

Bahrain & GCC Tax News



16 September 2024

Bahrain

National Bureau for Revenue (NBR) updates list of zero-rated basic food items

The NBR has recently published an updated list of the zero-rated basic food items. The new list includes 118 items along with their Harmonized System (HS) codes.

Click [here](#) to view the updated list of basic food items subject to 0% VAT.

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.

Click [here](#) to view the DMTT Law.

Click [here](#) to read our latest Tax Alert outlining the key features of the DMTT Law and an overview of how DMTT is calculated.

Whilst the DMTT Law only applies to large MNEs, we believe this maybe a precursor to the potential introduction of a broad-based Corporate Income Tax (CIT) that applies to other 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. Creation of a level playing field for MNEs and other businesses is important from a strategic perspective for Bahrain to remain a competitive investment hub.

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.

Gulf Cooperation Council (GCC) and Indonesia hold first round of negotiations for a free trade agreement

The first round of negotiations for a free trade agreement between the GCC and Indonesia took place in Jakarta from 9 to 13 September 2024.

Kingdom of Saudi Arabia

Zakat, Tax and Customs Authority (ZATCA) continues to conduct tax and zakat workshops

- On 15 September 2024, ZATCA conducted a technical webinar on the integration phase of e-invoicing.
- On 16 September 2024, ZATCA will conduct virtual workshops on the Fasah platform and on the return of goods subject to excise tax.
- On 17 September 2024, ZATCA will conduct virtual workshops on the applicable VAT registration rules for companies as well as on transfer pricing.

Click [here](#) for more information and to register for upcoming virtual workshops.

ZATCA meets with delegates from the Customs and Tax Directorate of the European Union

ZATCA recently received a delegation from the Customs and Tax Directorate of the European Union with the aim of enhancing cooperation and exchanging experiences between both parties.

United Arab Emirates

Federal Tax Authority (FTA) conducts Corporate Tax (CT) webinar

On 10 September 2024, the FTA conducted a virtual workshop on CT registration, related deadlines and forming CT groups.

Qatar

Estonian Parliament approves tax treaty with Qatar

On 12 September 2024, the Estonian Parliament approved the Estonia – Qatar Income Tax Treaty (2024).

For a detailed discussion on how the above updates may impact your business, [contact us](#).

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