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PENALTIES QUICK GUIDE

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Saudi tax penalties at a glance

The main ZATCA fines for each tax, and what the current fines-exemption initiative does and does not cover. Fines are on top of the tax itself.

Fines-exemption initiative ends **31 Dec 2026**

What the current waiver covers (Ministerial Resolution 1117)

- Extended for six months from 1 July 2026. Covers fines for late registration, late payment, late filing and VAT return corrections, including those from ZATCA assessments.
- Only for returns that were due **before 1 July 2026**; you must be registered, have filed all returns, and pay the principal tax (or get an instalment plan approved) within the period.
- Excluded: evasion fines, **VAT Law Art 45 fines** (incl. e-invoicing), fines already paid, and returns due after 30 June 2026. Covers VAT, WHT and income tax; Zakat and customs are not covered.

VAT

VAT Law Arts 40–45

Late registration (Art 41)	**SAR 10,000**
Late return (Art 42(3))	**5%–25% of the tax**
Late payment (Art 43)	**5% of unpaid tax per month or part**
Wrong return, amendment or document that understates tax (Art 42(1))	**50% of the difference**
Specified violations (Art 44)	**up to SAR 100,000**
Other breaches, e.g. invoices, records (Art 45)	**up to SAR 50,000**
Evasion (Art 40)	**tax due up to 3× the value of the goods or services**

Art 45 breaches start with a warning, then escalate per ZATCA's classification guide (May 2024).

Corporate income tax

ITL Arts 76–77; IR 55, 67–69

Late registration (IR Art 55; guideline §7.1)	**SAR 1,000 individual · 5,000 company · 10,000 joint-stock**
Late return (Art 76)	**greater of 1% of revenue (max SAR 20,000) or 5% / 10% / 20% / 25% of unpaid tax for ≤30 / ≤90 / ≤365 / >365 days**
Late payment (Art 77(a))	**1% of unpaid tax per completed 30 days**
False information or fraud to evade (Art 77(b))	**25% of the tax difference**

Withholding tax

Income Tax Law Art 77; IR Arts 68(1)(e), 69

Late remittance	**1% of unpaid tax per completed 30 days**
Concealment or incorrect information by the withholder	**25% of the tax difference**

No charge until a full 30-day period has passed; the 1% is not compounded on earlier penalties.

E-invoicing

VAT Law Art 45; classification guide items 8–18

Not connecting all systems from your integration date (item 8)	**warning, then SAR 10,000 → 50,000**
Not sharing/issuing, prohibited functions, altering after issue (items 9–12)	**warning, then SAR 5,000 → 40,000**
Retention, QR, data fields, incident notice and others (items 13–18)	**warning, then SAR 1,000 → 40,000**

Each step applies to a repeat after the correction interval (30 or 60 days). A repeat over 12 months later starts again with a warning.

Real estate transaction tax

RETT Law Arts 14–15; Guideline v6

Late payment	**2% per month or part, max 50% of the tax**
Other violations	**up to the greater of the tax or SAR 50,000**
Evasion	**up to 3× the tax**

Zakat

Zakat Collection IR 1445H

Late return or payment (120 days after year-end, Art 102)	**no percentage fine in the Regulation**

Instead: three 30-day payment demands then enforcement and asset seizure (Arts 120, 122); presumptive assessment (Art 114); ZATCA's reassessment window rises from 5 to 10 years (Art 106). No Zakat certificate without a filed return.

Transfer pricing

TP Bylaws

Disclosure or master/local file non-compliance	**Check breach and applicable law**

ZATCA's TP Guidelines section 1.4 refers audits and fines to the Income Tax Law. Missing documents can still lead to penalties.

Sources: VAT Law Arts 40–45; Income Tax Law Arts 76–77 and IR Arts 55, 67–69; ZATCA Income Tax guideline (2nd version, May 2026) §§5–7; ZATCA Simplified Guideline for the Classification of General VAT Violations (2nd ed., May 2024); Zakat Collection IR 1445H Arts 102, 106, 114, 120, 122; RETT Law Arts 14–15 and Detailed Guideline v6 (May 2026); Ministerial Resolution 1117 and ZATCA announcement of 29 June 2026. dariba.co penalty guides. Checked November 2026.

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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.