

Deadline for Bahrain VAT refund for nonresident businesses approaching

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Executive summary

Persons carrying out business outside the Kingdom of Bahrain (Bahrain) that incur value added tax (VAT) in Bahrain should review their eligibility to claim a refund of the VAT paid. For VAT incurred during 2019, the deadline to apply for a refund is 31 March 2020, in accordance with Article 90 of the VAT Executive Regulations.

Detailed discussion

Bahrain VAT legislation provides certain nonresident businesses that are conducting economic activity outside Bahrain with the opportunity to apply for a refund of the VAT paid in Bahrain. To obtain a refund, several conditions must be satisfied.

Because the Electronic Services System in the Gulf Cooperation Council (GCC) is not yet operational, supplies of goods and services between the GCC Member States are treated as international trade (exports and imports). Consequently, GCC businesses incurring Bahrain VAT should also consider their eligibility for a refund of VAT incurred during 2019.

The deadline for foreign businesses to file a refund application for VAT from 2019 is 31 March 2020.

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