Zakat and Corporate Tax Computation in KSA under the ZATCA Zakat Implementing Regulations 1445H

1 – 5 March 2027
Barcelona - Eixample district four-star

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Technical depth: Practitioner · **Practical mode:** Modelling build

Introduction

Saudi Arabia's Implementing Regulations for Zakat Collection 1445H, which apply to financial years starting on or after 1 January 2024, changed how the zakat base is built, which investments may be deducted and how the base is limited, while corporate income tax still applies to foreign ownership under the Income Tax Law. Computing both from last year's template invites ZATCA assessments and weak provisions. This Core Concept course takes finance teams through both computations step by step, then into accounting and disclosure. Each participant builds a Zakat and Corporate Tax Computation Workbook that reconciles to the financial statements.

Course Objectives

- Determine an entity's zakat and income tax position in KSA, including the split between Saudi and GCC ownership and foreign ownership in mixed-ownership entities
- Compute the zakat base under the Implementing Regulations for Zakat Collection 1445H, applying the deductible asset rules and the Article 27 and 28 base limits
- Prepare the taxable income bridge from accounting profit under the Income Tax Law, including depreciation, loss relief and related-party adjustments
- Account for zakat and income tax under the SOCPA Zakat Standard, IAS 12 and IFRIC 23
- Identify the adjustments ZATCA most often raises on assessment and assemble the evidence for positions, objections and appeals
- Build a zakat and corporate tax computation workbook that reconciles to the financial statements

Target Audience

- Zakat and tax managers responsible for computations, ZATCA returns and assessments
- Financial controllers accountable for zakat and tax provisions in the financial statements
- Financial reporting managers preparing zakat and income tax disclosures
- Group finance managers overseeing holding company and multi-entity structures
- Internal audit managers reviewing zakat and tax processes and controls

Course Outline

Day 1: Zakat and Income Tax Foundations in Saudi Arabia

- Zakat versus Corporate Income Tax in KSA: Basis, Rates and Liable Persons
- Mixed-Ownership Entities: Saudi and GCC versus Foreign Shareholder Split
- Implementing Regulations for Zakat Collection 1445H: Key Changes from 2024
- AAOIFI Shari'ah Standard No. 35 Zakah Principles
- Current Computation and ZATCA Filing Practice Diagnostic

Day 2: Zakat Base Rules under the 1445H Regulations

- Zakat Base Formula: Equity, Equity-Like Items and Qualifying Liabilities
- Deductible Assets: Fixed Assets, Intangibles, Investments and Right-of-Use Assets
- Articles 27 and 28: Adjusted Net Profit and the Minimum and Maximum Zakat Base
- Gregorian Year Rate Adjustment and Short-Period Computation
- AAOIFI FAS 39 Financial Reporting for Zakah

Day 3: Corporate Income Tax Computation under the Income Tax Law

- Taxable Income Bridge from Accounting Profit under the Implementing Regulations
- Non-Deductible Expenses, Provisions and Related-Party Charges
- Tax Depreciation Groups and Declining Balance Pools
- Loss Carry-Forward Limits and Ownership Change Rules
- ZATCA Transfer Pricing Bylaws and the OECD Transfer Pricing Guidelines

Day 4: Accounting, Disclosure and ZATCA Assessment Risk

- IAS 12 Current and Deferred Tax for the Foreign Ownership Share
- SOCPA Zakat Standard Revised: Provision Accounting and Presentation
- IFRIC 23 Assessment of Uncertain Zakat and Tax Treatments
- ZATCA Assessments, 60-Day Objections and Appeals to the Tax Committees
- Holding Company Structures and Consolidated Zakat Filing

Day 5: Modelling Build and the Computation Workbook

- Saudi Industrial Company Case: Full Zakat Base Build under the 1445H Regulations
- Mixed-Ownership Case: Zakat and Tax Split with Deferred Tax
- Zakat and Corporate Tax Computation Workbook Assembly with Reconciliations
- Year-End Provision Journal Entries and Disclosure Note Drafting
- Peer Review of Workbooks and Assessment Risk Defence

Skills You Will Gain

- Zakat Base Computation
- Taxable Income Reconciliation
- Deferred Tax Accounting
- Zakat and Tax Provisioning
- Transfer Pricing Documentation
- ZATCA Objection Handling
- Zakat and Tax Disclosure
- Computation Model Review

Why Attend This Course

- Return to work with a Zakat and Corporate Tax Computation Workbook that you can roll forward for your own entity
- Explain to management and auditors how each figure in the zakat base and taxable income was derived
- Reduce exposure to ZATCA assessments by applying the 1445H deductible asset rules and base limits correctly
- Compare computation and filing practice with Saudi peers from industrial, trading, contracting and holding company groups

Conclusion

Zakat and corporate income tax in Saudi Arabia sit on different bases, follow different rules and are accounted for differently, yet many entities must compute both every year. This course moves from the principles and the 1445H Implementing Regulations for Zakat Collection, through the zakat base and taxable income computations, to deferred tax, uncertain treatments and the adjustments ZATCA most often raises. The final day brings those elements together in a Zakat and Corporate Tax Computation Workbook, giving participants a reconciled and defensible model for their next return.