

Bahrain & GCC Tax News



28 December 2025

Bahrain

Bahrain Corporate Income Tax (CIT)

Multiple public announcements have 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 Domestic Minimum Top-up Tax (DMTT) computations and the recommended next steps for Bahrain businesses.

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

National Bureau for Revenue (NBR) updates VAT deregistration manual

On 25 December 2025, the NBR published an updated version of the VAT deregistration manual, outlining the updated deregistration process with step-by-step guidance.

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

NBR updates DMTT FAQs

The NBR recently updated the DMTT FAQs section on the portal.

Please click [here](#) to view the updated FAQs.

Kingdom of Saudi Arabia (KSA)

Latest publications from the Zakat, Tax and Customs Authority (ZATCA)

On 25 December 2025, ZATCA published:

- A [tax bulletin](#) clarifying how technical and consulting services provided by non-residents to KSA companies are taxed under the KSA domestic tax law and Double Tax Treaties (DTTs).
- A [VAT guideline](#) on payments required to be made by specific persons under the deemed supply provisions.

ZATCA to conduct tax and zakat workshops

- On 29 December 2025, ZATCA will conduct a virtual workshop on the developments and updates relating to the Zakaty platform.
- On 30 December 2025, ZATCA will conduct a virtual workshop on phase two of e-invoicing (integration phase).

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

United Arab Emirates (UAE)

Federal Tax Authority (FTA) publishes Excise Tax decisions

- [FTA Decision No. 10 of 2025](#) on the mechanism for calculating the percentage of sugar and other sweeteners in Concentrates, Powders, Gels, and Extracts.
- [FTA Decision No. 11 of 2025](#) on cases where excise tax paid on excise goods may be deducted and related controls.

FTA conducts Excise Tax workshop

On 25 December 2025, the FTA conducted an awareness session on the transition to a tiered-volumetric model for Excise Tax on sweetened drinks.

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

Best regards,

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