

# Bahrain & GCC Tax News



24 May 2026

## Bahrain

### **Customs duties and 10% VAT to apply on personal shipments and postal parcels valued over BHD 100**

On 19 May 2026, Bahrain Customs Affairs announced revised regulations governing personal shipments and postal parcels. Under the new rules, imported goods with a value of BHD 100 or more will be subject to customs duties as well as 10% VAT, depending on the customs tariff classification of the goods.

### **Tax treaty update**

On 17 May 2026, Bahrain ratified its income tax treaty with Jersey by way of Law No. 18/2026.

### **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 recent 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 recent Tax Insights article 'Bahrain CIT – WHT'.

## United Arab Emirates (UAE)

### UAE Ministry of Finance (MoF) issues new Ministerial Resolutions on e-invoicing

The UAE MoF has recently issued two new Ministerial Resolutions concerning the implementation of the UAE's e-invoicing framework:

- [Ministerial Resolution No. 66 of 2026](#) introducing amendments related to the implementation of the e-invoicing system in the UAE.
- [Ministerial Resolution No. 56 of 2026](#) setting out the eligibility criteria and accreditation procedures for service providers operating under the e-invoicing system.

### Federal Tax Authority (FTA) conducts tax workshops

- On 19 May 2026, the FTA conducted a virtual workshop on tax documentation, and another session on the basics of tax.
- On 20 May 2026, the FTA conducted a virtual workshop on the small business relief for corporate tax purposes, and another on VAT challenges.

On 21 May 2026, the FTA conducted a virtual workshop on the Muwafaq Package, which is designed to support SMEs by providing essential tax awareness and guidance.

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

Best regards,

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