

TAX AMNESTY IN KSA

On 1 January 2026, ZATCA reintroduced the “Cancellation of Fines and Exemption from Financial Penalties” initiative to support businesses in the Kingdom of Saudi Arabia in mitigating the economic impact of the COVID-19 pandemic. The initiative was originally launched on 1 June 2022 for a six-month period and has since been extended through a series of consecutive six-month phases. It is currently scheduled to expire on 30 June 2026.

Key Features:

Taxpayers can benefit from the initiative from 1st January 2026 till 30th June 2026.

Following Taxes are included in the initiative:

- Value Added Tax (VAT)
- Withholding Tax
- Real Estate Transaction Tax (RETT)
- Income Tax
- Excise Tax

The exemption is based on the following conditions:

- Taxpayers must be registered in the tax system.
- Submit all previous unsubmitted declarations.
- Pay the full principal of the due tax.

Exemption does not include fines relating to the following:

- Tax Evasion
- Fines paid before the effective date of this initiative

Tax dues can be paid by submitting installment requests to ZATCA during the initiative period:

- Tax due must be paid in installments as per the installment plan.
- ZATCA can cancel the installment plan for non-compliance & calculate fines from the original date of tax due

How Insights can help?

- 1 Explaining the conditions and requirements of the ZATCA initiative.
- 2 Assistance in submitting returns & calculating the principal amount of tax due.
- 3 Applying for an installment plan.
- 4 Ensuring that they meet all the conditions to benefit from the initiative.
- 5 Assist and advice regarding rectifying any non-compliance issues.