



30 June 2020, Issue 15

UPDATE

on COVID-19

The Belt and Road Initiative Tax
Administration Cooperation Mechanism

EDITOR'S NOTE:

At this critical moment in the world's fight against the COVID-19, the Special Edition of the BRITACOM Update on COVID-19 is issued, aiming to provide a platform for BRITACOM Council Members, Observers and other stakeholders to exchange views and share experience in responding to the outbreak. Issue 15 is tax policy measures taken by the Kingdom of Saudi Arabia to mitigate the economic impact of the novel COVID-19. Later we will share more experience of tax administrations from countries and regions and views of international organizations and tax experts with you. If you would like to make contributions to the Special Edition, please contact us via email secretariat@britacom.org or britacom@163.com.

Tax Policy Measures of Mitigating Economic Impact of COVID-19 Kingdom of Saudi Arabia

The government of the Kingdom of Saudi Arabia is moving decisively to address the unprecedented effects and consequences of the coronavirus (COVID-19) global pandemic crisis, and is taking immediate measures to ensure the safety of its citizens and residents, and to address its fiscal, financial and economic impact.

The government has taken precautionary and strong measures to protect citizens and residents in the Kingdom, and to ensure the availability of immediate financial resources which will guarantee that all direct preventive measures to limit the spread of the virus and address this pandemic crisis' consequences, as well as protect government facilities and agencies and ensure the continuity of their work.

In addition, the government has prepared urgent initiatives to support the private sector, especially small and medium enterprises and economic activities most affected by the virus. The financial stimulus package of these initiatives reaches more than SAR 70 bn, which consists of exemptions and postponement of some government dues to provide liquidity to the private sector thereby enabling them to manage continuity of their economic activities. In addition, SAMA has announced a package of SAR 50 bn, to support the banking sector, financial institutions and SMEs.

The Government's decisions in the area of taxation include¹:

Enabling business owners, for a period of three months, to postpone the payment of Value-added Tax, Excise Tax, Income Tax, and the submission of Zakat declarations and the payment of obligations due therefrom.

- Granting Zakat certificates without restrictions for the period of fiscal year 2019, and to accept instalment requests to the General Authority of Zakat and Income Tax without applying the condition of advance payment.
- Postponing of implementation of procedures regarding suspension of services and financial seizure by the General Authority of Zakat and Income, and setting the necessary criteria to extend the postponement period for the most affected activities as needed.

¹ https://www.mof.gov.sa/en/mediacenter/news/Pages/News_20032020.aspx

Annex: Tax Policy Measures in responding to the COVID-19



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