

Saudi Arabian Tax Authority implements electronic filing of contract information

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Executive summary

Saudi Arabia's General Authority of Zakat and Tax (GAZT) published a guide, on 6 July 2020, regarding electronic filing of contract information. Contract reporting is mandatory for commercial contracts worth SAR100,000 (US\$26,667) or more. Taxpayers are now required to file the necessary information on the GAZT's online portal.

Detailed discussion

Article 61(c) of the Income Tax Law and Article 58(2) of the related bylaws require taxpayers, including charities and government agencies, to provide the GAZT with information relating to their commercial contracts for the supply of goods or services worth SAR100,000 or more within three months the contract being awarded. If the contract is not reported, the contract owner and contractor are jointly liable for any tax claim arising from the contract.

The GAZT's newly introduced electronic services enable taxpayers to:

- ▶ File contract information and updates
- ▶ Upload payment schedules
- ▶ View contract related notifications and tasks
- ▶ Submit further information
- ▶ Notify the cancellation of contracts

Only one party (either the contract owner or the contractor) needs to upload the contract information. The second party will receive a notification from the GAZT asking for verification and confirmation of the information.

Implications

The new electronic service should help taxpayers to comply with their contract information filing requirement in a more effective and timely manner.

[Click here](#) to read the guidebook in Arabic.

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