Bahrain & GCC Tax News



26 April 2026

Bahrain

Tax treaty update

On the sidelines of the Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG) held from 13 to 18 April 2026 in Washington, D.C., Bahrain announced the following:

- Approval by the Shura Council of the tax treaty with Jersey.
- Signing of an amending protocol to the tax treaty with Bermuda.

Further, on 21 April 2026, the KSA Council of Ministers approved the tax treaty with Bahrain, originally signed on 3 December 2025.

Draft Bahrain Corporate Income Tax (CIT) Law

On 29 December 2025, during the weekly Cabinet Meeting, a draft CIT law was referred to the Bahraini legislative authorities imposing 10% tax on local businesses. Subsequently, on 23 February 2026, the Bahrain Chamber of Commerce and Industry (BCCI) invited representatives from the Bahrain business community to provide a brief overview of the draft CIT law. The BCCI also shared an Arabic copy of the draft CIT law as part of a closed consultation inviting inputs on the draft CIT law.

In our latest Tax Alert, we have summarized the key provisions under the draft Bahrain CIT law.

Click here to read our latest Tax Alert on the Draft Bahrain CIT Law.

Bahrain CIT – Withholding tax (WHT)

We expect the Bahrain CIT regime to have specific provisions related to WHT which is a tax deducted at source from income derived from a jurisdiction. Bahrain is likely to apply WHT of 5% on payments to non-residents for royalties, interest, and services. We expect that dividends will be subject to 0% WHT. Bahrain resident persons responsible for collecting WHT will be required to file periodic returns and remit the WHT to the National Bureau for Revenue (NBR).

In this article, we discuss the applicability of WHT, impact of tax treaties and the WHT rates that are expected to apply to cross-border payments made by Bahrain resident entities to recipients from jurisdictions with whom Bahrain has a tax treaty.

Click here to read our latest Tax Insights article ‘Bahrain CIT – WHT’.

Kingdom of Saudi Arabia (KSA)

Zakat, Tax and Customs Authority (ZATCA) to conduct tax and zakat workshops

- On 27 April 2026, ZATCA will conduct a virtual session on the VAT refund mechanism.
- On 28 April 2026, ZATCA will conduct a virtual session on Real Estate Transaction Tax (RETT).
- On 30 April 2026, ZATCA will conduct a virtual session on phase two of e-invoicing (integration phase).

Click here to register for upcoming virtual workshops.

ZATCA releases Zakat FAQs and additional guidance

ZATCA has published comprehensive guidance addressing frequently asked questions and common areas of dispute under the Executive Regulations for Zakat Collection (1445H).

Click here to view the published guideline.

Qatar

Qatar issues new user guide on WHT treaty relief

The General Tax Authority (GTA) has released a comprehensive guide outlining how eligible taxpayers can apply for WHT relief under double taxation treaties directly at source.

Click here to view the published user guide.

For a detailed discussion on how the above updates may impact your business, contact us.

Best regards,

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