

Bahrain

Overview of CbC reporting requirements

Bahrain has implemented the BEPS Action 13 (CbC reporting) minimum standard with one recommendation for improvement.

First reporting fiscal year: Commencing on or after 1 January 2021

Consolidated group revenue threshold: BHD 342 million

Filing deadline: 12 months following the end of the reporting fiscal year

Local filing required: No

Surrogate parent entity filing permitted: No

First review of the domestic legal framework: 2020/2021

Summary of recommendations

Area of implementation	Recommendations for improvement
Domestic legal and administrative framework	None.
Exchange of information framework	It is recommended that Bahrain take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Appropriate use	None.

The domestic legal and administrative framework

In its 2018/2019 peer review it was recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. Bahrain has now introduced a CbC reporting filing requirement which applies to all Ultimate Parent Entities of MNE Groups above a certain threshold and which requires inclusion of all constituent entities. This recommendation is therefore removed.¹

A CbC reporting filing obligation applies in Bahrain for fiscal years commencing on or after 1 January 2021 and filing is required 12 months after the reporting year end. Bahrain has enforcement requirements to ensure compliance with rules on CbC reporting.

Bahrain's domestic legal and administrative framework meets all the terms of reference.

The exchange of information framework

In its 2018/2019 peer review it was recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. Bahrain has activated relationships under the Multilateral Competent Authority Agreement for the exchange of CbC reports and this recommendation is removed.

It is recommended that Bahrain take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. This recommendation remains in place since the 2018/2019 peer review.

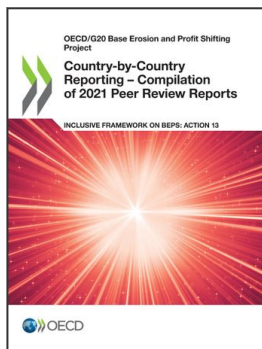
Appropriate use of CbC reports

Bahrain is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is therefore not necessary for this peer review evaluation to reach any conclusions with respect to compliance with the terms of reference on appropriate use.

Notes

¹ <https://www.cbb.gov.bh/wp-content/uploads/2021/03/CBC-MO-no.-28-of-2021-Eng-11022021.pdf>

<https://www.sijilat.bh/PFL/012.CBC%20MO%2028.pdf>



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