

Kingdom of Saudi Arabia
Ministry of Finance
General Authority of Zakat and Tax
(185)

**Ministry of Finance – Administrative Affairs/
Administrative Communications Center**
Decision No.: 59286
Date: 01/06/1438 H (28/02/2017 G)
Attachment: Base

Ministerial Resolution No. (2082) dated 01/06/1438 H (28/02/2017 G)

The Minister of Finance,

Pursuant to:

The Council of Ministers Resolution No. (126) dated 30/02/1436 H (22/12/2014 G) in which Clause (Second) stipulated that the Minister of Finance issue the decisions required to implement Royal Decree No. (M/40), dated 02/07/1405 H (26/02/1985 G) pertaining the Collection of Zakat from Zakat payers; and

His Royal Highness' approval on Report No. (755), dated 02/08/1437 H (09/05/2016 G) issued by the Bureau of Experts at the Council of Ministers on the matter and notifying of H.E. the President of the Royal Court's Letter No. (42138) dated 29/08/1437 H (05/06/2016 G).

Upon perusal of the resolutions and instructions issued in regulation of tax collection,

Does hereby resolve the following:

- I. The General Authority of Zakat and Tax (GAZT) shall, in accordance with the bylaws and procedures contained in the regulations annexed hereto, collect Zakat.
- II. The bylaws and procedures contained in the regulations annexed hereto shall replace the entire preceding resolutions, instructions and circulars pertaining tax collection.
- III. The Regulations annexed hereto shall apply to the entire Zakat payers subject to Zakat collection, effective from the date of the issuance of the present Resolution.
- IV. Zakat proceeds shall be delivered on a timely basis to the Zakat account at the Saudi Arabian Monetary Authority.

Mohammed bin Abdullah Al-Jadaan

Minister of Finance - Chairman of GAZT

(SEAL: Ministry of Finance)

**Implementing Regulations for
Royal Decree No. (M/40), dated 02/07/1405 H (26/02/1985 G)**

Chapter I: Entities Subject to Zakat

Article 1

Activities Subject to Zakat

Zakat is levied on every business activity carried out with the purpose of making a profit either in the form of money or business including, but not limited to, the following:

1. Commercial activities of all forms including trading commodities, goods, and services.
2. Investment activities of all forms including investment in securities, whether long or short term, exported from private or government sector, or internal or external, as well as investment in commodities, services and trade shares.
3. Industrial activities of all forms including factories, laboratories, and workshops.
4. Service activities of all forms including financial services, freelance professions, trades, renting, leasing, brokerage and agencies activities.
5. Financing activities of all forms including banking, insurance, and financing activities.

Article 2

Persons Subject to Zakat

Any person performing any of the activities prescribed for in Article one of the below classes shall be subject to the collection of Zakat:

1. Resident Saudi natural persons and nationals of a member state of the Gulf Cooperation Council for the Arab States of the Gulf ("GCC") accorded similar treatment as Saudi nationals.
2. Resident Companies in respect of shares held by Saudi partners' or citizens of a GCC member state accorded similar treatment to Saudi nationals, and of shares held by Saudi government authorities and institutions.
3. A Resident person (legal or natural) shall bear the same meaning prescribed in the Income Tax Law issued by Royal Decree No. (M/1), dated 15/01/1425 H (06/03/2004 G).

Article 3

Zakat Percentage

Zakat shall be levied at 2.5% of the Zakat Base.

Chapter II: Calculating Zakat due on zakat payers who hold statutory accounts

Article 4

Determining Zakat Base for Zakat Payers holding Statutory Accounts

Zakat is calculated on a zakat payer who holds commercial books and statutory accounts as follows:

First: Zakat Base comprises the entire Zakat Payer's funds that are subject to Zakat collection, including:

1. The Capital on which the Zakat year has passed, including any increase in the capital irrespective of the lapse of the Zakat year if the source of such increase is a proprietorship item or a funding to an asset of the property deducted from the Zakat Base.
2. The credit current account of owners/ partners at the beginning or end of the year, whichever is less, including any increase in the current account if the source of such increase is a proprietorship item or a funding to an asset of the property.
3. Loans by owners/ partners to the establishment, and shall be accorded similar treatment as Capital.
4. Submitted revenues on which a year has passed.
5. Government and commercial loans or equivalent items of other sources of funds, such as creditors, bills payable, overdrafts due by the Zakat payer in accordance with the following:
 - a. Remaining cash on which a Zakat year has passed.
 - b. Parts thereof used to finance the property.
 - c. Parts thereof used in trade bids on which a year has passed.
6. Government and non-government subsidies, when received.
7. Reserves deferred from previous years (Year opening balance).
8. End of year balance for profits deferred from previous years.
9. Beginning of year provisions (except for the questionable provisions collected by banks) after deducting the provisions used during the Zakat year.
10. Adjusted net profit for the year for Zakat purposes, which is calculated in accordance with the provisions herein.
11. Profits being distributes, excluding profits declared for distribution but have not been collected by owners provided they be deposited in a private account of which the company may not dispose.
12. The contribution of owners/ partners in covering deferred losses when the year has passed.
13. Any payables that financed a property asset.

Second: The following items shall be deducted from the Zakat Base:

1. Fixed assets including:

Net fixed assets (property assets), any payments for the purchase of fixed assets, and spare parts and materials not prepared for sale, provided that such assets be owned by the Zakat payer, unless an obstacle to the transfer of ownership exists, and be used in the activity.
2. Zakat Payer's capital buildings under construction and being constructed for use in the activity not for sale.
3. Purchased intangible assets such as goodwill and patents.

4. (a) Investments in an entity in the Kingdom, in participation with others, if such investments are subject to Zakat according to this Regulations. If the investment in such entities is not subject to Zakat, no deductions will be made from the Zakat Base.
(b) Investments in an entity outside the Kingdom, in participation with others, provided that the Zakat Payer remits and pays Zakat on such investments in his Zakat Declaration, according to the provisions of this Regulations. In addition, the Zakat Payer shall attach accounts audited by a chartered accountant licensed in the country of investment and approved by the official authorities. If the Zakat Payer fails to do so accordingly, such investments may not be deductible from the Zakat Base.
(c) In all cases, if the investments, whether inside or outside the Kingdom, are in the form of securities, bonds, currencies, deposits, or deferred transactions, they may not be deducted from the Zakat Base, irrespective if they were long-term or short-term.
5. Owners/ Partners debit current accounts subject to Zakat not exceeding their share in the deferred profits.
6. Debit current accounts created during the liquidation period.
7. Net incorporation, pre-operation expenses and similar capital expenditures such as advertising campaigns.
8. Net adjusted loss for Zakat Year in accordance with the provisions of the Regulations hereof.
9. Net accumulated losses adjusted for zakat collection purposes in accordance with the Authority's assessments, after adding only the provisions or reserves by which losses were previously reduced in the year the Authority was created.

