

Client Alert

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COVID 19 - Government Implements Measures to Mitigate the Impact of COVID on Private Sector

The government has prepared urgent initiatives to support the private sector, especially small and medium enterprises (SMEs) and economic activities most affected by the pandemic. Generally speaking, it is providing exemptions and postponement of certain government dues (whose value is in excess of approximately SAR 70 billion) to provide liquidity to the private sector to enable it to manage continuity of its economic activities. (This is in addition to the SAR 50 billion package the Saudi Arabian Monetary Authority announced to support the banking sector, financial institutions and SMEs).

These initiatives include:

- Exempt employers from expat levy for employees whose residency permit (iqama) expired between during the COVID-19 situation until 30 June 2020, by extending their iqama for a period of three months without charge.
- Refund employers the fees of issued work visas that were not used during the travel lockdown on entry and exit, even if they were stamped in the passport, or extend them for a period of three months without charge.
- Extend exit and re-entry visas that were not used during the travel lockdown on entry and exit from the Kingdom for a period of three months without charge.
- Enable business owners, for a period of three months, to postpone the payment of VAT, excise tax, income tax, and the submission of Zakat declarations and the payment of obligations due therefrom.
- Postpone the collection of customs duties on imports for a period of 30 days against the submission of a bank guarantee, for the next three months and setting the necessary criteria (period to be extended for the most affected activities as needed).
- Postpone the payment of some government services fees and municipal fees due on private sector for a period of three months (period to be extended for the most affected activities as needed).
- Authorize the Minister of Finance to approve lending and other forms of financing as well as exemption from payment of fees and returns on loans granted until the end of 2020.

For further information and details please refer to the SPA announcement, link below and attached for ease of reference:

https://www.spa.gov.sa/viewfullstory.php?lang=en&new_sid=2049654#2049654

