

Saudi Arabian VAT refund for nonresident businesses requires action by 30 June 2019

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Executive summary

Persons carrying out business outside Saudi Arabia that incur Saudi Arabian Value Added Tax (VAT) should review their eligibility to claim a refund of the VAT paid. For VAT incurred in 2018, the deadline to apply for a refund is 30 June 2019.

Detailed discussion

Saudi Arabian VAT legislation provides certain nonresident businesses that are conducting economic activity outside Saudi Arabia with an option to apply for a refund of VAT paid in Saudi Arabia. To obtain a refund, several conditions need to be satisfied, including demonstrating the location of the nonresident business.

As the Electronic Services System in the Gulf Cooperation Council (GCC) is not yet operational, supplies of goods and services between the GCC Member States are treated as international trade (exports and imports). Consequently, GCC businesses incurring Saudi Arabian VAT should also consider their eligibility for a refund of VAT incurred in 2018.

The deadline for foreign businesses to file a refund application for VAT incurred in 2018 is 30 June 2019.

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