

¹**Assessment is a process initiated** by the National Bureau for Revenue (NBR) which affects the rights and obligations of the taxpayer. For example:

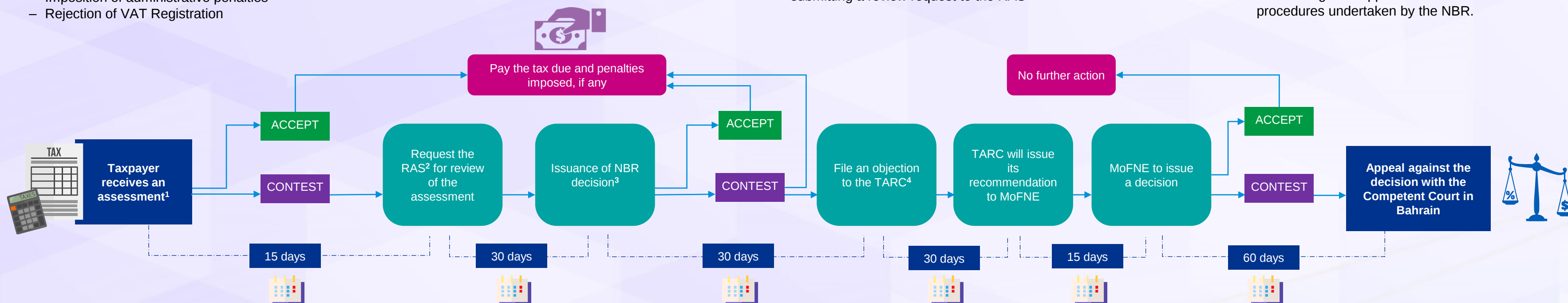
- Assessment or re-assessment of VAT liability
- Imposition of administrative penalties
- Rejection of VAT Registration

²**Reviews & Appeals Section (RAS)** is an internal department within the NBR responsible for reviewing assessments upon the taxpayer's request.

³**NBR decision is considered as issued when:**

- 15 days have elapsed from the date of assessment without a request for review being made by the taxpayer
- The decision is issued by the RAS
- Where a response is not provided by the NBR within 30 days of submitting a review request to the RAS

⁴**Tax Appeals Review Committee (TARC)** is an **independent committee** formed by Ministerial Resolution consisting of Accountancy and Legal subject matter experts. The TARC was formed with the purpose of objectively and independently considering VAT appeals on decisions and procedures undertaken by the NBR.



Phase I - Assessment review request to RAS

Review request must be submitted within 15 days of the assessment notification through the "Review Request" form available on the NBR Portal. The letter containing reason(s) and the legal basis for NBR to review its decision can be in English or Arabic. Settling the disputed amount is not a requirement for submitting a review request and no fees are applicable for the assessment review.

Process:

- RAS may request for:
 - additional information
 - an additional 30 days to complete the review
- RAS to then uphold, amend or cancel the assessment under review within 30 days (unless extension has been requested)
- Taxpayer can accept the decision or appeal to the TARC

Phase II – Appeal to the TARC

An appeal to the TARC must be submitted within 30 days from the date of notification of the NBR decision. Such request must be submitted via email to the TARC's email address (appealscommittee@nbr.gov.bh). Settling the disputed amount of tax and penalties in full is a mandatory requirement prior to submitting an appeal to TARC. A fee may be payable.

The request must include at least the following:

- Appellant information including Commercial Registration or Trading License details and relevant NBR Decision reference
- A letter, in Arabic, containing reason(s) and the legal basis for appealing. A supplementary letter in English copy may also be submitted
- VAT period to which the request for an objection or appeal relates
- Supporting documents or information that the VAT appeals review committee need to consider
- The email address of the appellant and/or their agent or representative, if applicable

Process:

- TARC issues its recommendation to the Minister of Finance and National Economy (MoFNE) within 30 days of submission of the appeal
- MoFNE will either reject or approve TARC recommendation within 15 days of receiving it and decision of the MoFNE will be communicated to the taxpayer (no decision within 15 days from the MoFNE is a rejection of the appeal)
- Taxpayer can accept or appeal to the Competent Court in Bahrain

Phase III - Appeal to Competent court

An objection to appeal against the decision of MoFNE must be submitted to the Competent Court within 60 days from the date of MoFNE's decision.

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

To know more about how we can assist, contact us:



Mubeen Khadir
Partner
Head of Tax and Corporate Services
KPMG Fakhro
T: +973 3222 6811
E: mubeenkhadir@kpmg.com