

EXPERT GUIDES

THE WORLD'S LEADING LAWYERS CHOSEN BY THEIR PEERS

Over 20 years' experience

TAX



WHAT'S INSIDE?

Q&As WITH:

CHRIS ROERGE
DELOITTE

BRIAN LEONARD
DELOITTE

MIGUEL FONSECA
DELOITTE

ALEX LAW
DELOITTE

NAZRIEN KADER
DELOITTE

GENEVIÈVE PROVOST
DELOITTE

STEVE KIMBLE
DELOITTE

FEATURES BY:

TRACY HO AND SIEW MOON
SIM
EY

RAJAN VORA
SRBC & ASSOCIATES

DR LORENZO PICCARDI AND
DR GIULIO TOMBESI
TREMONTI ROMAGNOLI
PICCARDI E ASSOCIATI

JÖRGEN GRANER
KPMG

JÚLIO M DE OLIVEIRA AND
GABRIEL CALDIRON REZENDE
MACHADO ASSOCIADOS
ADVOGADOS E
CONSULTORES

GUSTAVO BRIGAGÃO AND
EDUARDO MUNIZ
ULHÔA CANTO

CHRISTIAN R NATERA
NATERA

MIDDLE EAST AND AFRICA

Q&A with Alex Law

International and M&A Tax Leader Deloitte

What is the most significant change to your region/jurisdiction's tax legislation in the past 12 months?

The most significant change within the Middle East (ME) region is the introduction of Value Added Tax (VAT) within the Gulf Cooperation Council (GCC) with the United Arab Emirates (UAE) and Saudi Arabia having implemented VAT as from 1 January 2018, and the remaining countries to follow in the next two years.

From a direct tax perspective, a number of other countries within the region either have or are currently in the process of undergoing a number of tax reforms, resulting in greater number of sophisticated tax regimes, broadening of tax bases/introduction of new taxes and also the transition to online/e-filings.

What has been the most significant impact of that change?

Businesses within the region have had to quickly adapt to the number of changes being brought in and increase their awareness of tax and the impact it has on their business, in addition to having to put specific tax strategies, policies and procedures into place to manage tax risks and meet increased tax compliance obligations.

How do you anticipate that change impacting your work and the market moving forwards?

There is a greater need for dedicated tax professionals within the region and a number of businesses have sought to develop in-house tax functions and/or individuals with specific responsibility for tax.

How has this changed the way you offer tax advice?

In response to the number of developments/introduction of taxes, we have sought to build specific service offerings and specialist teams to assist businesses, including holding large scale tax seminars/conferences to increase general awareness of the changes and also tailored tax training workshops to clients to develop their in-house tax capabilities.

What potential other legislative changes are on the horizon that you think will have a big impact on your region/jurisdiction?

Base Erosion and Profit Shifting (BEPS) is now starting to have an impact across a number of jurisdictions with Saudi Arabia looking to potentially introduce transfer pricing regulations in the near future. We are seeing businesses within the region having to deal with increased reporting requirements, whether from a Country-by-Country reporting (CbCr) perspective or through Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) initiatives.

In addition, a number of jurisdictions are looking to diversify their economies such that there is less reliance on oil reserves by



introducing a broad range of taxes to assist ease fiscal deficits.

What are the potential outcomes that might occur if those changes are implemented?

With more sophisticated tax regimes, comes a need for managing additional reporting and disclosure requirements and a greater need and reliance on external advisers.

Do you think that change will have a positive effect on both your practice and the wider regional/jurisdictional market?

Historically, the region has been relatively benign from a tax perspective, with tax regimes becoming more sophisticated, there is a greater reliance and support required by clients from tax advisers, which has resulted in vast need for dedicated tax professionals within the region and exponential growth in revenues.

How are issues surrounding the taxation of the digital economy affecting your jurisdiction?

We are seeing a number of countries across the region moving away from territorial tax regimes and are seeking to expand their tax net by introducing virtual services permanent establishment rules, resulting in tax authorities challenging non-residents who provide services to local businesses remotely from outside of their country. This has resulted in a number of businesses having to adapt their operating model and/or formalize their presence in country.

MIDDLE EAST AND AFRICA

This document has been prepared solely for the purpose of publishing in the 2018 Guide to the World's Leading Tax Advisers and may not be used for any other purpose. This document and its contents may not be reproduced, redistributed or passed on, directly or indirectly, to any other person in whole or in part without Deloitte's prior written consent.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Touche Tohmatsu Limited.