

## Bahrain announces key developments regarding VAT implementation

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On 28 November 2018, Bahrain's Assistant Undersecretary for Public Revenue Policy and Development at the Ministry of Finance (MoF) [announced](#) some important developments with regards to Value Added Tax (VAT) implementation in Bahrain.

The key developments include:

- ▶ **Only businesses with turnover exceeding BHD5million need to register for VAT from 1 January 2019:** A phased VAT implementation process will now apply. The first phase, for VAT implementation from 1 January 2019, will only apply to companies/persons with annual turnover exceeding BHD5million (it does not categorically state that the turnover needs to be taxable turnover). There is no announcement relating to companies/persons below the BHD5million turnover level in terms of when they may need to register for VAT (i.e., the dates and turnover levels for any subsequent phases).
- ▶ **VAT registration process:** Companies/persons that exceed BHD5million turnover will be required to be registered for VAT from 1 January 2019. This will be done via the National Bureau for Gulf Taxation (NBGT). It does not confirm the precise process for registration (automatic registration or submitting documentation to the NBGT), just that the NBGT will receive applications until 1 January 2019.

- ▶ **Awareness sessions:** The MoF will hold a number of VAT awareness sessions for companies/persons to ensure their readiness for VAT by 1 January 2019. There are no dates provided yet.
- ▶ **Inquiries helpline:** The NBGT will has set up an inquiries helpline/email address to answer any questions - either call 80001001 or email [vat@mof.gov.bh](mailto:vat@mof.gov.bh).
- ▶ **VAT Regulations:** There is still no announcement as to when the VAT Regulations will be released.
- ▶ **Zero-rated food items:** It was confirmed that 94 basic food items will be zero-rated for VAT purposes, however the official list of these food items has not been published.

We are in the process of obtaining additional information and clarity with regards to above points above and will provide a further update soon.

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For additional information with respect to this Alert, please contact the following:

#### Ernst & Young Middle East, Bahrain

- ▶ Ivan Zoricic, *Bahrain Tax Leader* [ivan.zoricic@bh.ey.com](mailto:ivan.zoricic@bh.ey.com)
- ▶ Shankar PB [shankar.pb@bh.ey.com](mailto:shankar.pb@bh.ey.com)
- ▶ Stefan Majerowski [stefan.majerowski@bh.ey.com](mailto:stefan.majerowski@bh.ey.com)
- ▶ Gavin Needham [gavin.needham@bh.ey.com](mailto:gavin.needham@bh.ey.com)
- ▶ Kok Ha [kok.ha@bh.ey.com](mailto:kok.ha@bh.ey.com)

#### Ernst & Young & Co (Public Accountants), Riyadh

- ▶ Stuart Halstead, *KSA VAT leader* [stuart.halstead@sa.ey.com](mailto:stuart.halstead@sa.ey.com)

#### Ernst & Young Middle East, Dubai

- ▶ David Stevens, *MENA Indirect Tax Leader* [david.stevens@ae.ey.com](mailto:david.stevens@ae.ey.com)

#### Ernst & Young LLP, Middle East Tax Desk, Houston

- ▶ Gareth Lewis [gareth.lewis1@ey.com](mailto:gareth.lewis1@ey.com)

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Indirect Tax

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EYG no. 012046-18Gbl

1508-1600216 NY  
ED None

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