Notwithstanding the following clauses:

- a) In the event that the Zakat payer declares credit and debit current accounts, the difference shall be calculated. If a partner reveals a credit current account and another reveals a debit current account, no reconciliation shall be made between them. The credit current account of the partner/ owner of the sole proprietorship shall be added to the Zakat Base at the end of the Zakat Base.
- b) Statutory deposits at banks and insurance companies governed by the Saudi Arabian Monetary Authority, or any other statutory deposits required by other activities may not be deducted from the Zakat Base.
- c) If a partner in the establishment dies or otherwise transfers his shareholding during the Zakat year and other partners have been introduced in replacement, whether heirs or otherwise, where the respective Zakat Payer has continued operation, the Zakat year may not be terminated and Zakat remains collectable therefrom.
- d) In the event that the owner of a sole proprietorship assigns his shareholding by sale or otherwise to another person, the Zakat year shall be terminated and Zakat may not be collected.
- e) In the event that an organization is incorporated into a company, the organization owner's share in the new company's capital shall be subject to Zakat and the Zakat year thereof may not be terminated. The same applies to the shares of the partners in the merged companies. The Zakat year of new partners shall commence in accordance with Article 14 herein.

- f) An agricultural establishment exercising an activity subject to Zakat on fruits and grain, and in the meantime engaged in another activity subject to Zakat on trading stocks, shall provide the Authority with separate and independent accounts for trading stocks activity.
- g) Without prejudice to Clause “Second” above, agricultural inputs (in stock) of a Zakat Payer engaged in agricultural activity, purchased for use in production purposes, where Zakat Payer is accounted for in respect of trading stocks, shall be deducted from the Zakat Base.
- h) For zakat purposes, re-assessment results of profit or loss shall be taken into account at the market value.
- i) The Zakat Payer’s zakat Base may not be less than net profit adjusted for zakat purposes.

Article 5

Deductible Expenses

1. Ordinary and necessary expenses of business activity, whether paid or due, to the net result of activity shall be deducted, if meet the following criteria:
 - a. Expenses shall be actual expenses as supported by relevant documents and other evidential matter to enable the Authority to verify the accuracy of expenses, even if related to prior years.
 - b. Expenses shall be related to Zakat Payer’s business activity rather than personal expenses or other than Zakat Payer’s own activities.
 - c. Expenses may not be of capital nature. Where a capital expenditure is included in the expenses such expenditure shall be adjusted against the result of activity added to fixed assets and accordingly depreciated as applicable.
2. Establishment (sole proprietorship, capital association, or partnership) owner’s salaries, allowances, and the remuneration paid to Chairman, vice-chairman and directors may be deducted, provided that the owner’s salaries and allowances are registered with General Organization of Social Insurance (GOSI).
3. Bad debts shall be deemed as expenses eligible for deduction, if meet the following criteria:
 - a. Debts shall have been previously declared within revenues in the year when the revenue was due.
 - b. Debts shall be derived from exercising the activity.
 - c. The Zakat Payer shall provide a certificate from a certified public accountant licensed to operate in the Kingdom, confirming that the debts are written-off by resolution of the authorized person.
 - d. The debts may not be payable by bodies associated with the Zakat Payer.
 - e. The Zakat Payer shall report the debts written off as revenue where such debts are recovered.
4. Donations shall be deemed as expenses eligible for deduction if proved by the supportive documents and verified.

Article 6

Non-Deductible Expenses

1. Expenses not related to the business activity.
2. Expenses that the Zakat Payer fails to prove by supporting documents or other evidential matter.
3. Zakat due or settled in the Kingdom or any other state whether for the current or previous Zakat years.
4. Employee's share in retirement, pension, social insurance and saving funds.
5. The value of materials/ services provided by parties directly related to the Zakat Payer exceeding the prices used by independent parties.
6. The entire provisions except for the following:
 - a. Provisions for the doubtful debts for banks, provided that the Bank issues a certificate identifying the sum of the doubtful debts and that the Saudi Arabian Monetary Authority approves thereof.
 - b. Provisions for unearned premiums reserve and current risk in insurance and/or reinsurance companies (technical reserves). The same shall be returned to the Zakat Base in the following Zakat Year and determined in accordance with the standards adopted for this particular business activity.

Article 7

Depreciation

1. Annual installment depreciation on Zakat Payers holding commercial books and statutory accounts, in accordance with the following criteria:
 - a. Depreciation shall be on fixed assets not designed for sale, but for use in Zakat Payer's business activity.
 - b. Asset shall be of depreciative nature with a decreasing value due to consumption, damage or wear and tear.
 - c. Asset shall be owned by the Zakat payer, unless an obstacle to the transfer of ownership exists.
2. Fixed assets shall be depreciated in accordance with the fixed installment method, to be depreciated at the following rates:

#	Items	Depreciation Rate
A	Fixed buildings	5%
B	Movable industrial and agricultural buildings	10%
C	Factories, machines, devices, software (computer programs), equipment including passenger and cargo vehicles.	25%
D	Expenses for geological survey, mining, exploration, and preliminary operations to extract natural resources and develop their fields	20%

E	Other tangible and intangible assets of depreciative nature that are not included in the aforementioned items, such as furniture, airplanes, ships, trailers and goodwill.	10%
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3. Constructions erected on leased lands may be depreciated for the term of the lease contract.
4. The depreciation installment of damageable assets, such as cookware and glass utensils used in hotels and restaurants, shall be calculated on a yearly basis.
5. The depreciation installments are calculated in accordance with the aforementioned rates if the asset is used for a full year (twelve months). If the asset is used during the establishment's fiscal year, or if the establishment's accounts are made for a period less than a year, the depreciation installment shall be calculated as per the actual period in which the asset has been used.
6. If establishment used depreciation rate less than the abovementioned rates, the Authority may not increase the depreciation installment to conform to the established rates.
7. The abovementioned depreciation rates are calculated on a maximum basis and may not be exceeded or increased unless in exceptional conditions to be provided to the Authority for obtaining prior approval. However, the depreciation increase does not exceed 50% of the statutory rates.
8. An asset's temporary halt on operations during a fiscal year may not halt its depreciation.
9. If the Zakat payer converts its assets to personal use or if the asset ceases to be used in the generation of taxable income, such asset shall be excluded from its market value.
10. Where a land is bought or sold with constructions thereon, the value shall be reasonably apportioned to calculate a separate value of the constructions.
11. Except the provisions of the previous paragraphs, assets under Build-Operate-Transfer (BOT) or Build-Own-Operate-Transfer (BOOT), as well as the assets designated for use for specific purpose and cannot be used in other projects may be depreciated over the contract period or over the remaining period of the contract. When adding or renewing other assets, such assets will be depreciated during the remaining period.
12. Any unauthorized depreciation differences shall be returned to the fixed asset balance for the purposes of deduction from the Zakat Base.
13. Mixed Companies shall observe the depreciation method contained in Article 17 of the Income Tax Law, for the purpose of identifying the company's tax base. The company may, if desires, apply the same method to identify the Zakat Base for Saudi nationals and others accorded similar treatment as Saudi nationals; or use the method contained in the clauses above.
14. If Mixed companies use the depreciation method contained in the Income Tax Law when identifying its Zakat Base, they may identify their Net Book Value of the fixed assets deducted from the Zakat Base as follows:
(Outstanding value of the group at the end of the Zakat year in accordance with Clauses A-E of Article 17 of the Income Tax Law as amended by any unauthorized depreciation differences after the addition to the deferred percentage of 50% of the added assets during the year less 50% deferred of the compensation received from the assets disposed of during the years)

