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Withholding tax rates & treaty relief

One page for finance teams paying non-residents from a Saudi source: the domestic rates, the deadlines, and how to claim a lower treaty rate the way ZATCA asks.

Where the rates come from. Income Tax Law Art 68 imposes the withholding duty and the headline rates. **Implementing Regulations Art 63** sets the full rate table and the definitions. (IR Art 68 is not the rate article; it is often mis-cited.)

PAYMENT TO A NON-RESIDENT	RATE
Management fees (e.g. hotel or ship management contracts)	20%
Royalties (sale or licence of industrial or intellectual property used in KSA)	15%
Technical or consulting services, or international telecom services, paid to the head office or a related party	15%
Any other payments for services not listed here	15%
Technical or consulting services, or international telecom services, paid to an unrelated party	5%
Rent (immovable property, or movable property in KSA)	5%
Dividends, incl. profits a PE transfers to related parties[1]	5%
Loan charges (returns on loans)	5%
Insurance or reinsurance premiums	5%
Air tickets, air freight or sea freight paid in KSA[2]	5%

[1] Dividends from companies investing in natural gas, oil or hydrocarbons are not subject to WHT (IR Art 63(6)(a)). [2] Excludes freight for shipping goods from abroad into Saudi ports (IR Art 63(4)). WHT applies to the gross amount, whatever the costs and even for pre-existing contracts (IR Art 63(8)).

Deadlines and duties

- **Pay and file** the monthly WHT return within the first **10 days** of the month after payment to the beneficiary (Law Art 68(b)(1); IR Art 63(9)(a)).
- **Certificate** to the beneficiary showing the amount paid and the tax withheld (Law Art 68(b)(2)).
- **Annual WHT information return** within **120 days** of year end (**60 days** for partnerships) (IR Art 63(9)(b)).
- **Personal liability**: the payer owes unwithheld or unpaid tax plus delay fines of **1% per 30 days** (Law Arts 68(c), 77(a)).
- **Records** must support every deduction and be kept at least **10 years** after payment (Law Art 68(b)(4); IR Art 63(9)(c); WHT Guideline v2).

Time limit: the statute of limitation to apply, or to be audited by ZATCA, is **five years**; after that the treaty benefit is lost (circular §4.2.2.2).

No treaty rates are listed here. Each treaty's rate depends on its text and protocol. Read the treaty on ZATCA's DTA page before applying one.

Claiming treaty relief (ZATCA circular, Jan 2025)

First check the treaty is in force with KSA, the recipient is a covered resident (DTA Arts 1–2) and the article for the income limits Saudi taxing rights.

Route A · Benefit at source

1. Payer applies through the ZATCA portal before or when paying.
2. Upload the recipient's **tax residency certificate** (any format the foreign authority issues).
3. Upload ZATCA's approved **treaty application form**. The DTAA e-service refers to **Form Q7B**, certified by the treaty-partner tax authority.
4. Documents authenticated by the **Saudi embassy** or an **apostille**.
5. Payer's **undertaking (Form Q/7C)** to pay any tax or penalties if the claim proves wrong.

Route B · Refund

1. Withhold at the domestic rate, then claim the difference from ZATCA.
2. TRC, plus the recipient's **authorisation letter** letting the payer receive the refund.
3. ZATCA's approved treaty form, embassy-authenticated or apostilled.
4. A copy of the **WHT return** and **proof of payment**.
5. Payer's letter, **attested by the Chamber of Commerce**, confirming the amount was never refunded, transferred or offset.

Sources: Income Tax Law (Royal Decree M/1, 1425H) Arts 68, 77; Income Tax Implementing Regulations Art 63 (Arabic official text, as amended); ZATCA Tax Circular "Implementation of WHT under Double Taxation Agreements" v1, Jan 2025; ZATCA WHT Guideline v2, May 2026; ZATCA e-service "DTAA application". Checked November 2026.

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