Minutes of Meeting

Saudi British Joint Business Council

The third monthly meeting with the British companies to reduce the obstacles faced by British companies and follow up with the government entities

Attendees

Ayedh Al-Otaibi (SAGIA)	Fadi Komati (PWC/SBJBC)
Sondos Albishan (SAGIA)	Sarah Priesack (British Embassy Riyadh)
Abdulrahman Alghamdi (Tayseer)	Justine Howard (Pinsent Masons)
Mohammed Alobaidi (PWC)	Michael Mair (Wood)
Mohammed Yagmour (PWC)	Martin Towl (Wood)
Pam Jackson (PWC/SBJBC)	Hashim Alawadi (Tech Invest/SBJBC)
Rich Hopper (ATKINS)	Ibrahim Alaiaji (SJ/SBJBC)

Summary

Dr. Ayedh Al-Otaibi the Deputy Governor for the Investment Climate department, started the meeting by giving a presentation on what the accomplishments achieved to date from previous action plans.

Upon the request of the British companies, a representative from Tayseer gave a brief presentation about the CRM system at SAGIA.

PWC gave a presentation on the tax environment in KSA and the key taxation areas for international investors and operators.

Lastly, the discussion was open to the attendees to add any other comments or concerns they have regarding the subjects presented on the meeting.

Action Item	Responsibility	Due Date
1. The tax issue will be processed through the Tax Committee, which is part of Tayseer. 1.1. The interpretation of the tax legislation has created some uncertainty for international investors. 1.2. The lack of transfer pricing guidelines that has been used by GAZT to issue arbitrary assessments for related party transactions. 1.3. The level of difficulty of getting tax certificates, and if companies did not	SAGIA-Tayseer	August 2018

get their tax certificate that may lead to disruption of certain operational needs. 1.4. Retrospective application of changing legislation creates uncertainty on tax treatment of certain items, and is generally not in line with international best practice. 1.5. The employees at GAZT needs more detailed and in depth experience and knowledge on application of international tax concept. 1.6. No clear vision on GAZT's requirements and all requirements should be published online. 1.7. The litigation process takes years to be completed, and there is no legal precedent concept enforceable for neither GAZT nor taxpayers. 1.8. Issue using ERAD and companies complained that they could not reply to any kind of problems. 1.9. The issue with the website of GAZT that delaying the process rather than accelerating it, and this is a compline of the customers. 1.10. In some cases, updates were made to tax filing templates throughout the filing season, which created significant cost and time for managing such changes. 1.11. Claims for application of treaty relief/benefit of double tax is lengthy, costly, and challenging for taxpayers. 1.12. Procedure for mutual agreements and communication between GAZT and respective foreign authorities are not defined. 1.13. Suggest clarification of various uncertainty in VAT legislation to be issued and existing manual guideline to be elaborated. 1.14. The need for more clarity on who should register and who should not, so there is no clear guidance on that. 1.15. Process for appointing a financial representative and legal obligations		

applied for such appointment for non-resident with permanent establishment is unclear (and has not been clarified by GAZT)which has created challenges for such investors. 1.16. VAT financial representative's joint liability concept has been creating challenges for entities internally (as individuals are not accepting being jointly liable with companies). 1.17. Issuing significant assessments for taxpayers with limited time to respond to queries/challenges assessments. 1.18. Uncertainties in large number of areas in VAT legislation and limited experience of VAT representative at GAZT to guide taxpayer and advisors.		
2. A workshop will be held for the British companies at SAGIA. This workshop will include a presentation regarding the mechanism for B2G (business to government) disputes from the Board of Grievance.	Investment Services	25/9/2018

Next meetings

- September 26 2018 at SAGIA-Tayseer second periodic meeting on the competitiveness indicators.
- September 27th 2018 at SAGIA-Fourth monthly meeting of the SBJBC (Upon the request of the Saudi British Business Council and British companies, it was decided to postpone the monthly meeting to September rather than July or August due to the difficulty of holding the meeting during these months for vacation reason).