Chapter III: Accounting Rules for Special Cases

Article 8

Holding Companies

1. The holding company and the fully owned subsidiaries thereof, whether such subsidiaries are registered in or out Kingdom of Saudi Arabia, whether such ownership is direct or indirect, shall file consolidated accounts and consolidated Zakat declaration. Furthermore, this company shall be accounted on basis of the outcomes thereof reported in one consolidated Zakat base. If the subsidiaries registered outside Saudi Arabia are not fully owned to the holding company, in this case the provisions of Paragraph no. (4/B) of Clause (II) of Article (4) of these Regulations shall be applied thereon. In addition, the subsidiaries shall file an information declaration for each company solely in the scheduled dates for filling declarations.
2. Direct ownership means that the subsidiaries are 100% fully owned by the holding company. Indirect ownership means that the subsidiaries are owned by the holding company at a certain percentage with the remaining percentages fully owned by any other subsidiaries fully owned by the holding company.
3. The companies owned to the same partners, as well as the holding company and the subsidiaries owned to the same partners, may file a consolidated Zakat declaration.
4. When accounting the holding company and its subsidiaries jointly owned by others and locally registered, Zakat shall be calculated separately subject to treating each company as an independent legal and financial standing. Taking into consideration determining the investments of the holding company in the subsidiaries. The holding company and each individual subsidiary shall file their separate Zakat declarations to GAZT.

Article 9

Endowments, Charity Societies & Non-profit Organizations

First: Endowments:

1. The income of charitable endowments is not subjected to Zakat, except for the family endowment, if its spending channels are for the public charity ways. The income of the endowment invested and achieving profits is also not subjected to Zakat, whether invested by a company or otherwise, provided that the following controls are available:
 - A. The endowment funds shall be documented for Ministry of Justice by issuing a valid deed thereof.
 - B. Spending channels ways of endowment income shall be defined for the public charity.
 - C. The endowment exceptions determined for the owner shall be fully consumed and the owner has no saved surplus to be subjected for Zakat.
 - D. Preparing an audited financial statements for the endowment funds by an accredited chartered accountant office and submitting thereof to GAZT along with the statements and declarations attached thereto within (120) one hundred and twenty days as of the ending date of fiscal year, provided that these financial statements shall include the following:
 1. Attaching a statement of the spending ways clarifying the following:
 - Name of the beneficiary, whether natural or legal person.
 - Commercial register and file number of the beneficiary in GAZT, if any.
 - His nationality and place of residence.
 - The funds spent to him.

2. Statement of all transactions between the endowment funds and all parties associated thereto, which are subjected to Zakat. These transactions shall be carried out in accordance with the rates between independent parties.
- E. Commitment to providing GZAT with the information about the contracts conducted with the private sector in the scheduled times in addition to abiding by the withholding tax requirements on the amounts paid to non-resident entities from any source in Saudi Arabia in accordance with the provisions of Articles No. (61) and (68) of the Income Tax Law, issued by the Royal Decree No. (M/1), dated 15/01/1425 H, corresponding to 06/03/2004 G.
2. The family endowment means the endowment in which the endower requires that endowment income shall be for his family and other relatives.

Second: Charity Societies and Non-profit Organizations:

1. The income of Charity Societies and Non-profit Organizations is not subjected to Zakat, including their shares in the other facilities, provided that the following controls are available:
 - A. The funds are not owned to a specific person and its interests thereof do not belong to a certain person or persons.
 - B. The funds and revenues therefrom are determined for the activities of righteousness, charity and goodness or determined for the scientific and charity fields.
 - C. The funds and revenues therefrom are determined for serving its personnel or the community, and not determined for a commercial purpose such as the chambers of commerce and professional entities.
 - D. The charity society or non-profit organization is licensed by the concerned authorities with defined purposes and objectives in the articles of associations thereof.
2. The charity societies and non-profit organizations shall comply with the following:
 - A. Registering in GAZT prior to the ending of its first fiscal year, filling a declaration of information based on the regulatory accounts within (120) one hundred and twenty days as of the ending date of its fiscal year per annum in accordance with the form prepared by GAZT.
 - B. Providing GAZT with the information needed in accordance with the laws applicable, such as commitment to providing GAZT with the information about the contracts concluded with any third parties in addition to any other information required.
 - C. Withholding the due tax for the non-residents who achieve their income from any source in Saudi Arabia in accordance with the provisions of Article (68) of Income Tax Law.

Article 10

Investment in Natural Gas Sector

The investors in natural gas sector, subject to Zakat, shall file their Zakat declarations in accordance with the Law requirements and shall pay the Zakat amount due on their activities. If there are natural gas income or investment taxes due thereon after deducting the paid Zakat amount, such taxes shall be paid to GAZT in accordance with the Income Tax Law, issued by the Royal Decree No. (M/1), dated 15/01/1425 H, corresponding to 06/03/2004 G.

Article 11

Financing Activities

1. The financing activities means all activities aiming at financing the investor projects or the consumer needs, whether by borrowing, paying installments, purchasing bonds or deeds, gambling, or securitization; or through lease-to-own contracts (financing lease) or other types of financing.
2. If any lessor leases an asset to any lessee by virtue of a financing lease, for the Zakat purposes, the lessee is considered as the owner and the leasing payments are considered as the payments of a loan granted to the lessee.
3. For the purposes of this Article, the lease term shall include any additional renewable term.
4. If the lessor is the asset owner prior to the beginning of the financing lease, this transaction is considered as a sale by the lessor and a purchase by the lessee, in addition to the loan transaction as per mentioned above in Paragraph No. (1) herein.
5. The lease-to-own contract is considered as a purchase process by the lessee by financing through a loan by the lessor. Accordingly, the leasing payments may not be added to the book expenses of the fiscal year as they represent payments of a loan.
6. Whereas the lessee of the lease-to-own agreement will be considered as the asset's owner for the Zakat purposes, so that the following shall be taken into consideration:
 - A. The lessor may not deduct any asset depreciation installment as the right to do so transfers to the lessee.
 - B. The leasing payments shall be divided into two elements; the principal loan and the loan proceeds.

