

## Saudi Arabia

1. Saudi Arabia was first reviewed during the 2017/2018 peer review. This report is supplementary to Saudi Arabia' 2017/2018 peer review report (OECD, 2018<sub>[1]</sub>). There is no obligation for the filing of a CbC report in Saudi Arabia yet.

### Summary of key findings

2. Saudi Arabia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. It is recommended that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2017/2018 peer review.

3. It is recommended that Saudi Arabia take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

4. It is recommended that Saudi Arabia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017<sub>[2]</sub>) relating to the exchange of information framework ahead of the first exchanges of information.

5. It is recommended that Saudi Arabia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

6. It is however noted that Saudi Arabia will not be exchanging CbC reports in 2019.

### Part A: The domestic legal and administrative framework

7. Saudi Arabia does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Saudi Arabia confirms that it is currently in the process of finalising its CbC legislation and indicates that it will implement CbC reporting requirements for fiscal years commencing on or after 1 January 2018.

#### *(a) Parent entity filing obligation*

8. No changes were identified with respect to the parent entity filing obligation.

#### *(b) Scope and timing of parent entity filing*

9. No changes were identified with respect to the scope and timing of parent entity filing.

***(c) Limitation on local filing obligation***

10. No changes were identified with respect to the limitation on local filing obligation.

***(d) Limitation on local filing in case of surrogate filing***

11. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

***(e) Effective implementation***

12. No changes were identified with respect to the effective implementation.

***Conclusion***

13. There is no change in relation to the domestic legal and administration framework for Saudi Arabia since the previous peer review. The recommendation in the 2017/18 peer review, that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible, remains in place. However, it is noted that Saudi Arabia is in the process of finalising its CbC legislation.

**Part B: The exchange of information framework*****(a) Exchange of information framework***

14. As of 31 May 2019, Saudi Arabia has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Saudi Arabia take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

***(b) Content of information exchanged***

15. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that each of the mandatory fields of information required in the CbC reporting template are present in the information exchanged.

***(c) Completeness of exchanges***

16. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC report with which it should exchange information as per the relevant QCAA.

***(d) Timeliness of exchanges***

17. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs.

***(e) Temporary suspension of exchange or termination of QCAA***

18. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA would be carried out only as per the conditions set out in the relevant QCAA.

***(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance***

19. Saudi Arabia does not have processes or written procedures in place that are intended to ensure that its Competent Authority consults with the other Competent Authority before making a determination of systemic failure or significant non-compliance with the terms of the relevant QCAA by that other Competent Authority.

***(g) Format for information exchange***

20. Saudi Arabia has not confirmed the format that will be used for the international exchange of CbC reports.

***(h) Method for transmission***

21. Saudi Arabia has not confirmed that an appropriate encryption method and method for electronic data transmission are in place.

***Conclusion***

22. The recommendation in the 2017/2018 peer review for Saudi Arabia to take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information remains in place.

23. Further, it is recommended that Saudi Arabia take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.

**Part C: Appropriate use**

24. Saudi Arabia does not yet have measures in place relating to appropriate use. No changes were identified in respect of appropriate use. The recommendation in the 2017/2018 peer review for Saudi Arabia to take steps to have measures in place relating to appropriate use ahead of the first exchanges of information remains in place.

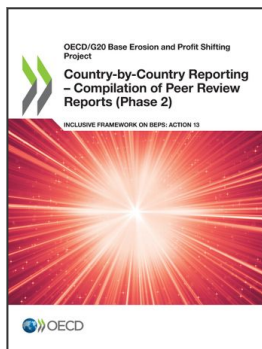
25. No information or peer input was received for the reviewed jurisdiction in respect of appropriate use.

***Conclusion***

26. There is no change to the conclusion in relation to the appropriate use for Saudi Arabia since the previous peer review. The recommendation for Saudi Arabia to take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information remains in place.

## Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Saudi Arabia take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Saudi Arabia take steps have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Saudi Arabia has an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Saudi Arabia take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework
Part C	Appropriate use	It is recommended that Saudi Arabia take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.



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