



# Tax Alert



03 September 2024

## Bahrain introduces Domestic Minimum Top-Up Tax (DMTT)

On 1 September 2024, Decree-Law No. (11) of 2024 (DMTT Law) regarding the implementation of tax on Multinational Enterprises (MNEs) located in Bahrain was released.

Bahrain is the first GCC country to implement a DMTT (effective 1 January 2025) aligned with the Organization for Economic Cooperation and Development (OECD) Base Erosion Profit Shifting (BEPS) Pillar Two Inclusive Framework.

In our latest Tax Alert, we have discussed the key features of the DMTT Law and provided an overview of how DMTT is calculated.

Click [here](#) to read our latest Tax Alert on the introduction of DMTT in Bahrain.

Whilst the DMTT Law only applies to large MNEs, we believe this is a precursor to the potential introduction of a broad-based CIT that applies to most businesses (with a potential carve out for small businesses or at least some form of small business relief in the initial years) similar to the UAE approach.

### Next steps for Bahrain businesses

- Large MNE groups with a presence in Bahrain should immediately act on getting ready for the DMTT effective 1 January 2025.
- We also strongly recommend that other Bahrain businesses conduct a preliminary analysis of the impact the introduction of a broad-based CIT will have.

Businesses that act proactively will be better prepared to deal with the challenges of the rapidly evolving tax landscape.

For a detailed discussion, please [contact us](#).

### **Mubeen Khadir**

Partner - Head of Tax & Corporate Service

T: +973 3222 6811

E: [mubeenkhadir@kpmg.com](mailto:mubeenkhadir@kpmg.com)

[kpmg.com/bh](https://kpmg.com/bh)

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