The principal loan means, at the beginning of the lease, the current amount of the minimum payments by virtue of the lease agreement.
 - C. The part representing the principal loan of each paid amount shall be considered as a payment for the loan and may not be added among the costs for the Zakat purposes as per the lessee. However, the part representing the loan proceeds of the total paid amount shall be considered as an income to the lessor and an expense to the lessee.
 - D. If the lessor is the asset owner prior to the lease-to-own agreement, this transaction is considered as a sale by the lessor and a purchase by the lessee, in addition to the loan transaction as per the above-mentioned provisions herein. Taking into consideration the Zakat outcomes arising from in the sale and purchase processes as per both seller and purchaser.
7. The lessor, by virtue of any financing lease agreement on BOT, BOO, BOOT or other similar types, shall have the right to deduct the financed assets by virtue of these agreements from the Zakat base regardless the accounting classification thereof.

Article 12

Insurance Activity

1. The Zakat base for the public gulf insurance companies, practicing their activity in or out Kingdom of Saudi Arabia, is determined if located in Saudi Arabia according to the rules applicable for the Saudi companies by virtue of their international accounts.
2. The Zakat base for the resident insurance companies, practicing their saving insurance in Saudi Arabia, is determined according to the rules applicable for the other companies, except profits. The

company income from the investment represents a deducted amount of the administrative expenses related to the investment income.

3. The saving insurance means the issuance of insurance documents, which its proceeds shall be paid at the expiration date of contract or upon the death of the insured.

Chapter IV: Accounting the Zakat Payers not Holding Statutory Accounts

Article 13

Determination of Zakat Base for Payers not Holding Statutory Accounts

1. Small zakat payers, whose activities do not require holding statutory books and records, may be accounted at the estimation method.
2. The zakat payer is classified among the small zakat payers in case of the following regulations are available:
 - A. The zakat payer has no any imports of contracts.
 - B. The number of commercial registers through which the zakat payer practices his business may not exceed five registers at maximum.
 - C. The number of employees for the zakat payer practice may not exceed (10) workers and employees if his activity was commercial only, and (30) workers and employees for the other different activities (contracting, services and crafts).
3. The owners of the following activities do not be included within the small zakat payers category even if the above-mentioned standards are applied as follows:
 - Wholesalers.
 - Gold and jewelry traders.
 - Motorcar showrooms.
 - Factories.
 - Financial institutions and money exchange.
 - Education services.
 - Hotels and furnished apartments.
 - Commercial agencies.
 - Health activities and centers.
4. In case of any zakat payer becomes outside the small zakat payers category, the zakat payer ceased to be considered as small zakat payers.
5. GAZT has the right to account the zakat payers at the estimation method to obligate them to abide by the regulatory requirements in the following cases:
 - A. The zakat payer does not file his zakat declaration, which based on statutory books and records in the due time.
 - B. There are no any accurate statutory books and records holding, reflecting the fact and reality of the zakat payer activity.
 - C. Holding the books and records in other language than the Arabic in case of notifying the zakat payer in writing to translate these books and records into Arabic language within a period determined by GAZT at maximum three (3) months and the zakat payer fails to do so.
 - D. The books and records of the zakat payers do not abide by the required form, model and method in accordance with the provisions stipulated in the Law of Commercial Books.

- E. The zakat payer does not able to verify the validity of information stated in his zakat declaration by virtue of affirmative documents.
 - F. Hiding fundamental information in the zakat declaration such as hiding revenues, including unreal expenses, or registering assets, which are not owned to the zakat payer.
6. The zakat base at the estimation method shall consist of the following unless the zakat declaration of the zakat payer does not illustrate larger base as follows:
- A. The working capital amount is determined by any possible methods, whether by the commercial register, company's memorandum and articles of associations, or any other supporting document. Furthermore, if it is appeared that the working capital fact contradict with the above mentioned, GAZT has the right to determine such capital in accordance with the activity volume and the capital turnover numbers as customary in all industry, trade or business.
 - B. The net profits achieved within the year, estimated at 15% as a minimum of the revenues total amount, except for the following categories. So, the rate shall be as follows:

Category	Activity/ Profession	Profits Rate
1	Self-employment such as physicians, attorneys, accountants and engineers.	20%
2	Offices of consultant services and public services.	20%
3	Importers of livelihoods (wheat, corn, beans, sugar, flour, millet, lentils, butter oil, rice, barley, coffee, oils).	7%
4	Importers livestock of fruits and vegetables.	3.5%
5	Contractors.	10.5%
6	Gas stations.	10%

- 7. The contracts concluded in accordance with the method of cost + profit margin taken by the profit rate determined in the contract.
- 8. When determining the zakat base at the estimation method, GAZT shall collect the information that enables GAZT for accounting the zakat base which reflect, in a real fair manner, the activity of the zakat payer in the light of conditions and facts related to the case and information provided to GAZT about the zakat payer through the documented evidence and indices provided by the zakat payer. Furthermore, through the field examination and supervision carried out by GAZT, and through any information obtained from any third parties such as the volume of imports, contracts and employees thereof, in addition to the loans and aids received thereby.
- 9. When determining the zakat base at the estimation method for a zakat payer whose the zakat declaration thereof, that is based on the statutory books and records in the last year, is previously accredited, the base items appeared in this declaration shall be taken into consideration other than the profit amount amounting 15% out of the total revenues of the authorized activity unless there is not any information verifies the opposite thereof.
- 10. Taking into consideration the provisions of Paragraph No. (6) mentioned above, the zakat base shall be determined at the estimation method may be conducted for the following categories of the non-small zakat payers as follows:

First: Importers:

Zakat shall be calculated on the importers who have no statutory books and records in accordance with their zakat declarations. If GAZT has any information or indices over than the same mentioned in their zakat declarations, GAZT shall apply the estimation. When GAZT applies the estimation method, the zakat payer is required to file a declaration about the internal and external purchases (importing) thereof. If a large base is resulted from the declaration of the zakat payer, the following rule shall be applied as follows:

1. The capital amount of the importer within the first five years shall be determined as follows:
 - A. The total amounts of zakat payer's internal and external purchases in the first year shall be divided into eight to determine the capital amount thereof within the first year.
 - B. In the second year, the internal and external purchases of the zakat payer in this year shall be included to its purchases in the first year. The total amount is divided into two to determine the purchases average. Then, the average is divided into eight to extract the capital amount in the second accounting year.
 - C. The same method shall be applied to determine the capital amount of zakat payer for the third, fourth and fifth years.
2. The capital amount for the years following the first five years shall be determined as follows:

