

WHT rates

WHT rates range from 5% to 20%, depending on the nature of the service provided and the relationship with the non-resident party. Some tax treaties include reduced WHT rates. Rates for common types of services include:

- Management fees – 20%
- Royalties – 15%
- Technical services – 5% or 15%
- Interest – 5%
- Dividends or profit remittances – 5%
- Training, recruitment and transportation – 15% if performed in Saudi Arabia or 0% if performed outside the country

When do you withhold WHT?

- On payments to non-resident parties - regardless of when the services were provided or if an invoice was issued
- If a payable is offset against a receivable from the same party (WHT percentage may differ if the parties are related)

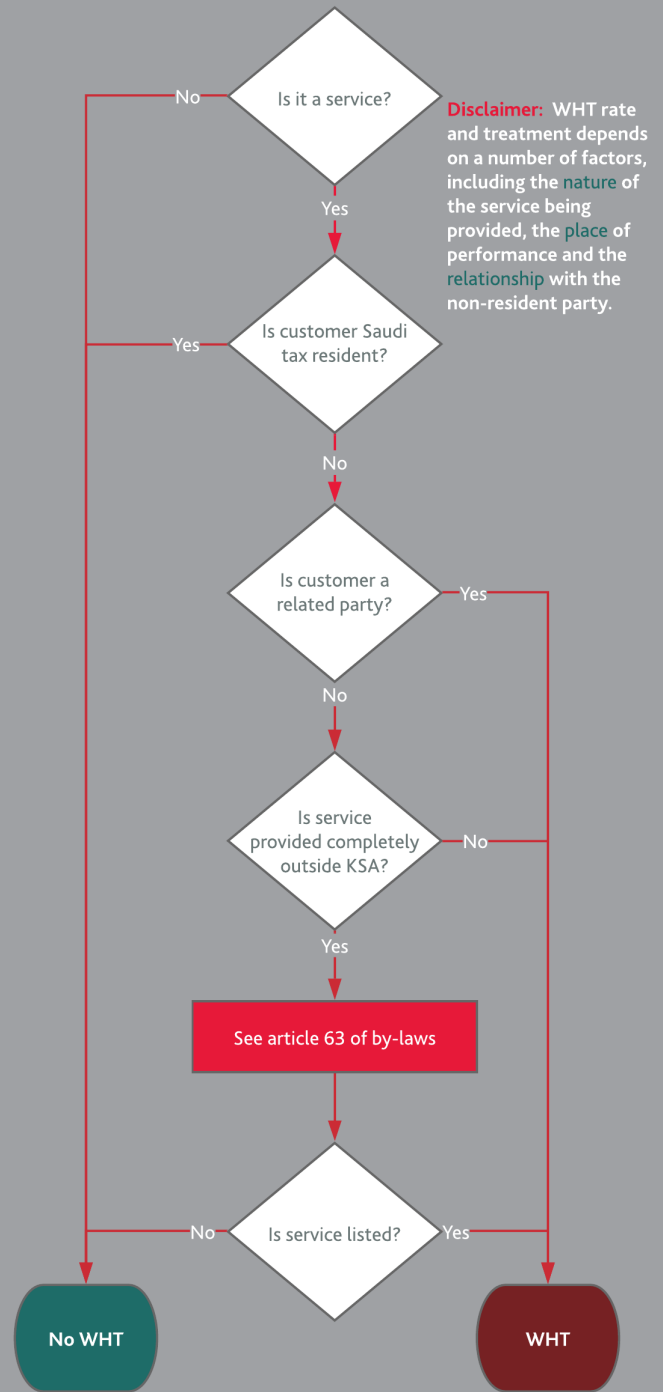
WHT deadlines

- WHT returns must be filed and any due tax paid to GAZT by the tenth day of the month after the month in which a non-resident party was paid.
- As penalties only apply after 30 days, there is in effect a grace period of a further 29 days to pay.
- Annual WHT returns must be filed (with the annual tax return) within 120 days of the year end.
- If asked to do so by a non-resident party, resident entities can issue a certificate as proof the tax was withheld and settled with GAZT.

WHT penalties

- A fine of 1% of the unpaid tax is payable for every 30 days of delay.
- Where GAZT suspects tax evasion, an additional fine of 25% may apply to the unpaid liability.

General rules: Saudi WHT



Disclaimer:

This flyer is not professional advice. Seek appropriate professional advice from a tax advisor before making any decision relating to your particular circumstances.



Ali Almommedali
+966 54 541 8183

ali.almommedali@keypoint.com



Raman Ohri
+966 50 286 4266

raman.ohri@keypoint.com



Dinesh Ravi
+966 50 063 8571

dinesh.ravi@keypoint.com



Adil Fowzi
+966 54 366 3480

adil.fowzi@keypoint.com



Mohammed Al Dalili
+966 54 366 3480

mohammed.dalili@keypoint.com