

Bahrain & GCC Tax News



23 March 2025

Bahrain

Corporate tax to be introduced | 8-point action plan approved for 2025-2026 fiscal budget

Recent news reports have confirmed that the draft for Bahrain's 2025-2026 fiscal budget has been finalized, incorporating an 8-point action plan aimed at achieving a budget surplus and enhancing Bahrain's financial stability.

The 8-point action plan includes the following key tax-related provisions:

- Introduction of a Corporate Income Tax (CIT)
- No increase in the VAT rate
- Expansion of excise tax scope and/or rate
- Introduction of carbon emission fees/tax

We strongly recommend that 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.

National Bureau for Revenue (NBR) updates Frequently Asked Questions (FAQs) on Domestic Minimum Top-Up Tax (DMTT)

The NBR has recently updated the list of FAQs on its portal to provide further guidance on various topics relating to Bahrain's DMTT.

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

Investment agreement updates

- On 10 March 2025, Bahrain ratified its Investment Protection Agreement (IPA) with the United Arab Emirates (UAE), originally signed in 2024.
- On 13 March 2025, the National Assembly of Korea approved the IPA signed with Bahrain in 2024.
- On 21 March 2025, the Bahrain – Hong Kong IPA (2024) has entered into force.

DMTT registration update

Many in-scope MNE groups with Bahrain operations were able to submit their DMTT registration applications successfully within the deadline of 30 January 2025. Their applications are currently being reviewed by the NBR, and applicants must monitor any further information or clarification requests from the NBR in relation to their applications.

MNE groups that have not been able to submit their DMTT registration application within the deadline should do so immediately to minimize the risk of penalties to the extent possible.

For any queries or assistance in relation to the DMTT registrations, please [contact us](#).

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) determines criteria for selecting taxpayers for 22nd wave of e-invoicing integration

ZATCA has recently issued a circular outlining the criteria for selection of taxpayers for the 22nd wave of implementation of the e-invoicing integration phase. Taxpayers with taxable revenues exceeding SAR 1 million during 2022, 2023 or 2024 will be covered under the 22nd wave. Such taxpayers will be required to integrate their e-invoicing solutions with the FATOORA platform from 31 December 2025.

Click [here](#) to view the circular.

ZATCA conducts tax and zakat workshops

- On 24 March 2025, ZATCA will conduct a virtual workshop on the regulations for individual import of vehicles.
- On 26 March 2025, ZATCA will conduct a virtual workshop on the ZAKATY platform, and a technical workshop on phase two of e-invoicing (integration phase).

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

Tax treaty update

On 18 March 2025, the KSA Council of Ministers approved the income tax treaty with Iceland.

UAE

Ministry of Finance (MoF) launches accreditation process for e-invoicing service providers

The UAE MoF has launched the accreditation process for e-invoicing service providers, ahead of UAE's anticipated roll-out of e-invoicing in Q2 2026. On 20 March 2025, Ministerial Decision No. 64 of 2025 was published, outlining eligibility criteria and procedures for service providers. A detailed user guide has also been made available to support the accreditation process.

Click [here](#) to access the Ministerial Decision No. 64 of 2025.

Click [here](#) to access the user guide.

Federal Tax Authority (FTA) conducts tax related workshops

- On 18 March 2025, FTA conducted a virtual awareness session on tax violations and administrative penalties in UAE.
- On 19 March 2025, FTA conducted virtual sessions on the EmaraTax platform, and on the corporate tax registration process for natural persons.
- On 20 March 2025, FTA conducted a virtual workshop on the basics of UAE VAT.

Oman

Oman Tax Authority (OTA) reminds taxpayers about income tax return filing deadline

The OTA recently issued a notice reminding taxpayers subject to income tax for fiscal year ending 31 December 2024 to file their tax returns by:

- 30 March 2025 for establishments subject to a 3% income tax; and
- 30 April 2025 for taxpayers subject to a 15% income tax rate.

OTA updates list of participating jurisdictions for Automatic Exchange of Financial Account Information (AEOI)

The OTA has recently updated its list of participating jurisdictions for the purpose of the AEOI, adding Canada, Hong Kong, Kenya, and Moldova.

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

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