

SAUDI ARABIA

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH
NOVEMBER 2017 CONTENT UPDATE #1

Introduction

The authority of Saudi Arabia has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It is created in accordance with Saudi Arabia VAT Act and VAT Implementing Regulations to account for importing, exporting, manufacturing and consumption of goods and services.

Product taxability has been added to the authority of Saudi Arabia based on information available at the moment. The product taxability will be updated in the future once the Ministry of Health issues the list of medicines and medical goods subject to zero rate.

The authority has been added as "turned off" until the 31st of December 2017 and as "turned on" from the 1st January 2018.

PART I – UPDATES TO DETERMINATION

Zone

The authority of Saudi Arabia has been attached to the country-level zone of Saudi Arabia.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
Saudi Arabia	Gulf Cooperation Council	Country	SAU	Harmonized



Registration Mask

The following registration mask was added.

REGISTRATION MASK	
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Authority Options

OPTION NAME	CONDITION	VALUE	START DATE	END DATE
CR - Registration required	Both	Registration Required	01/01/1901	N/A
DS - Default Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A
ES - Electronic Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A
Filing Groups Default Services	None	Yes	01/01/1901	N/A
Filing Groups Electronic Services	None	Yes	01/01/1901	N/A
Filing Groups Goods	None	Yes	01/01/1901	N/A
Filing Groups Physical Performance	None	Yes	01/01/1901	N/A
Filing Groups Transport Services	None	Yes	01/01/1901	N/A
Filing Groups Work on Goods	None	Yes	01/01/1901	N/A

OPTION NAME	CONDITION	VALUE	START DATE	END DATE
GS - Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A
Intra-company Tax Free Sale - Default Services	None	Yes	01/01/1901	N/A
Intra-company Tax Free Sale - Electronic Services	None	Yes	01/01/1901	N/A
Intra-company Tax Free Sale - Goods	None	Yes	01/01/1901	N/A
Intra-company Tax Free Sale - Physical Performance	None	Yes	01/01/1901	N/A
Intra-company Tax Free Sale - Transport Services	None	Yes	01/01/1901	N/A
Intra-company Tax Free Sale - Work on Goods	None	Yes	01/01/1901	N/A
PP - Physical Performance Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A
PRL - Parent Registration Lookup	None	Yes	01/01/1901	N/A
TS - Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A
Turn Off Authority	None	No	01/01/2018	N/A
Turn Off Authority	None	Yes	01/01/1901	12/31/2017
WG - Work on Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901	N/A

Rate Updates

The following rates have been added in the authority of Saudi Arabia.

RATE CODE	RATE DESCRIPTION	RATE	START DATE
NL	Not Liable	0%	1/1/2018
SR	Standard Rate	5%	1/1/2018
ZR	Zero Rate	0%	1/1/2018

Catch-all Rules

The following catch-all rules have been added in the authority of Saudi Arabia.

RULE ORDER	RATE CODE	TAX TYPE	TAX CODE	START DATE
5000	ZR	Zero Rate Export	N/A	1/1/2018
5001	NL	Not Liable	N/A	1/1/2018
5002	ZR	Zero Rate	N/A	1/1/2018
9970	ZR	Zero Rate	ZERO RATED	1/1/2018
9990	-None-	Any	EXEMPTED	1/1/2018
10000	SR	Any	N/A	1/1/2018

PART II – TAX RESULT EXAMPLES

Test 1: Goods shipment from Saudi Arabia to Saudi Arabia – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	Saudi Arabia
Ship To	Saudi Arabia
Seller Registration	1234567890123
Buyer Registration	1234567890122
Result	Input VAT in Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario GCC SG 001 SF=SA, ST=SA SBReg:							
View Results: 1 ▾		Gross Amount: 1000.00		Eff%: 5%			
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt
Country: SAUDI ARABIA	Saudi Arabia	VAT	S	I	5%	50.00	50.00 SAR
[+] Authority Messages:							
Authority	RuleOrder	Message					
Saudi Arabia	10000	GCCBG15: Input VAT in Ship From location.					

