New company tax set-up checklist

What a newly formed Saudi company needs to register, set up and put in the calendar, in order. Tick each line and keep the evidence.

01 Know who you are

	Step	When	Source
☐	**Classify the owners.** Saudi/GCC ownership falls under Zakat, non-Saudi ownership under corporate income tax, and a mixed company is subject to both on the relevant shares. Record the ownership percentages at year-end.	Before registering	ITL Art 2; Zakat IR; dariba CIT guide
☐	**Set the financial year** and confirm whether it is Hijri or Gregorian (this affects the Zakat rate adjustment).	At incorporation	Zakat IR; dariba Zakat guide
☐	**Check for a non-resident angle.** If a foreign parent or contractor works in Saudi Arabia, review permanent establishment exposure.	At contract stage	dariba PE guide

02 Register

	Step	When	Source
☐	**Register with ZATCA for Zakat/income tax** before the end of your first financial year. Late CIT registration fine: SAR 1,000 for a natural person, SAR 10,000 for a joint-stock company, SAR 5,000 for other entities.	Before first year-end	Zakat IR Art 98(1); ITL IR Art 55(1)(a), 55(3)
☐	**Register as a withholding agent** before making the first payment that requires withholding to a non-resident.	Before first payment abroad	ITL IR Art 55(1)(b)
☐	**Test VAT registration at every month-end** using the preceding 12 months and the expected next 12 months. Mandatory above SAR 375,000 of taxable supplies: apply within 30 days of that month-end. Voluntary from SAR 187,500 of supplies *or* qualifying expenses. If all supplies are zero-rated, you can be excepted from mandatory registration.	Monthly from day one	VAT IR Arts 3, 7, 9(1); dariba VAT registration guide
☐	**Count services received from abroad** that you must self-account for (reverse charge) in the threshold test.	Monthly	GCC Agreement Art 52(2)(b); Imports & Exports guideline §6.4
☐	**Get your TIN and VAT number** onto letterheads, invoices and contracts, and use them in all ZATCA correspondence.	On registration	VAT IR Art 57

03 Invoicing set-up

	Step	When	Source
☐	**Use a compliant e-invoicing solution from your VAT start date.** Phase 1 (generation) applies to every resident VAT-registered person, and spreadsheet or word-processor invoices aren't allowed.	From VAT registration	E-Invoicing Regulation; Resolution
☐	**Check the Art 53 fields** for tax and simplified invoices (Arabic required), plus credit and debit notes (Art 54).	Before first invoice	VAT IR Arts 53–54

	Step	When	Source
☐	**Watch for your Phase 2 wave notice.** ZATCA notifies at least six months before integration. Wave 25 covers VAT-subject revenue above SAR 187,500 in any of 2022–2025, with integration by 1 Feb 2027.	Ongoing	ZATCA Wave 25 announcement

04 Filing calendar

	Step	When	Source
☐	**VAT return and payment:** monthly if annual taxable supplies are above SAR 40 million, otherwise quarterly. File and pay by the last day of the month after the period ends.	Each period	VAT IR Arts 58, 59, 62
☐	**WHT monthly return and payment** for amounts withheld from non-residents.	Within the first 10 days of the following month	ITL IR Art 63
☐	**Zakat return and payment** (accounts-based payers).	Within 120 days of year-end	Zakat IR Art 102
☐	**CIT return and payment.**	Within 120 days of year-end	ITL Arts 60, 69
☐	**CIT advance payments** in three instalments where Art 70's conditions apply: 25% × (prior-year tax − tax withheld at source).	By the end of months 6, 9 and 12	ITL Art 70 VERIFY
☐	**TP disclosure form + licensed accountant's certificate** if you have controlled transactions with related persons.	Within 120 days of year-end	TP Bylaws Art 14
☐	**Put every date in one compliance calendar**, with an owner and the legal basis for each.	At set-up	dariba Zakat compliance guide

05 Watch for these

	Step	When	Source
☐	**Property:** buying or transferring Saudi real estate triggers 5% RETT on the higher of the price and market value, unless an exemption applies.	Before notarisation	RETT Law (in force 10 Apr 2025); dariba RETT guide
☐	**Payments abroad:** classify each fee type (management 20%, royalties 15%, technical services, rent, dividends and loan returns 5%, other residual 15%) and keep treaty relief evidence.	Before paying	ITL Art 68; IR Art 63; dariba WHT guide
☐	**Group dealings:** price them at arm's length, map related persons, and check the Master File and Local File thresholds.	From the first related-party deal	TP Bylaws; dariba TP guides
☐	**Records:** keep invoices, contracts, ledgers and Zakat/TP evidence in a form you can produce on request. Some records must be kept in Saudi Arabia.	Ongoing	VAT IR; Zakat IR Art 110 VERIFY

Fines exemption initiative: ZATCA's current initiative (Ministerial Resolution 1117) runs to **31 December 2026** and covers qualifying fines on returns due before 1 July 2026. A new company usually has nothing to clear, but an acquired or dormant entity might. Evasion fines and VAT Law Art 45 fines (including e-invoicing fines) are excluded.

06 Read next on dariba.co

- Saudi VAT registration: thresholds, dates and evidence: dariba.co/saudi-vat-registration-guide/
- Zakat compliance obligations: dariba.co/zakat-compliance-obligations/
- Saudi corporate income tax: dariba.co/corporate-income-tax-in-saudi-arabia/

- Saudi withholding tax: dariba.co/withholding-tax-in-saudi-arabia/
- Saudi e-invoicing: dariba.co/saudi-e-invoicing/
- Free tools (VAT registration checker, WHT rate finder, Zakat base estimator): dariba.co/tools/

07 Sources

- ZATCA: VAT Implementing Regulations (Arabic, 10th edition, Apr 2025), Arts 3, 7, 9, 53–54, 57–59, 62; Unified GCC VAT Agreement Art 52.
- ZATCA: Income Tax Law Arts 2, 60, 68–70; Income Tax Implementing Regulations Arts 55, 63 (Arabic).
- ZATCA: Zakat Implementing Regulations 1445H (Arabic), Arts 98, 102, 110.
- ZATCA: E-Invoicing Regulation and Implementation Resolution; Wave 25 announcement (24 Jul 2026).
- ZATCA: Transfer Pricing Bylaws Art 14 (amended by Board Decision 8-2-23); RETT Law and Implementing Regulations (2025).
- ZATCA: Ministerial Resolution 1117, fines exemption initiative (extended to 31 Dec 2026).
- dariba.co guides listed above (checked 5 Nov 2026).

General information only, not tax or legal advice. Based on ZATCA publications and Saudi legislation as checked in November 2026. The Arabic legislation controls, rules change, and your actual facts and dates decide the answer.

Read more plain-English Saudi tax guides on dariba.co

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