

ZATCA Tax & Compliance Updates That Matter

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2026

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E-Invoicing – Integration Phase, Wave 25

ZATCA has announced Wave 25 of the E-Invoicing Integration Phase.

- ▶ **Target:** VAT taxpayers with taxable revenues exceeding SAR 187,500 in 2022–2025.
- ▶ **Integration deadline:** 1 February 2027.
- ▶ **Integration :** Integrate e-invoicing systems with ZATCA's Fatoora platform and comply with prescribed requirements.
- ▶ Phase Two will continue in waves, with ZATCA notifying taxpayers of their applicable deadlines.

Action:

Businesses meeting Wave 25 criteria should prepare for Fatoora integration

Source:

<https://zatca.gov.sa/en/MediaCenter/News/Pages/Wave25-E-invoicing.aspx>

Excise Tax Returns – May & June 2026

Businesses subject to Excise Tax must file their May and June 2026 returns by 31 July 2026.

- ▶ **Late filing penalty:** Ranges from 5% to 25% of the tax required to be declared, depending on the period of delay.
- ▶ **Late payment penalty:** 5% of the unpaid tax for each month of delay, or part thereof, until the outstanding amount is settled.
- ▶ **Applicable goods:** These penalties apply to specified excise goods, including tobacco and its derivatives, energy drinks, and sweetened beverages.

Action:

Excise Tax taxpayers should complete both filing and payment by the deadline.

Source:

<https://zatca.gov.sa/en/MediaCenter/News/Pages/Submit-ET-Return-for-May-Jun-2026.aspx>

VAT Returns – June & Q2 2026

ZATCA reminded businesses to file June Q2 2026 VAT returns by 31 July 2026:

- ▶ **Annual supplies > SAR 40 million:** Taxpayers are required to file a monthly VAT return, with the June 2026 VAT return applicable for the period.
- ▶ **Annual supplies ≤ SAR 40 million:** Taxpayers are required to file their VAT returns on a quarterly basis, with the Q2 2026 VAT return applicable for the quarter.
- ▶ **Late filing penalty:** A penalty ranging from 5% to 25% of the tax required to be declared may be imposed for failure to file the VAT return within the prescribed deadline.

Action:

Businesses should ensure timely filing and payment to avoid penalties.

Source:

<https://zatca.gov.sa/en/MediaCenter/News/Pages/VAT-Returns-submission-for-Q2-June-2026.aspx>

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Contact Us

Please contact us for a tailored consultation and let us partner with you to enhance your financial reporting and compliance.

Hafiz Muhammad Almas

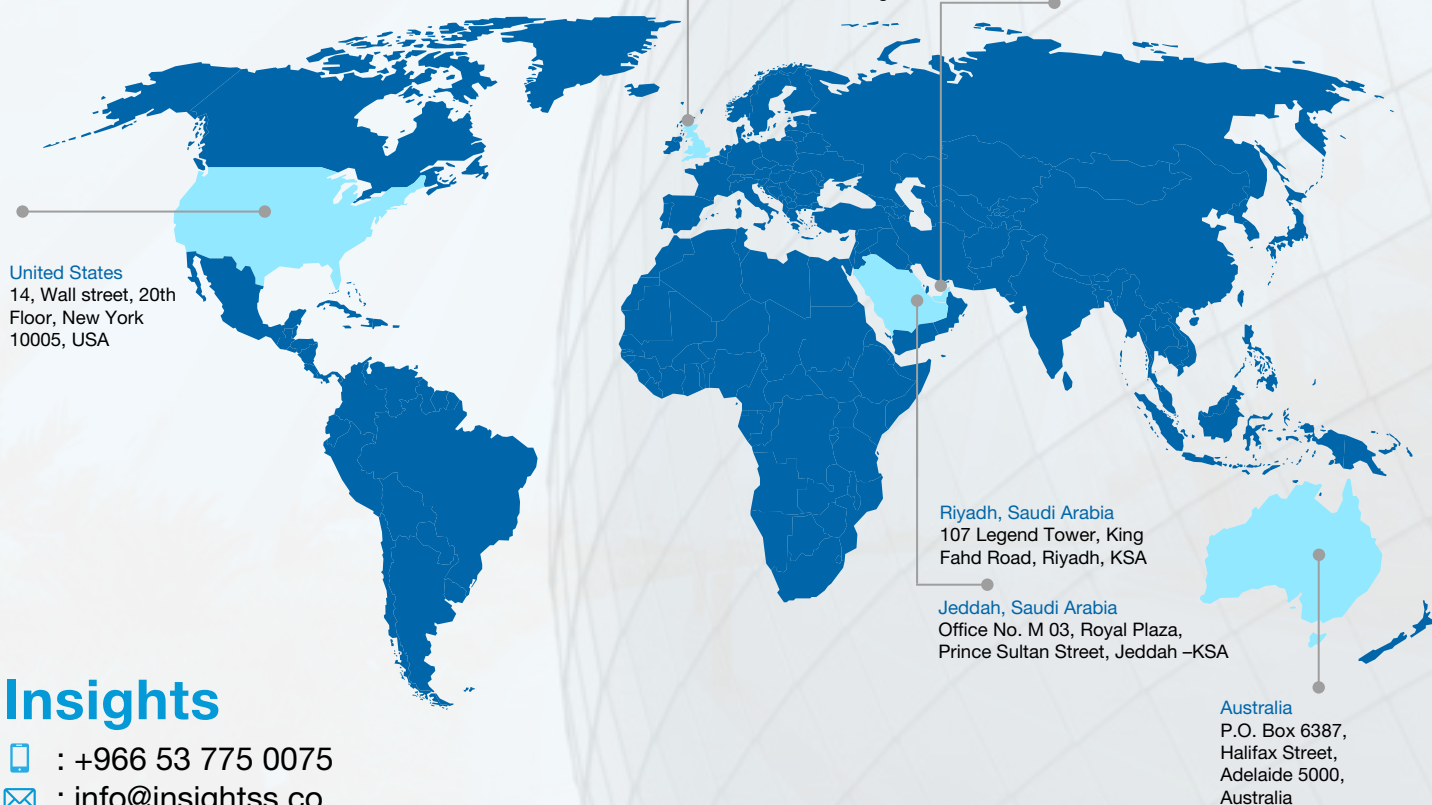
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