

Saudi Arabia offering tourists VAT refunds from 2025

- A Monitor Desk Report

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Dhaka: In an effort to boost tourism, Saudi Arabia will be offering refunds on value-added tax for eligible purchases made by tourists starting 2025.

In its 2025 budget statement, the Ministry of Finance noted, “The introduction of VAT refunds for tourists in Saudi Arabia is designed to improve the traveller experience while ensuring tax compliance.”

The Zakat, Tax, and Customs Authority proposed changes to the VAT Implementing Regulations in August 2024, which were open for public consultation via the Istitlaa platform until September 17, 2024.

The proposed amendments cover the definition of eligible goods, the refund process, and the role of authorised service providers in handling claims.

This initiative is part of Saudi Arabia’s efforts to enhance its global

appeal as a tourist destination under the ambitious Vision 2030 plan.

The National Tourism Strategy aims to attract 150 million visitors by the end of the decade and increase tourism's contribution to the Kingdom's gross domestic product from 6 per cent to 10 per cent.

According to the proposed changes, tourists will be able to claim VAT refunds on goods purchased in Saudi Arabia for personal use, provided the items are taken out of the country.

Certain goods, including vehicles, tobacco products, and food, will be excluded from the refund scheme.

Refunds will be processed through authorised service providers, who will verify eligibility, manage claims and maintain the necessary records.

These providers may charge a commission for their services, while ZATCA will retain the authority to review and reject claims if necessary.

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