The internal and external purchases for the last five years of the zakat payer, ended by the accounting year, are collected. The grand is divided into five to determine the importing average. Then, the importing average is divided into eight to determine the capital amount in the accounting year.
3. The importing net profit of the year is estimated by multiplying the importing total amount of the year for each importing category as follows: (3.5%) for the importers of livestock, fresh fishes, vegetables and fruits; (7%) for the livelihoods (wheat, corn, beans, sugar, flour, millet, lentils, butter oil, rice, barley, coffee, oils); and (10%) for other importing activities. The net profit shall also be estimated by 15% for the internal purchases.
4. If it is appeared that there are no internal and external purchases for the zakat payers in any year, the purchases of this year shall be estimated at Zero and it shall be taken into consideration when determining the average amount.
5. The zakat base of the importer zakat payer shall be the amount of adding the capital amount to the net profit, which are determined herein.
6. When determining the zakat base for the importer zakat payer, the following shall be considered as follows:
 - A. If the importing is against a defined commission, accounting shall be determined for this commission. The goods owner, for whom the importing is carried out, shall be accounted for this importing by adding it to his purchases as well as taking into consideration the same when estimating his capital and profit amounts.
 - B. The zakat of zakat payers who have importing contracts conducted with the state, is estimated by adding the importing contracts profits or purchases profit, whichever is larger, to the capital amount of zakat payer in the accounting year.
 - C. This rule does not apply for whose importing limits to raw materials, fixed assets or spare parts to use in the activity. This importer shall be accounted for the final product in accordance with the rules applicable on the industrial activity. This rule does not also apply for the accidental importing for one time, whereas the accounting shall be determined for

the profits of the zakat payer only in accordance with the profit rate of each category of importing.

- D. This rule does not apply for the importers of currency and gold bars, but they shall be accounted according to their capital amount verified for Saudi Arabian Monetary Authority (SAMA) (currently, Saudi central Bank). The profits are estimated by guidance of the same cases for those have statutory books and records.

Second: Contractors:

1. The working capital amount for the contractors is estimated at 5% at least out of the contracting volume carried out by the zakat payer per annum.
2. The net profit of the activity is estimated at 10.5% at least out of the total contracting.
3. Any deduction from the total revenues is not taken into account as for the subcontractors and others upon the estimation assessment.

Third: Factories:

1. As for the factories holding statutory books and records, the paid financing shall be not less than 25% of the total financing stated in the license. The paid financing shall include the capital amount, credit current account and profit amounts for partners and owners, and the carried forward profits. If the paid financing is less than 25% of the total financing stated in the license, the content of the license shall be considered, unless otherwise the zakat payer does not provide a certificate from the authority issuing the license providing the total financing fact.
2. As for the factories that do not hold statutory books and records, the working capital amount shall be not less than 25% of the total capital by virtue of the factory establishment license, added thereto the estimated net profit by 25% of the factory revenues, unless the zakat payer does not prove that all capital amount is used in fixed assets.
Accounting of factories owners shall start as of the production date unless otherwise proved for GAZT the availability of a subjected working capital amount within the period prior to production.

Fourth: Agricultural Projects:

1. The agricultural establishment, practicing an activity subjected to the fruits and grains zakat, and another activity subjected to the zakat of trade offers; this establishment shall provide GAZT with separate and independent accounts for its activity specified for the zakat of trade offers. If this establishment does not submit separate accounts for each activity, the trade offers base shall be accounted for the facility in accordance with the zakat payer declaration provided that the zakat base does not less than the result of the following equation:

$$\text{The total zakat base of the zakat payer} \quad \times \quad \frac{\text{Revenue of trade offers activity}}{\text{The total revenues}}$$

2. The zakat base for the sole agricultural projects owners is estimated as follows:
 - A. The working capital amount, determined at 10% of the loan value (after one year after obtaining the loan and part of a year of the loan).

- B. The net profits by 15% out of the project revenues.
- C. The sole agricultural projects owners are all individuals who practice an agricultural activity such as the agricultural projects for producing vegetables and fruits, poultry, fisheries and egg and dairy producers, who have the right to obtain agricultural loans from the Agricultural Development Fund.

Fifth: Hotels and Furnished Apartments:

The zakat for the owners of hotels and furnished apartments, who do not hold statutory books and records, shall be accounted in accordance with the following:

1. The classifying category, the residence price, and the occupation rate of each hotel or residential unit shall be determined by communicating with the General Commission for Tourism and Antiques for this purpose as for hotels and according to the available information sources as for the other activities. The prices raise in occasions as per the pricing approved by the concerned authority or according to the available information sources shall be considered.
2. The profit rate is determined by 25% for the leased hotels and residential units and 25% for the owned hotels and residential units out of the total revenues calculated as per the following:

$$\text{Total revenues} = \text{number of units and rooms} \times (\text{price of unit lease} + \text{service}) \times \text{occupation rate} \times \text{number of year days}.$$

Accordingly, the zakat base is accounted by multiplying the total revenues with the estimated profit rate, and the zakat payer is required to submit the building lease agreement or ownership deed when accounting.
3. This Article is applied for the same activities' owners such as touristic cities, chalet owners, wedding halls, lounges and entertainment centers as suitable for the nature of such activities.

Sixth: Motorcar Renting Activity:

The owners of this activity, who do not hold statutory books and records, shall be accounted as follows:

1. The net income of this activity shall be estimated as per the following equation:

$$(\text{Number of motorcars} \times \text{the daily rent value} \times 354 \text{ days} \times \text{operation rate average} \times 20\% \text{ as a net revenue}).$$
2. The operation rate estimation for each zakat payer shall be taken into account as per his declaration as at least 50% that can be increased over this limit in the large cities and cities witnessing touristic occasions or religious events.
3. Number of motorcars shall be verified by the concerned authorities such as the General Department of Traffic and Ministry of Transport and Logistic Services.

Chapter V: Zakat Accounting Rules

Article 14

Commencement of Zakat Accounting

1. The first complete year of the activity for zakat purposes for all zakat payers, except for capital associations shall start as of the date of commercial register or license. If the activity requires both of them, the complete year shall start from whichever is later.
2. The complete year for capital associations shall start from the date of capital deposition.
3. In case of the zakat payer determines a date that contradicts with the above mentioned in Paragraphs No. (1 and 2); if this date was earlier, it shall be applied; but if later, the zakat payer shall prove the same.

Article 15

Zakat Payer's Fiscal Year

1. The Zakat Payer's fiscal year shall be a period of twelve lunar months. The Zakat Payer may adopt the calendar year.
2. The Zakat Payer's fiscal year shall commence as of the Zakat Payer's commencement of its activity that shall be determined via several methods, including the date of the commercial register or license, or the date the share capital was deposited at the bank, whichever later, unless otherwise proved by certain evidence.
3. When the Zakat Payer, who holds statutory records and books, amends his fiscal year to become a long or short year, the zakat shall be calculated for all such period, taking into account the period in excess of or less than his fiscal year. Such zakat shall be calculated by multiplying the zakat base by the number of days in the long or short year of the Zakat Payer by 354 days for a lunar year and 365 days for a calendar year (following the exclusion of the net income). Then, the net income shall be returned to the zakat base to get the zakat base of the long or short fiscal year.
4. The zakat shall not be applied to the short fiscal year in the beginning or end of the activity for non-completion of a full zakat year. The share capital shall be subject to zakat if it is proved that a zakat year is completed.

