

Tax Agenda Bahrain

January 2024



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No.	Fact	Action
1	<p>Discussions on the introduction of corporate tax</p> <p>There are currently no corporate taxes in Bahrain, with a few limited exceptions for the oil and gas sector. However, in light of BEPS 2.0 Pillar Two, Bahraini tax authorities are considering introducing a corporate tax or a qualified domestic top-up tax (QDMTT) in the near future. The exact details or timing are not yet known.</p>	<p>Businesses operating in Bahrain should consider the potential impact of a corporate tax or a QDMTT on their profits.</p> <p>● ● □</p>
2	<p>E-invoicing expected in the near future</p> <p>VAT was implemented in Bahrain on 1 January 2019. The general VAT rate is 10% and it applies to most goods and services. The mandatory registration threshold is approximately US\$100,000 of annual supplies. There is also an excise tax on certain products, as well as a general customs duty of 5%. Certain goods and products are subject to higher customs duties. The introduction of e-invoicing is expected in the near future.</p>	<p>Taxpayers should prepare for e-invoicing by considering their system-readiness for implementation.</p> <p>● □</p>



Compliance



Risk management



Cash flow and ETR impact

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