

Economic incentives to counter the effects of the spread of the Coronavirus (COVID-19) pandemic crisis

Within the package of initiatives undertaken by the Kingdom of Saudi Arabia government and efforts to counter the effects of the spread of the Coronavirus (COVID-19) pandemic on various economic sectors, and to monitor its impact on the financial markets and the economy. Several ministries and government authorities have issued measures to mitigate the effects of low cash flows, including:

▶ Zakat and TAX

The period of filing and settling Zakat and Tax has been extended for three months for all taxpayers whose their financial year ends on 31 December 2019. The new deadline for submitting and settling the liability will be 29 June 2020 instead of April 2020. Also, all penalties and fines resulting from the late submission and payment will be waived.

▶ Withholding Tax

The period of filing and settling withholding tax return has been extended for the return falls in the period between 19 March 2020 till 30 June 2020 for three months. Also, all penalties and fines resulting from the late submission and payment will be waived. The new filing date will be as follows;

Tax period	Deadline	The new deadline
March 2020	10 April 2020	10 July 2020
April 2020	10 May 2020	10 August 2020
May 2020	10 June 2020	10 September 2020

Initiatives period

18 March 2020
to
30 June 2020

▶ Value Added Tax (VAT)

The period of filing and settling VAT return has been extended for the return falls in the period between 19 March 2020 till 30 of 30 June 2020 for three months. Also, all penalties and fines resulting from the late submission and payment will be waived. The new filing date will be as follows;

▶ Monthly VAT due dates

Tax period	Deadline	The new deadline
February 2020	31 March 2020	30 June 2020
March 2020	30 April 2020	31 July 2020
April 2020	31 May 2020	30 August 2020
May 2020	30 June 2020	31 September 2020

▶ Quarterly VAT due dates

Tax period	Deadline	The new deadline
1st quarter 2020	30 April 2020	30 July 2020

▶ **The measures also included**

1. Postponement of payment of VAT and Excise tax payable in customs for three months.
2. Suspended the procedure of stopping the government service or sizing funds for the stipulated period.
3. Granting the Tax and Zakat certificate of 2019 without any restrictions.
4. Expediting the refund process.

▶ **Additional measures from other government authorities also included:**

1. Postponing the collection of customs duties due on imports with a bank guarantee for three months.
2. Exemption from financial compensation for expatriates whose residency expired from the date of 18 March 2020 to 30 June 2020, by extending their residency period for three months without charge
3. Allowing employers to recover the fees for issuing work visas that were not used during the period of the ban on entry and exit from the Kingdom even if they were stamped in the passport, or extended for three months without charge.
4. Allowing employers to extend exit and return visas that were not used during the period of the ban on entry and exit from the Kingdom for three months without charge.
5. Supporting the employment of male and female citizens recruited in the private sector retroactively from the beginning of July 2019 through the Human Resources Development Fund (HRDF).

More details of the initiatives can be found via the official websites and channels of the authorities. We however, recommend that you try to submit the declarations and pay the dues as soon as possible.

Please feel free to contact us if you require any further information/clarification in respect of the above.

Best regards,

Contact

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