



Tax Alert



24 December 2025

Bahrain Corporate Income Tax (CIT)

In May 2023, the Minister of Finance and National Economy had confirmed during a parliamentary session that Bahrain is aligned with the global direction to introduce corporate taxation as part of a sustainable fiscal agenda. Subsequently, in September 2024, Bahrain issued legislation to implement a Domestic Minimum Top-up Tax (DMTT), aligned with the OECD Pillar Two GloBE rules, effective for fiscal years beginning on or after 1 January 2025.

Multiple public announcements have since confirmed that Bahrain's 2025–2026 fiscal budget includes a proposal to introduce a broad-based CIT, a position reiterated by the International Monetary Fund (IMF) in November 2025. On 21 December 2025, the Bahrain executive and legislative authorities held a joint meeting to discuss proposed initiatives to develop public finances with one of the key measures being the taxation of business profits exceeding a specified threshold.

Based on the above, we expect Bahrain to soon introduce a standard CIT regime similar to other GCC countries. The regime may take effect for fiscal years beginning 1 January 2026 (or 1 January 2027) with the law and executive regulations expected to be issued in the next few months.

In our latest Tax Insights article, we have summarized our expectation of what Bahrain CIT would look like, the impact of CIT on DMTT computations and the recommended next steps for Bahrain businesses.

Click [here](#) to read our latest Tax Insights article 'Bahrain Corporate Income Tax (CIT)'.

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

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