



New Executive Regulation for Zakat Collection (bylaws)

Saudi Arabia has issued a New Executive Regulations (bylaws):

- ▶ The bylaws applicable to fiscal years starting on or after January 1, 2024.
- ▶ The bylaws replace all Zakat bylaws issued previously and rules applicable to various sectors.
- ▶ Zakat computation depends on the ending balance of long term assets, long term liabilities, equity and provisions elements.
- ▶ The adjustments to net profit will be in a very limited range.
- ▶ The adjusted net profit is no longer Constituting Zakat base if it is more than the Zakat base.
- ▶ The Zakat base calculation will be aligned with the entity's financial Statements closing balances for additions and deductions for zakat base Purposes.
- ▶ The bylaws Can be applied to fiscal years prior to January 1, 2024, provided that the zakat payer submits an application within 60 days from the date the Zakat payer receives a tax audit notice from ZATCA.

If you have any questions concerning the alert, please contact our Tax Service Departments:

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