT TO Council of Ministers' Resolution No. 163 dated 19/03/1440H (27/11/2018G) in which it was resolved that the State shall assume zakat and income tax obligations arising out of investments in government bonds and securities, and by which the Minister of Finance was duly authorized to issue the rules and guidelines of such assumption;

AND having reviewed of the Council of Ministers' Resolution No. 126 dated 30/02/1436H (22/12/2014G) by which the Minister of Finance was duly authorized and vested with the power to issue any decision/resolution required to implement Royal Decree No. (M/40) dated 02/07/1405H (24/03/1985G);

AND having reviewed the Income Tax Law, enacted pursuant to Royal Decree No. (M/1) dated 15/01/1425H (06/03/2004G), and the Implementing Regulations thereto, issued by the Finance Minister's Resolution No. (1535) dated 11/06/1425H (28/07/2004G);

AND having reviewed the Implementing Regulation for the Collection of Zakat, enacted pursuant to Ministerial Resolution No. (2216) dated 07/07/1440H (14/03/2019G);

AND having reviewed the Rules for Zakat Calculation on Financing Activities, issued pursuant to Ministerial Resolution No. 2215 dated 07/07/1440H (14/03/2019G);

### RESOLVES THE FOLLOWING:

**1: THE STATE SHALL ASSUME ZAKAT AND INCOME TAX OBLIGATIONS ARISING FROM INVESTMENT IN BONDS AND SECURITIES ISSUED LOCALLY BY THE MINISTRY OF FINANCE IN SAUDI RIYALS.**

**2: THE STATE'S ASSUMPTION OF ZAKAT AND INCOME TAX AS STATED IN THE FIRST PARAGRAPH HEREOF SHALL BE SUBJECT TO THE FOLLOWING LIMITATIONS AND CONDITIONS:**

1. Bond or security holders shall submit their declarations within the statutory periods, in accordance with the Authority's established procedures, and must make payment of the amounts due as per the submitted declaration.
2. The bond or security holder is a zakat payer who is liable to zakat based on actual figures determined on the basis of their financial statements [i.e. not a zakat payer on a deemed basis] in accordance with the Authority's established procedures.
3. The bond or security holder is not an entity exempted from zakat or income tax.
4. The State shall not assume a liability greater than that paid by the taxpayer to the Authority.

**3: CALCULATION OF THE AMOUNT THE STATE ASSUMES IN RESPECT OF ZAKAT ON BONDS AND SECURITIES SHALL BE DETERMINED BY CALCULATING TWO ZAKAT BASES FOR THE ZAKAT PAYER, FROM ONE OF WHICH THE BONDS OR SECURITIES SHALL BE DEDUCTED**



**-BUT NOT FROM THE OTHER ZAKAT BASE-, THEN MULTIPLYING THE DIFFERENCE BETWEEN THE TWO TAX BASES BY THE ZAKAT RATE AS PER THE EXECUTIVE REGULATIONS FOR THE COLLECTION OF ZAKAT, THE SUM OF WHICH IS THE AMOUNT ASSUMED BY THE STATE WITH THE FOLLOWING EXCEPTIONS:**

1. If the [zakat] base meets the minimum zakat base whether the investment in government bonds or securities is deducted or not, then the amount of zakat that the State will assume is the zakat due on annual returns from the bonds or securities, calculated using the following formula:  
**(adjusted net profit / gross profit) x [annual] returns on bonds and securities x zakat rate**
1. If upon deducting the investment in government bonds or securities from the zakat base the [zakat] base meets the minimum zakat base but does not meet it without the deduction, then the amount of zakat that the State will assume is the difference between the two zakat bases less the portion of [annual] returns on [government] bonds and securities from the net profit multiplied by the zakat rate, calculated using the following formula:  
**[the difference between the two zakat bases – ((adjusted net profit / gross profit) x [annual] returns on bonds and securities)] x zakat rate.**

**4: THE INCOME TAX AMOUNT ASSUMED BY THE STATE SHALL BE THE TAX DUE ON NET RETURNS ON [GOVERNMENT] BONDS AND SECURITIES CALCULATED USING THE FOLLOWING FORMULA:**

**(adjusted net profit/gross profit) x [annual] returns on bonds and securities x tax rate**

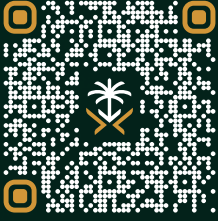
**May God bless this endeavor.**

// Signed//

H.E. Muhammed Abdullah Al Jadaan

**Minister of Finance**

**Chairman of the Board of the General Authority of Zakat and Tax**



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