KPMG

Tax alert

Bahrain

VAT action points on conversion of an SPC to a WLL

On 28 September 2020, Decree 28 of 2020 was published amending certain provisions of the Bahrain Commercial Companies Law (Law 21 of 2001). One of the key amendments is in relation to the conversion of all existing Single Person Companies (SPC) to With Limited Liabilty (WLL) companies by 31 March 2021.

For an SPC which has been or will be converted to a WLL company, the VAT registration details will also need to be updated to align them with the updated Commercial Registration (CR) certificate.

Unlike CR details, the amendment of the taxpayer’s details in the National Bureau for Revenue (NBR) records will not be automatic. Therefore, all taxpayers incorporated as SPCs will be required to submit an application for updating their details through the NBR portal.

How to update taxpayer details on the NBR portal?

Please follow these steps to update the name of the entity (reflecting its new status as a WLL company) on the VAT registration certificate:

1. Login to the NBR portal
2. Click on “Update VAT payer details” button
3. Follow the steps until the “VAT payer details” tab
4. Re-enter the CR number and the name should be automatically updated as per the Ministry of Industry, Commerce and Tourism’s database
5. Attach the updated CR certificate
6. Follow the steps until the “Financial details” tab
7. Update the financial details section with the data for 2020 (if not updated)
8. Attach other supporting documents, as applicable
9. Submit the form

NBR will review the taxpayer’s application and issue an updated VAT registration certificate if the details provided are found to be correct. The new VAT certificate can be re-printed from the “My Documents” section of the NBR portal which can be accessed through the home page.

Until the updated VAT registration certificate is issued by the NBR, taxpayers must continue to use the name mentioned on the existing VAT registration certificate for tax invoices and debit/credit notes.

The above is for general information only and is not intended to address circumstances of any particular scenario. Please seek professional advice in relation to your particular circumstances.

For a detailed discussion on how the above may impact your business, contact us.

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KPMG can assist with selecting the most suitable legal entity and support you with all required regulatory approvals and licenses. We provide commercially focused regulatory and business advice for organizations to maintain compliance with the Bahrain Commercial Companies Law, Central Bank of Bahrain rulebook, other local regulations and leading industry practices.

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