Test 2: Goods shipment from New Zealand to Saudi Arabia – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	New Zealand
Ship To	Saudi Arabia
Seller Registration	N/A
Buyer Registration	1234567890123
Result	Import VAT in Saudi Arabia Recovery of import VAT in Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario Saudi Arabia import of goods:											
View Results: 1 ▾		Gross Amount: 1000.00			Eff%: 0%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt				
Country: SAUDI ARABIA	Saudi Arabia	VAT	IM	O		5%	50.00				
Country: SAUDI ARABIA	Saudi Arabia	VAT	IM	I		5%	50.00				
								0.00 SAR			
⊖ Authority Messages:											
Authority	RuleOrder	Message									
Saudi Arabia	10000	GCCBG3: Import VAT in Ship To location.									
Saudi Arabia	10000	GCCBG4: Recovery of Import VAT in Ship To location.									

Test 3: Goods shipment from Saudi Arabia to Saudi Arabia – Sale

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Saudi Arabia
Ship To	Saudi Arabia
Seller Registration	1234567890123
Buyer Registration	6543217890123
Result	Output VAT in Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario GCC SG 001 SF=SA, ST=SA SBReg:									
View Results: 1 ▾		Gross Amount: 1000.00		Eff%: 5%					
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt		
Country: SAUDI ARABIA	Saudi Arabia	VAT	S	O	5%	50.00	50.00 SAR		

Authority Messages:

Authority	RuleOrder	Message
Saudi Arabia	10000	GCCSG1: Output VAT in Ship From location.

Test 4: Goods shipment from Saudi Arabia to New Zealand – Export

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Saudi Arabia
Ship To	New Zealand
Seller Registration	1234567890123
Buyer Registration	N/A
Result	Zero-rated export from Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario GCC SG 005 SF=SA, ST=DE S_Reg B_NoReg:							
View Results: 1 ▾		Gross Amount: 1000.00		Eff%: 0%			
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt
Country: SAUDI ARABIA	Saudi Arabia	Zero Rated Export	ZE	O	0%	0.00	0.00 SAR

Authority Messages:

Authority	RuleOrder	Message
Saudi Arabia	5000	GCCSG5: Zero-Rated Export in Ship From location.

Test 5: Service supply from Saudi Arabia to Saudi Arabia – Seller

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Default Service
Supply	Saudi Arabia
Seller Registration	1234567890123
Buyer Registration	6543217890123
Result	Output VAT in Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario GCC SDS 001 SP=SA, BP=SA SBReg:								
View Results: 1 ▾		Gross Amount: 1000.00			Eff%: 5%			
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	
Country: SAUDI ARABIA	Saudi Arabia	VAT	S	O	5%	50.00	50.00 SAR	

Authority Messages:

Authority	RuleOrder	Message
Saudi Arabia	10000	GCCSDS1: Output VAT in Buyer Primary location.

Test 6: Service supply from New Zealand to Saudi Arabia – Reverse Charge

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Service
Seller Primary	New Zealand
Buyer Primary	Saudi Arabia
Seller Registration	N/A
Buyer Registration	6543217890123
Result	Reverse charge in Saudi Arabia Recovery of reverse charge in Saudi Arabia

The following image shows the scenario of the goods shipment .

Scenario GCC BDS 002 SP=DE, BP=SA SBReg:								
View Results: 1 ▼		Gross Amount: 1000.00		Eff%: 0%				
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	
Country: SAUDI ARABIA	Saudi Arabia	VAT	RC	O	5%	50.00		
Country: SAUDI ARABIA	Saudi Arabia	VAT	RC	I	5%	50.00		
							0.00 SAR	

[-] Authority Messages:		
Authority	RuleOrder	Message
Saudi Arabia	10000	GCCBDS3: Reverse Charge in Buyer Primary location.
Saudi Arabia	10000	GCCBDS4: Recovery of Reverse Charge in Buyer Primary location.

CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Saudi Arabia. Please contact Customer Support with any additional questions.