

# Tax alert | GAZT extends penalty amnesty

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## Contact us:



**Ali Almohammedali**  
Managing Director  
Office of Ali bin Ahmed bin  
Mohammed Almohammedali  
Accounting Consultancy  
ali.almohammedali@keypoint.com  
+966 54 541 8183



**Raman Ohri**  
Head | Tax | Saudi Arabia  
raman.ohri@keypoint.com  
+966 50 286 4266  
+973 3516 2335



**Mark Gamble**  
Head | Tax | Bahrain  
mark.gamble@keypoint.com  
+973 3833 8641



**Tariq Haq**  
Manager  
tariq.haq@keypoint.com  
+973 3628 3351



**Dinesh Ravi**  
Manager  
dinesh.ravi@keypoint.com  
+966 50 063 8571



**Adil Fawzi**  
Manager  
adil.fawzi@keypoint.com  
+966 53 251 0366



**Mohammed Al Dalili**  
Consultant  
mohammed.dalili@keypoint.com  
+966 13 845 9229

On 1 October 2020, Saudi Arabia's Minister of Finance extended the General Authority of Zakat & Tax (GAZT) amnesty for a second time, allowing taxpayers to apply for waivers for tax penalties until 31 December 2020. Highlights of the three-month extension include:

1. Fines and financial penalties imposed on taxpayers will be waived for an additional three months.
2. Any fines or financial penalties imposed by GAZT on taxpayers that have filed an objection against GAZT decisions will be cancelled where no final decision has been issued by a competent judicial authority. This only applies if the taxpayer settles the tax due or asks to pay by installments (if applicable) by 31 December 2020 **and** drops either the filed objection or a case registered with the competent judicial authority.
3. Fines imposed for tax evasion are not included in the amnesty.

## What next?

The amnesty was initially scheduled to end on 30 June 2020 before being extended to 30 September 2020. With its latest extension, GAZT is encouraging taxpayers to settle outstanding liabilities that are currently subject to objection or appeal.

Taxpayers should carefully weigh up the risk and reward of continuing with an objection against the benefit received from the penalty waiver.

**Disclaimer:** This tax alert is based on a press release issued by the General Authority of Zakat & Tax (GAZT) and is for general information. Seek professional advice in relation to your particular circumstances.