Article (16)

Books and Records

1. Each Zakat Payer, excluding small Zakat Payers referred to in Article (13), shall hold the commercial records and books necessary to accurately determine the zakat base inside the Kingdom and in Arabic, while maintaining the documents proving their validity and the statements and notes supporting them.
2. The records and books to be held by the Zakat Payer means the set of commercial books held by the Zakat Payer, in which all commercial transactions are recorded, and described by the Royal Decree No.

(M/61) dated 17/12/1409 H (20/07/1989 G), and implementing regulations thereof issued by the Ministerial Resolution No. (699), dated 29/07/1410 H (05/02/1990 G) as amended by the Ministerial Resolution No. (1110), dated 24/12/1410 H (17/07/1990 G), and any subsequent amendments thereto. Such records and books included, at least, the general journal, the general ledger, and inventory book.

3. The owners of professional activities shall hold accounting books, at least the general journal with the records required by the profession.

4. The Zakat Payer may delegate a specialized professional body to maintain his books and records while remaining directly responsible therefor, and shall adhere to the conditions and controls contained in the Law of Commercial Books.

5. Books shall be held using the computer according to the following controls:

- a. The computer shall be located in the Kingdom
- b. The data of such books shall be recorded by the computer in Arabic. It must reflect the same image that the books provided in the Law of Commercial Books.
- c. All original documents supporting all entries recorded in the accounting books shall be maintained.
- d. The final accounts and the balance sheet shall be directly extracted from the computer. If the conventional accounts were used with the help of computers in certain items of accounts, all settlement entries must be attached in Arabic.
- e. Computer printed data (outputs) must be extracted periodically (quarterly) including all information.
- f. The facility shall document the information entry and direction system (accounting entries) into the computer for reference, if need.
- g. The facility shall have the necessary security means and adequate controls that prevent manipulation of information that can be examined and reviewed.
- h. The Authority may conduct an automatic review of the applied systems and programs by the Zakat Payer in preparing his accounts on the computer

Chapter VI: General Provisions

Article 17

Registration at GAZT

1. Each zakat payer shall register with GAZT after obtaining the commercial register or license before the end of his first fiscal year, including zakat payers whose first fiscal year begins as of the date of depositing the capital in the bank. This may not prevent the provision of zakat declarations and payment thereunder after the end of the fiscal year as of the date of depositing the capital in the bank.

2. Any person practices an activity without a register or license, including those who are subject to zakat under this Law, shall register at GAZT as of the date of their practice and before the end of their first fiscal year.

Article 18

GAZT's Right to Access Information

1. Every individual, including government agencies, shall provide GAZT with its requested information related to the application of the instructions of zakat collection, including the provisions of international agreements to which the Kingdom is a party. GAZT shall also be provided with information about project contracts, services and supplies or any other contracts and any amendments thereto within three (3) months as of the date of signing the contract. GAZT shall also be reported of the date of the cessation of contract implementation due to a force majeure event or any other reason, and the parties' resulting rights due to the cessation within thirty (30) days as of the date of cessation. GAZT may, if needed, request a copy of the contract.
2. Every individual who has normal or periodical commercial transactions with the private sector without a written contract shall inform GAZT within a month as of the end of the fiscal year by a detailed statement on the commercial and service transactions, contracting, insurance and reinsurance transactions, and any other transactions, including the due payments and the dates thereof.
3. As per the Council of Ministers Resolution No. (278) dated 14/04/1391 H (08/06/1971 G), the head of finances, and head of project managements in the government agencies and general institutions shall be responsible for informing GAZT of the required information on the concluded contract on the specified dates.
4. This obligation shall be valid regardless of the term of contract, excluding the following:
 - a. Contracts with value less than SAR 100,000.
 - b. Commercial and services transactions carried out without prior contracts and less than five hundred thousand riyals per year per person.
 - c. Land and building leases concluded with natural persons

Article 19

Confidentiality

GAZT and its employee, who have accessed the zakat payers' information due to the nature of their jobs in GAZT, shall maintain the confidentiality of such information, except for the information to be disclosed to the following agencies:

1. Customs Authority to carry out its duties in accordance with this Law or to apply the Customs Law
2. General Auditing Bureau for auditing and review
3. Foreign tax authorities in accordance with the treaties to which the Kingdom is a party
4. The authorities responsible for implementing the Law for criminal prosecution of tax violations

5. Any jurisdiction in the Kingdom in a pending case.

Chapter VII: Zakat Declarations Provision and Examination and Assessment Procedures

Article 20

Declarations

1. GAZT shall issue the necessary forms of zakat declarations and any other data or notes helping zakat payer to fulfil his obligations related to the filling out of the zakat declaration, and providing the same to GAZT. The zakat payer shall adhere to the use of defined form, and may use the forms extracted from the PC if they fully met the certified forms.
2. The zakat payer shall provide the zakat declaration and its attachments after filling out all the blanks, and paying the zakat according thereto following the end of the fiscal year. Zakat payer may be delayed only within the limits of his accounting procedures, provided that such delay must not exceed (120) days. He shall disclose all elements of his zakat base during the declaration period. Such declaration shall be deemed submitted in the date of receipt under a formal notice from the Authority or any authorized entity. Once the regular period for the declaration terminates during official holidays, the declaration shall be acceptable if delivered and paid thereunder in the first working day following such holidays.
3. The burden of proving the authenticity of the zakat payer's declaration in terms of the clauses and other data shall be the zakat payer's responsibility. If the zakat payer fails to prove so, GAZT may not approve the clause failed to be proved, or may conduct an estimated assessment as it may deem proper in the light of the circumstances and facts related to the situation and information available thereto.

Article 21

Examination & Assessment Procedures

1. GAZT may conduct a field examination of the zakat payer's records and archives to verify of the fulfilment of its obligation and ensure the authenticity of the received information. The Authority may conduct a field examination to a zakat payer in order to collect the information of another zakat payer.

The field examination shall be conducted during the working hours of the zakat payer subject to the examination. However, the zakat payer is legally obligated to provide the information required by GAZT. Furthermore, GAZT may examine all of zakat payer's records and archives without any prior notice.

2. The field examination shall be conducted in the zakat payer's place or GAZT's office under a formal letter from GAZT. If any of the zakat payer's records, archives or documents were to be moved from the zakat payer's place, the zakat payer shall be given a document thereof. The Authority's examiner may present in person at the zakat payer's place to verify the zakat payer's work nature.
3. If the zakat payer's holds his records and archives on electronic media, he shall provide the Authority's examiners with the required information on hardcopies upon request.

4. A report proving the facts of examination and all the required data shall be prepared. Such report shall be signed by the Examination Committee and the zakat payer or his representative. If the zakat payer or his representative refuses to sign, this refusal shall be referred to in the report and the report shall be deemed as evidence against the zakat payer in relation to the examination facts, however, the report's deficiencies of form shall not be deemed as reason to invalidate the report.

