Naar Saudi

BROCHURE

Tax & compliance

A compact reference for the Dutch entrepreneur in Saudi Arabia.

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This brochure summarises the main taxes for a Dutch entrepreneur with a company in Saudi Arabia. It is an overview, not tax advice.

1. Corporate income tax

20% on company profits, applicable to the foreign-owned share. The filing deadline is usually 30 April. For foreign owners, this is the main tax.

2. No personal income tax

Saudi Arabia has no personal income tax. No tax on salary, no wealth tax for individuals. For many entrepreneurs, this is a decisive difference from the Netherlands.

3. VAT

15% standard rate. Registration is mandatory once your taxable turnover exceeds SAR 375,000 a year. Exports are 0% (zero-rated). Returns are filed monthly or quarterly via ZATCA.

4. Withholding tax

Payments abroad are subject to rates of 5% to 20%, depending on their nature: for example, 5% on dividends and on management fees. The tax treaty between the Netherlands and Saudi Arabia may reduce these rates.

5. Zakat

2.5% of the zakat base, but applicable only to the share held by Saudi or GCC owners. Where ownership is entirely Dutch, Zakat in principle plays no role; corporate income tax applies instead.

6. Statutory reserve

Companies must set aside 10% of net profit each year as a statutory reserve, up to a maximum of 30% of the capital. Take this into account in your cash flow planning.

7. The Netherlands–Saudi Arabia tax treaty

A treaty for the avoidance of double taxation exists between the Netherlands and Saudi Arabia. In particular, it can reduce withholding tax on dividends and fees, and it determines how income is treated between the two countries. Have its precise application assessed in advance by a tax adviser with knowledge of both jurisdictions.

In summary

Tax	Rate
Corporate income tax	20% on profit
Personal income tax	None
VAT	15% (above SAR 375,000)
Withholding tax	5–20%, treaty may reduce
Zakat	2.5%, GCC owners only
Statutory reserve	10% of profit, up to 30% of capital

This document is for information only and does not constitute tax advice. Rates and rules may change. Consult ZATCA and a qualified tax adviser before making decisions.

Want to discuss your situation? Book a free introductory call via naarsaudi.nl/en/ or email info@naarsaudi.nl.