

Bahrain & GCC Tax News



18 May 2025

Bahrain

National Bureau for Revenue (NBR) releases Domestic Minimum Top-Up Tax (DMTT) Administrative Guide

The NBR has recently published a new guide which sets out the general principles relating to various administrative aspects of the DMTT implementation in Bahrain.

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

Tax treaty update

On 11 May 2025, the Bahraini Shura Council approved the 'Bahrain - Oman Income Tax Treaty' (2025).

Regulations for exempting industrial materials from customs duties approved during cabinet meeting

During the cabinet meeting held on 12 May 2025 chaired by HRH the Crown Prince and Prime Minister, the cabinet reviewed and approved a memorandum for exempting industrial materials from customs duties.

12 new tax violations reported from inspection visits conducted during April 2025

The NBR has announced that 137 inspection visits were conducted during April 2025 leading to the detection of 12 violations. The reported violations relate to the failure to display the VAT certificate in a visible place, failure to show prices inclusive of VAT, and failure to comply with the conditions for issuing VAT invoices.

Click [here](#) to view the related press release.

Corporate Income Tax (CIT) 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 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.

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 several have already been approved. Applicants are encouraged to monitor any further information or clarification requests from the NBR in relation to their applications and address these in a timely manner.

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) conducts tax and zakat related workshops

- On 19 May 2025, ZATCA will conduct virtual workshops on duty-free markets, and on income and withholding taxes for corporates.
- On 20 May 2025, ZATCA will conduct a technical workshop on the integration phase of e-invoicing.
- On 21 May 2025, ZATCA will conduct virtual workshops on the activity result adjustment as per the Zakat regulations, and on the VAT refund procedure for eligible persons.

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

KSA and United States (US) sign customs cooperation agreement

On 14 May 2025, KSA, represented by ZATCA, and the US, represented by US Customs and Border Protection, have signed a new agreement for customs cooperation between the two nations.

United Arab Emirates (UAE)

Brazil removes UAE from tax-haven list

On 13 May 2025, Brazil's Federal Revenue Service officially removed the UAE from Brazil's list of low-tax jurisdictions.

Federal Tax Authority (FTA) conducts tax related workshops

- On 13 May 2025, the FTA conducted virtual sessions on the process of registering for corporate tax, and a session to showcase the EmaraTax platform.
- On 14 May 2025, the FTA conducted a virtual session on the process of submitting corporate tax returns.

Tax treaty and Investment Protection Agreement (IPA) update

- Peru and the UAE have affirmed their commitment to expediting the negotiations for a tax treaty, an IPA, and a Comprehensive Economic Partnership Agreement.
- Poland and the UAE have confirmed the status of the Abu Dhabi Developmental Holding Company as a government institution as per the protocol to the 'Poland - United Arab Emirates Income and Capital Tax Treaty' (1993), as amended by the 2013 protocol.

Oman

Tax treaty update

The first round of new negotiations for a tax treaty between Oman and the Czech Republic is scheduled to take place in Prague from 19 to 22 May 2025.

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

Mubeen Khadir

Partner - Head of Tax & Corporate Services

T: +973 3222 6811

E: mubeenkhadir@kpmg.com

kpmg.com/bh

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