Saudi Arabia’s Minister of Finance has issued Ministerial Resolution (MR) No. 2753 dated 14.8.1439H (30 April 18) setting forth rules for the resolution of appeal cases without going through the formal appeal procedures, referred to as “Alternative Dispute Resolution (ADR).”

The ADR rules provide:

1. The ADR Committee is to address disputes resulting from assessments or revised assessments issued by the General Authority of Zakat and Tax (GAZT), based on zakat or tax regulations. The regulations, as defined in the MR, also cover excise and value added tax (VAT).

2. Based on the GAZT Governor’s proposal, the Minister of Finance is to appoint a committee(s), consisting of a chairman and five members, competent in the field of zakat and tax, to review matters brought before them by tax and zakat payers (taxpayers) or the GAZT.

3. Taxpayers are to request that the GAZT present their cases to the ADR Committee for their consideration. The GAZT may opt to offer a settlement to taxpayers or present their case before the ADR Committee for their consideration.
4. The ADR Committee shall review and notify the taxpayers, within 30 days, of their acceptance or rejection of the requested case review. In the case of rejection, the taxpayer is entitled to continue the appeal procedures as set out in the regulations.

5. The ADR Committee is to issue its decision within 60 days from the date of acceptance of the case review application. The committee may extend the given time by a maximum of 60 days if the taxpayer agrees. After the review, if the ADR Committee decides to reject the review case or the given time period expires without the ADR Committee being able to render its recommendations, the taxpayer is entitled to continue the appeal procedures as set out in the regulations.

6. The taxpayer may accept the ADR Committee's settlement recommendations within five working days from the date of notification by the ADR Committee. If the Taxpayer does not accept the ADR Committee Settlement Offer or the given time lapses, the appeal case will be considered as “pending” and as such, the appeal procedures shall continue.

7. If the taxpayer accepts the ADR Committee's settlement recommendations, the committee should record and forward the Minutes to the GAZT Governor for approval. MR No. 2753 is effective from the date of its approval, 14.8.1439H (30 April 18).

Future Alerts will report on the implementation of MR, No. 2753 when such information is made public.
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