





# Overview of CbCR in the Middle East



## Comparative overview

	UAE	KSA	Egypt	Qatar	Oman
<b>Requirements</b> 	<ul style="list-style-type: none"> <li>• <b>CbCR filing:</b> 12 months from end of Financial Year ('FY') of the Multinational Enterprise ('MNE')</li> <li>• <b>CbCR notification filing:</b> last day of FY of the MNE</li> </ul>	<ul style="list-style-type: none"> <li>• <b>CbCR filing:</b> 12 months from end of FY of the entity (<b>Note 1</b>)</li> <li>• <b>CbCR notification filing:</b> no later than 120 days from the last day of FY of the entity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>CbCR filing:</b> 12 months from end of FY of the entity</li> <li>• <b>CbCR notification filing:</b> last day of FY of the entity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>CbCR filing:</b> 12 months from end of FY of the entity</li> <li>• <b>CbCR notification filing:</b> last day of FY of the entity</li> </ul>	<ul style="list-style-type: none"> <li>• <b>CbCR filing:</b> 12 months from end of FY of the entity (<b>Note 3a</b>)</li> <li>• <b>CbCR notification filing:</b> last day of FY of the entity (<b>Note 3b</b>)</li> </ul>
<b>Applicability</b> 	<ul style="list-style-type: none"> <li>• MNE with consolidated revenue <math>\geq</math> AED 3.15 bn (USD 858 mn approx.)</li> <li>• FYs starting on or after 1<sup>st</sup> Jan 2019</li> <li>• CbC report / notification requirement is applicable to MNE with Ultimate Parent Entity ('UPE') in UAE, hence, no secondary filing requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Zakat and/or Income Tax payers</li> <li>• MNE with consolidated revenue <math>\geq</math> SAR 3.2 bn (<b>Note 1</b>)</li> <li>• Tax declaration deadline on or after 1<sup>st</sup> Jan 2019</li> </ul>	<ul style="list-style-type: none"> <li>• MNE with Egyptian Parent: consolidated revenue &gt; EGP 3 bn, need to file CbCR and notification</li> <li>• Egyptian subsidiaries of MNE: consolidated revenue <math>\geq</math> Euro 750 mn, need to file notification only</li> <li>• FYs ending on or after 31<sup>st</sup> Dec 2018</li> </ul>	<ul style="list-style-type: none"> <li>• MNE with Qatar Parent: consolidated revenue <math>\geq</math> QAR 3 bn (USD 824 mn approx.)</li> <li>• Qatar subsidiaries of MNE: CbCR rules are not applicable (yet) (<b>Note 2</b>)</li> <li>• FYs starting on or after 1<sup>st</sup> Jan 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Entities tax resident in the Oman</li> <li>• MNE with consolidated revenue <math>\geq</math> OMR 300 mn (USD 780 mn approx.) (<b>Note 3a</b>)</li> <li>• FYs starting on or after 1<sup>st</sup> Jan 2020</li> </ul>
<b>Penalties and fines</b> 	<ul style="list-style-type: none"> <li>• Four types of Administrative Penalties</li> <li>• Range: AED 100,000 - AED 1,000,000</li> <li>• Additional fine - 10,000 per day up to a maximum of AED 250,000 in case of delay in CbCR filing</li> </ul>	<ul style="list-style-type: none"> <li>• Penalties and fines as per the Zakat and/or Income Tax Law</li> </ul>	<ul style="list-style-type: none"> <li>• Penalties and fines are as per the Income Tax Law.</li> </ul>	<ul style="list-style-type: none"> <li>• Penalties and fines as per the Income Tax Law</li> </ul>	<ul style="list-style-type: none"> <li>• No CbCR specific penalties prescribed. However, penalties as per Income Tax Law may apply. Clarity is awaited.</li> </ul>
<b>Exchange relationships (<b>Note 4</b>)</b> 	<ul style="list-style-type: none"> <li>• Activated 56 CbC multilateral competent authority agreements ("MCAAs") for sharing CbC reports</li> <li>• Non-reciprocal jurisdiction and, as such, would not receive CbC reports</li> <li>• Effective for FY starting on or after 1<sup>st</sup> Jan 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Activated 52 CbC MCAAs for sharing CbC reports</li> <li>• Activated 60 CbC MCAAs for receiving CbC reports</li> <li>• Effective for FY starting on or after 1<sup>st</sup> Jan 2017</li> </ul>	<ul style="list-style-type: none"> <li>• As of September 2020, Egypt has no bilateral exchange relationships in place for the exchange of CbC reports</li> </ul>	<ul style="list-style-type: none"> <li>• Activated 58 CbC MCAAs for sharing CbC reports</li> <li>• Non-reciprocal jurisdiction and, as such, would not receive CbC reports</li> <li>• Effective for FY starting on or after 1<sup>st</sup> Jan 2020</li> </ul>	<ul style="list-style-type: none"> <li>• As per OECD, activated 19 MCAAs for sharing CbC reports effective for FY starting 1<sup>st</sup> Jan 2021</li> <li>• As per local CbCR legislation, 32 exchange relationships are in place</li> <li>• Clarity awaited on reciprocity status</li> </ul>

### Note 1

CbCR is to be filed by the UPE or the Surrogate Parent Entity ('SPE') which is based in KSA. Entity other than UPE / SPE may also need to file the CbCR in KSA, under the following situations:

1. UPE / SPE is not obligated to file CbCR in the country of its residence;
2. UPE / SPE is resident of a country with which KSA does not have an agreement providing for exchange of CbCR; and
3. UPE / SPE is a resident of a country which systematically fails to provide CbCR to KSA.

### Note 2

CbCR requirements are currently suspended for constituent entities where the UPE is outside Qatar.

### Note 3

a) CbCR filing obligation in Oman – (i) UPE of MNE Groups in Oman; (ii) Option to file under SPE filing mechanism, in case certain conditions are fulfilled; and (iii) Requirement for entities other than UPE / SPE to file, in case certain conditions are fulfilled (i.e. secondary filing).  
b) Notification filing obligation in Oman – UPE/ SPE/ Other constituent entities, which are tax residents in Oman.

### Note 4

Exchange relationship information is as per the OECD September 2020 update on CbC reporting exchange relationships.

## PwC ME CbCR Offerings



### **CbCR Filing Tracker**

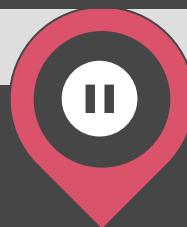
We can assist you get a clear and comprehensive understanding of the CbCR rules and what this means for the Group in respect of filings (primary and secondary), as well as where CbCR notifications should be made globally.



### **Data extraction - (Table 1, 2, 3)**

We can assist you efficiently gather the relevant data required for CbCR reporting, leveraging your technology where required. Our services in this area can range from extracting the information from accounting systems/financial statements and/or acting as an advisor throughout the process.

We can also conduct physical / virtual workshops to guide and train your tax and finance teams on how to prepare the CbC report.



### **CbCR risk assessment**

We can conduct CbCR risk assessments using data analytic tools to analyze key tax risk areas for the Group and red flags that should be addressed.

We can also assist you identifying any potential gaps to ensure that the data has been submitted accurately.



### **XML Conversion**

We can convert CbCR template (Table 1, 2 and 3) into the required "XML" format prescribed by the OECD and required by tax authorities.



### **Registration and CbCR filing**

We can assist with the registration process with the relevant tax authority, as well as file the CbC report itself through a Primary or, where required, Secondary filing.