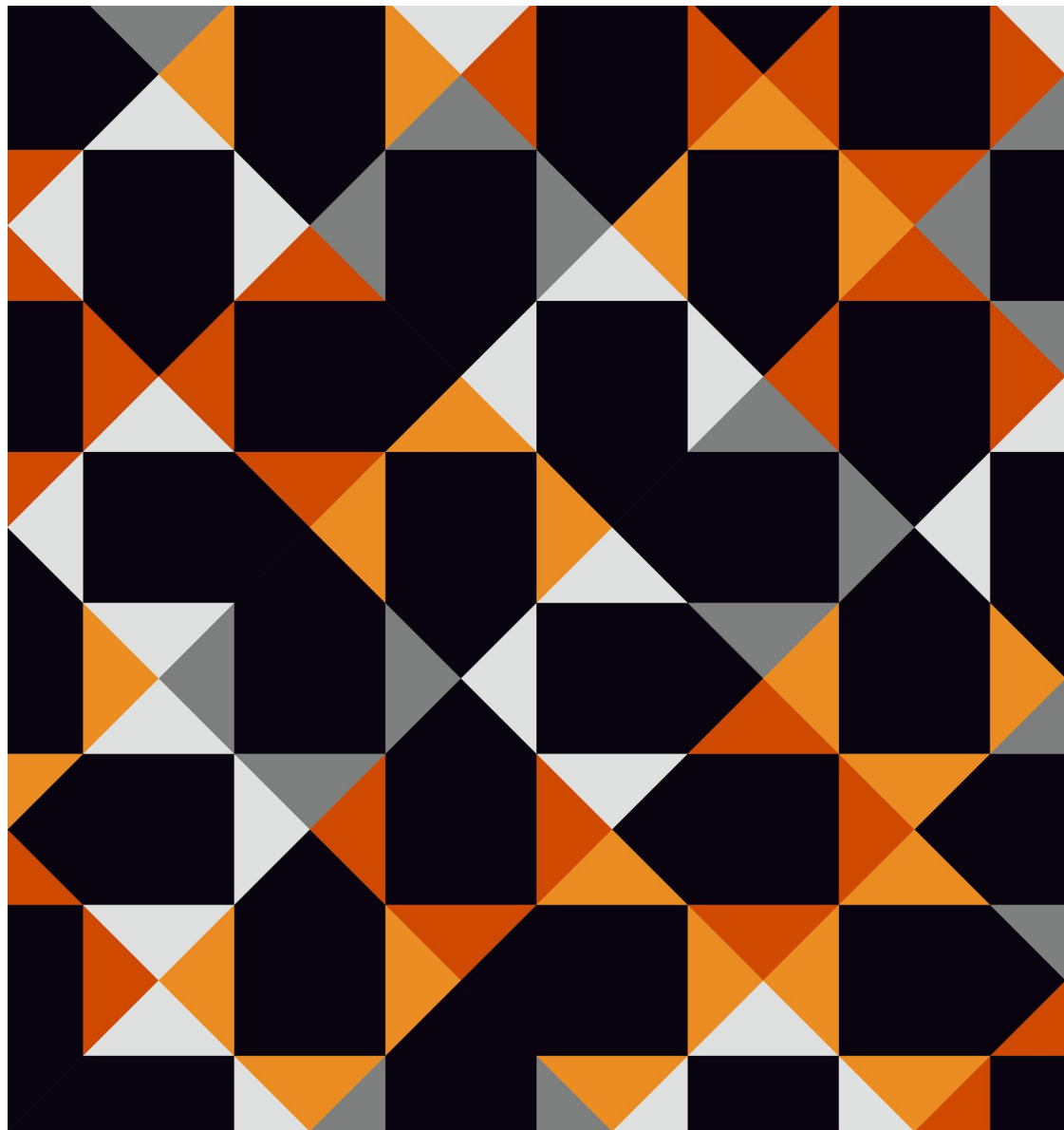


Saudi Arabia: Draft Rules and Procedures for VAT recovery by Licensed Real Estate Developers

May 2022





In brief

The Zakat, Tax and Customs Authority ('ZATCA') have issued draft rules and procedures relating to VAT recovery by qualified/ licensed real estate developers on goods and services purchased in KSA by them in relation to their exempt supplies of real estate.

The [Rules and Procedures](#) (available only in Arabic) were published on the Public Consultation Platform of the National Competitiveness Center on 11 May 2022 - for public consultation. Interested stakeholders and taxpayers are encouraged to express their opinions - [on this platform](#) - and share feedback on the draft amendments no later than 25 May 2022.

In detail

Based on the provisions of Articles 14 and 70 of the VAT Implementing Regulations, a draft of Rules and Procedures has been issued by ZATCA for allowing qualified / licensed real estate developers to recover VAT paid on goods and services received by them in KSA relating to onwards exempt supplies of real estate.

The draft Rules and Procedures contain 20 rules and mainly cover:

- Process of submission of qualified real estate developer application;
- Exceptions related to allowing real estate developers to refund input VAT incurred prior to obtaining eligible person status;
- VAT refund treatment related to real estate properties owned by Ministry of Housing for sales on maps projects;
- Refund filing frequency;
- Instances of rejection of VAT refund application. ...etc



The suggested rules and procedures relating to VAT refund by qualified/ licensed real estate developers are shared for public consultation. Once approved, these will become binding for all relevant stakeholders.



The takeaway

The public consultation forum presents a unique opportunity for interested stakeholders to share views and highlight any improvement areas regarding the draft Rules and Procedures.

Interested stakeholders are encouraged to share their feedback no later than 25 May 2022 through the prescribed channel.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



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Thank you

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