



Excise tax alert: March 2020

Postponement of excise tax filing and payment for three months



As a part of the efforts to mitigate the impact of the COVID -19 pandemic on the economic activities of the Kingdom, the Government of Saudi Arabia has announced several measures targeted specifically at taxpayers that are designed to ease filing and payment requirements for a limited period.

In this respect, the General Authority of Zakat and Tax (GAZT) has published further clarifications regarding concessions in the area of filing and payment of excise tax in the coming 3 months.

Excise tax on goods imported to KSA

The businesses - importers will be able to postpone the excise tax due on goods imported into KSA. The deferred tax has to be declared to GAZT by submitting a temporary return via GAZT's portal and paid as follows:

Import date	Original due date	Extended due date for filing and payment
18 March – 31 March	Importation date	30 June
01 April – 30 April	Importation date	31 July
01 May – 31 May	Importation date	31 August
01 June – 30 June	Importation date	30 September

Starting from 1 July 2020, imports will be subject to the excise tax according to regular rules.

The concession will be provided automatically to all persons who are registered for the purposes of the excise tax, without a requirement to provide any application or bank guarantee in this respect.

If the temporary return introduced is not submitted or the respective tax is not paid on time, the GAZT will impose penalties for late filing of the return and late payment of the tax as prescribed by the legislation.

Excise on goods produced in KSA

For taxpayers who are subject to the excise tax on goods produced in KSA, that hold a tax warehouse license and are obliged to submit excise tax returns to GAZT, they will be allowed to postpone the submission of the excise tax return and respective payment of the tax due for March and April 2020 as follows:

Tax period	Original due date	Extended due date
March and April 2020	15 May 2020	15 August 2020
Returns due before and after this period will not change their submission and payment date:		
Tax period	Original due date	Extended due date
January and February 2020	15 March 2020	No change
May and June 2020	15 July 2020	No change
July and August 2020	15 September 2020	No change

For more information and to discuss how this announcement might affect your business, please do not hesitate to contact us.

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