5. If the zakat payer did not cooperate in providing the necessary information, GAZT may seek the assistance of the competent supervisory entities to oblige the zakat payer to provide such information. GAZT may also hold the zakat payer records and documents temporarily if the Authority deems, for any reason, the zakat payer may conceal, destroy or manipulate such documents.

6. Once the completion of the examination, the documents shall be returned back to its owner during fifteen (15) days as of the termination of the examination. However, GAZT may maintain a copy of any documents or records as needed.

7. If GAZT desires any amendments to the zakat payer's declarations, it shall notify the zakat payer of the amendments made to his zakat declaration, amendments justifications, amount of due zakat, his right of objection and the regular time for objection. Such notice shall be made via registered mail or any other means proving the receipt of such notice, including the official e-services.

8. The Authority shall conduct or amend the assessment at any time without being restricted to any periods if:

- A. The zakat payer agrees in writing to conduct or amend the assessment;
- B. The zakat payer did not provide his declaration; or
- C. The declaration contained any incorrect information.

9. GAZT may correct the mathematical and material errors during ten years as of the end of the term defined for the provision of zakat declaration for the zakat year upon zakat payer's request, or if such errors were detected by GAZT or supervisory entity.

The mathematical and material errors mean the errors resulting from any of the mathematical operations i.e. (addition, subtraction, multiplication, and division), or resulting from the replacement of a wrong number with the right one or similar.

10. GAZT may correct the error in applying the Law and instruction during five years as of the end of the term defined for the provision of zakat declaration for the zakat year upon his request, or if such errors were detected by GAZT or supervisory entity.

11. If GAZT detected any error relating to the zakat payer's zakat following the termination of the previous periods, the zakat payer shall be notified to release himself from any legal liability.

Chapter (8): Objection and Appeal Committees

Article 22

Objection Procedures

1. The zakat payer may object to GAZT's assessment during sixty (60) days as of the date of receipt of the assessment letter. Such objection shall be filed based on a written grounded memorandum to be submitted to the entity that informed him of the assessment. Once the objection period terminates during official holidays, the objection shall be acceptable if delivered in the first working day following such holidays.
2. The objection shall be accompanied with a legal power of attorney or formal authorization from the zakat payer if the objection is submitted by a person other than the zakat payer.
3. GAZT shall study the objection. If convinced with its authenticity in accordance with the raised justifications and documents, it may approve the objection fully or partially, and accordingly notify the zakat payer of the amendment. If the dispute continues between the zakat payer and GAZT, GAZT shall raise the objection to the Primary Committee.
4. The objection shall not be deemed acceptable in form if:
 - A. The objection was filed after termination of the specified period, or any other reason; or
 - B. The complainant was not legally authorized person from the Zakat Payer
5. If the objection was not acceptable in form, this case shall not prevent such objection from being referred to the Primary Committee.
6. GAZT shall, once the objection was referred to the Primary Committee, notify the zakat payer of such.

Article 23

Appeal Procedures

1. The zakat payer and the Authority may appeal against the primary decision before the Primary Committee within sixty (60) days as of the date of decision receipt. Once the appeal period terminates during official holidays, the appeal shall be acceptable if delivered in the first working day following such holidays
2. The appeal shall be accompanied with a legal power of attorney or formal authorization from the zakat payer if the Appellant was other than the zakat payer.
3. The zakat payer's appeal against the decision of the Primary Committee shall be deemed acceptable in form if:
 - A. Such objection is submitted during the appeal legal period
 - B. Such objection is submitted by the zakat payer or its legal representative.
 - C. The zakat payer pays the appealed items, or provides a bank guarantee thereof to the Authority. Such bank guarantee shall be valid for at least one year and to be renewed automatically. It may be

confiscated based on GAZT's request without the need to the approval of any other parties in accordance with the form certified by the Saudi Arabian Monetary Authority.

- D. The zakat payer shall provide the Appeal Committee with a grounded memorandum accompanied with any other additional documents and a copy of the payment receipt or copy of the bank guarantee, whose original is submitted to the Authority to record the appeal in the Committee record during the date specified for the appeal. The guarantee shall be released or the payments shall be refunded only after the issuance of the dispute's final decision.

Article 24

Formation of Primary Objection Committees and Competences

1. The Primary Objection Committees shall be formed by a decision from the Minister in order settle the disputes of zakat resulting between the Authority and zakat payers. Each committee shall consist of the chairman and three members at least. The committee's members must be specialized in the Islamic jurisprudence (Sharia), accounting and laws, one of them shall be an employee of GAZT. None of the members must have a degree less than the 10th degree or equivalent as per the Civil Service Law.
2. The Primary Committee shall be reformed every four years, taking into account that one or more of the committee's members may continue for another or more periods.
3. The chairman of the committee shall inform the Authority and the zakat payer of the data specified by the Authority to hear their justifications and arguments, and view their documents. However, the report sent to the zakat payer shall be accompanied with a copy of the Authority's memorandum submitted on the Zakat Payer's objection at least fifteen days before the hearing session.
4. If either or both parties failed to appear, the Committee may issue its decision in accordance with the facts and papers presented. The session may be postponed for two times as maximum based on reasons accepted by the Committee.
5. The Committee shall be valid only in the presence of the majority of the members, provided that they include the Committee's chairman or his vice.
6. At first, the Committee shall consider the formal authenticity of the objection in form.
7. The Committee's decision must be consistent with the provisions of the Islamic jurisprudence (Sharia) as well as the related laws and regulations and in the light of the facts accompanied with supporting documents.
8. The decision of the Primary Objection Committees shall be issued on the objection by a majority of votes. In case of a tie, the Chairman shall have a casting vote.
9. The Committee shall inform the parties of the decision via a formal letter or any other means with acknowledgement of receipt. The Primary Committee's decision shall be deemed final, if was not appealed against by any of the parties during sixty (60) days as of the date of receipt.
10. The Authority shall implement the primary decision and amend the assessment thereunder and notify the zakat payer even if appealed against.

Article 25

Formation of Appellate Committee and its Competences

1. The Appellate Committee, assigned to consider the decision of the Tax Primary Objection Committees appealed against by the zakat payer and the Authority formed by the Ministerial Decision No. (196), dated 24/07/1426 H (29/08/2005 G) and amendments thereof, shall consider the decision of the Zakat Primary Objection Committees appealed against by the zakat payer and the Authority.
2. The Committee shall be valid only in the presence of the majority of the members, provided that they include the Committee's Chairman or his vice.
3. At first, the Committee shall consider the formal authenticity of the objection in form.
4. The decision of the Committees shall be issued after hearing the parties and studying their justifications and arguments. In case of conflict among the opinions of the Committee's members, the decision shall be issued by a majority of votes. In case of a tie, the Chairman shall have a casting vote.
5. The Committee's decision must be consistent with the provisions of the Islamic jurisprudence (Sharia) as well as the related laws and regulations and in the light of the facts accompanied with supporting documents.
6. As needed, the Committee may seek the assistance of the experienced experts and consultants for compensation to be determined as per the situation. Such compensation shall be determined in a letter of mandate.
7. The Committee shall inform the parties of the decision via a formal letter or any other means with acknowledgement of receipt.
8. GAZT shall implement the decision of the Appellate Committee, amend the assessment thereunder and notify the zakat payer.
9. A ministerial decision shall be issued determining the remunerations of the primary and appellate committees' chairman and members and their assistants.

