

# Bahrain & GCC Tax News



4 January 2026

## Bahrain

### Bahrain set to implement Corporate Income Tax (CIT) from 2027

On 29 December 2025, during the weekly Cabinet Meeting chaired by HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, a draft law imposing a 10% tax on local companies effective from 2027 was referred to the legislative authorities. This was affirmed by the NBR in a press release from 30 December 2025.

Whilst the Bahrain CIT legislation has not yet been released, based on the press releases, the following issues still need further clarity:

- The press release refers to the tax applying on “local companies whose annual revenues exceed BHD 1 million or net annual profits exceed BHD 200,000”. It is still unclear whether the reference to “net annual profits” should be a reference to taxable income. CIT regimes in other jurisdictions generally do not use net accounting profits for setting thresholds to determine which businesses will be subject to tax. The use of accounting profits for this purpose potentially gives rise to the risk of manipulation and ambiguity because application of accounting policies are often subject to management discretion and may vary from one entity to another.
- The NBR press release refers to “an exemption for salaries and allowances paid to Bahraini employees from taxable revenue, providing an incentive for the private sector to hire national talent by offering a competitive tax advantage linked to local employment”. Based on the Arabic phrases used in the press release, it needs to be clarified whether to salaries and allowances (or salaries and provisions). Further, employee salary expenses for a business are usually an allowable tax deduction. It needs to be clarified further and whether, for example, it means that only salaries paid to Bahraini employees will be tax deductible.
- The press release also mentions that entities “already subject to a 15% tax under existing legislation, will not be required to pay an additional 10% tax. The relevant MNEs will continue to be subject to a 15% tax rate”. This statement may create some confusion as it seems to imply that MNE groups subject to the Domestic Minimum Top-up Tax (DMTT) may not be subject to the new CIT. As we still await the CIT law and regulations, we do not expect this to be the case. Whilst an MNE group may not be required to “pay an additional 10% tax” we expect that it would still need to compute its tax liability under the CIT rules first and then calculate its top-up tax liability (if any) under the DMTT rules.

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 CIT’.

### National Bureau for Revenue (NBR) updates DMTT guide

On 31 December 2025, the NBR published an updated version of the Guide to the Scope of the DMTT Law and Registration Requirements.

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

## Kingdom of Saudi Arabia (KSA)

### Zakat, Tax and Customs Authority (ZATCA) extends tax amnesty

On 31 December 2025, ZATCA announced the extension of its initiative for cancellation of fines and exemption of financial penalties. Initially scheduled to expire on 31 December 2025, the initiative has now been extended until 30 June 2026.

Click [here](#) to view ZATCA's updated simplified guide on this initiative.

### ZATCA approves amendments to KSA Excise Tax Regulations

ZATCA has recently approved amendments to the Implementing Regulations of the Excise Tax Law in KSA, effective 1 January 2026.

## United Arab Emirates (UAE)

### Federal Tax Authority (FTA) publishes Excise Tax Guide

On 2 January 2026, the FTA published the Excise Tax guide for Taxable Persons, outlining key Excise Tax rules in the UAE.

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

### FTA publishes Excise Tax Public Clarification

On 30 December 2025, the FTA issued detailed guidance on the tiered-volumetric excise tax model for sweetened drinks.

Click [here](#) to access the published clarification.

### FTA issues Advance Pricing Agreements (APA) Guide

On 30 December 2025, the FTA issued its Corporate Tax APA guide, providing clarity on how taxpayers can achieve transfer pricing certainty under the UAE Corporate Tax regime.

## Qatar

### General Tax Authority (GTA) announces tax return filing due date for tax year ended 31 December 2025

The GTA has announced that the tax filing deadline for the fiscal year ended 31 December 2025 is 30 April 2026.

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

### Tax treaty update

On 4 September 2025, the amending protocol to the 'Norway – Qatar Income Tax Treaty (2009)' entered into force.

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

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