Chapter (9): Collection Procedures

Article 26

Instalment

1. The zakat payer may request to pay the dues in instalments in accordance with the following:
 - A. Providing a written request by the zakat payer to the Authority explaining the instalment period (periods), the amount of zakat obligation, justification of non-payment of zakat obligation at due dates and proof of inability to pay in one payment through supporting documents.
 - B. The instalment period shall not exceed the years for which it must be paid.

- C. The instalment decision shall be terminated once the zakat payer ceases to pay two consecutive instalments. Once the said decision is ceased, it shall be reported to the zakat payer via a formal letter; accordingly, he shall immediately pay the due payment.
2. The Director-General of GAZT shall have the power to collect the payments not exceeding one million riyals in instalments. All payments exceeding one million riyals shall be presented to the competent person.

Article 27

Seizure and Mandatory Collection

1. GAZT shall have the right to take the procedures of mandatory collection in the following cases:
 - A. Expiry of statutory deadline and the zakat payer fails to pay the zakat due per declaration.
 - B. Expiry of statutory deadline for filing an objection to the assessment performed by GAZT.
 - C. Expiry of statutory deadline for appeal of the decisions of primary committees on objection.
2. Authority shall request the zakat payer in writing to pay the amounts due within thirty days after the date of notification of this request. This request shall be repeated in writing to the zakat payer to pay within another thirty days.
3. If the zakat payer does not respond to the previous requests, he shall be notified of the intention of seizure of his movable and immovable assets if failed to pay within twenty days of the date of this notification. The Saudi Arabian Monetary Authority shall be provided with a copy of this notification to suspend any withdrawals from the bank balances of zakat payer.
4. Authority shall coordinate with the relevant official authorities to seize the movable and immovable assets of zakat payer according to the following:
 - A. Writing a letter to the Saudi Arabian Monetary Authority SAMA to seize and supply the zakat payer's funds at the local banks in the limit of the due value of Zakat to the Authority's account upon request.
 - B. Writing a letter to the Customs Authority to seize of the zakat payer's imports to the limit of Zakat amount due.
 - C. Writing a letter to the Ministry of Finance (MOF) to seize of the payment orders related to the zakat payer to the limit of Zakat due.
 - D. Writing a letter to the Ministry of Justice (MOJ) to cease the zakat payer's disposal of any immovable assets.
5. Once the seizure is required, the seizure enforcing party shall transfer the assets seized to the Authority when requested to do so. This obligation shall include any amounts due to zakat payer from a third party at or after the date of receiving the notice.
6. If the indebted zakat payer is a natural person, his personal movable and immovable assets related to his activity shall be seized to the limit of debt. This shall be applied to zakat payer if it is a joint partner in a partnership or a partnership limited by shares. Otherwise, if the debtor is a partner in a capital association, it shall be requested to the limits of its share in the Company's capital.

7. Upon the completion of seizure and expiration of warning period, zakat payer's movable and immovable assets shall be seized and sold to the extent necessary for repaying the debt according to the applicable procedures.
8. No seizure shall be made to the value of month expense to be paid by zakat payer or his livelihood expenses as determined by the provisions of other applicable laws.
9. The expenses of seizure and sale shall be paid from the sale profit then Zakat debt and other dues on the zakat payer to Authority. Any excess amounts shall be returned to zakat payer.
10. Upon collection of all amounts due on zakat payer, GAZT shall inform the concerned authorities to stop all actions taken against the zakat payer.
11. In case of the death of zakat payer, owner of individual corporation with unpaid payable dues for GAZT, such amounts shall be collected from his legacy before being distributed. If the legacy is distributed, the heirs shall be required to pay such due amounts in pro-rata basis with their shares.

Article 28

Government Authorities Support to GAZT Business

1. Under the Royal Decree No. 7027 dated 24/02/1434 H (06/01/2013 G), the government authorities shall collaborate with the GAZT to enable it from collecting its dues in accordance with the provisions of Article (44) of the Articles of Association. In addition, under the Royal Decree No. 16145 dated 01/04/1437 H (11/01/2016 G), the government authorities and the companies at which the state and professional entities contribute shall cooperate with GAZT to increase the proficiency and effectiveness of collection of the legal zakat and addressing it to its determined channels.
2. At any time, GAZT shall have the right to coordinate with the government authorities and public institutions or any other entity to cooperate with so as not to grant any facilities or services to the zakat payer who does not submit his zakat declaration or does not pay the due liabilities.

Article 29

Excess Payments Refund

1. When it appears that a zakat payer has paid excess amounts of the due zakat, this amount shall be considered an advanced payment of future Zakat due. In addition, such amounts shall be credited to the zakat payer's account for the following years, unless requests an immediate refund within five years after the payment date.
2. GAZT shall review zakat payer's request, verify whether any excess amounts are made and finalize the procedures of refunding such amounts within thirty days from the date of notifying zakat payer thereof.
3. Where any objection/ appeal is pending, the request for refunding the excess amounts shall be disregarded until the issuance of a final decision conforming zakat payer's right to refund those amounts. Such amounts will be refunded where a final decision is issued.

Article 30

Activity Suspension

1. When the activity is suspended, zakat payer shall submit a notice to GAZT within sixty days of the date of activity suspension and shall be responsible for proving the suspension.
2. Once the partners or the general assembly decide to liquidate and a resolution is issued thereof, the company shall be considered as suspended from the activity and enter in the liquidation phase. The company shall submit its declarations during the years of liquidation and shall be calculated accordingly.
3. The zakat position of the company shall be settled until the liquidation expiry and a final account of the liquidation shall be submitted.
4. Upon optional or mandatory suspension, zakat payer shall bear the responsibility for proving thereof and GAZT shall have the right to verify thereof in any way it sees fit.
5. Each person, who bears the responsibility for liquidation of a company, legacy, bankruptcy or solvency, shall notify Authority in writing of the beginning of the liquidation procedures, submit the zakat declarations on their legal deadlines until the liquidations ends. He shall further provide GAZT with a copy of the final financial statements (closing account of liquidation) and pay the zakat amounts due to GAZT within a period does not exceed sixty days after the date of liquidation completion. If delayed, he will be responsible for payment of such amounts jointly with owners if it is proved the liquidator has available amounts during the period of liquidation and fails to pay the dues to Authority.

Article 31

Final Provisions

The provisions of Article (72) of the Implementing Regulations of Income Tax Law issued by the Ministerial Resolution No. 1535 dated 01/06/1425 H (18/07/2004 G) or any amendment thereto with respect to the incentives to the applicants of this Regulation.