KINGDOM OF BAHRAIN

VAT REGISTRATION GUIDE

JANUARY 2019

VERSION 1.10

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الجهاز الوطني للإيرادات

National Bureau for Revenue

Preface

This document provides guidance on registering for VAT in the Kingdom of Bahrain (Bahrain), including VAT group registration.

VAT was introduced in Bahrain with effect from 1 January 2019 with a standard rate of VAT of 5%. With effect from 1 January 2022, the standard rate of VAT was revised to 10%. See the VAT Rate Change Transitional Provisions Guide on the NBR website (www.nbr.gov.bh) for an explanation of the transitional rules relevant to the change in rate.

This guide is intended to provide general information only, and contains the current views of the National Bureau for Revenue (NBR) on its subject matter. This guide is not a legally binding document, it should be used as a guideline only and is not a substitute for obtaining competent legal advice from a qualified professional.

The main principles of the VAT system in Bahrain are set out in the VAT General Guide issued by the NBR which is available on the NBR's website, www.nbr.gov.bh. This document should be read in conjunction with the VAT General Guide.

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Updates to this guide

Version 1.4	**30 May 2019**	**Section 4. Registration Process** Details on the updated registration process and step-by-step guidance on accessing and utilizing the online portal.
Version 1.5	**1 January 2022**	**Section 5.3.** Updated process for applying for VAT group registration.
Version 1.6	**2 October 2022**	**Section 4. Registration Process** Details on the updated registration process and step-by-step guidance on accessing and utilizing the online portal.
Version 1.7	**25 December 2022**	**Section 3. Voluntary registration** Updated criteria of voluntary registration
Version 1.8	**19 February 2023**	**Section 4. Registration Process** Required documents for submitting a VAT registration application
Version 1.9	**16 September 2025**	**Section 4. NBR profile process** Details on NBR profile process and step-by-step guidance **Section 5. VAT Registration process** Details on the updated VAT registration process and step-by-step guidance. **Section 6. VAT group registration process** Details on the VAT group registration process and step-by-step guidance.
Version 1.10	**22 July 2026**	**Section 4.2 Amend NBR profile** Updated process duration **Section 5. VAT Registration process** Updated process duration

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1. VATable persons and VAT registration

Persons who meet the criteria to be regarded as "VATable persons" are required to register for VAT and to account for VAT in Bahrain on their supplies of goods and services and/or on their purchases.

1.1. Definition of VATable person?

The definition of a "VATable person" is:

> "A Person carrying out an Economic Activity independently for the purposes of generating income and who is registered or obliged to register for VAT purposes in accordance with the provisions of this Law."

In order for a person to determine if he is a VATable person, he must assess whether he meets all the criteria set out in the definition of "VATable person":

a. He is a "person":

   The VAT Law defines a person as any natural or legal person, whether public or private, or any other form of a partnership.

   Examples of a "person" include an individual trader (establishment), a company (whether private or public), a partnership, a charity and a government body. In addition, it includes individual professionals such as doctors, lawyers, architects, etc.

b. He carries out an economic activity independently for the purpose of generating income

   An economic activity is an activity that is conducted in an ongoing and regular manner for the purpose of generating income, and includes commercial, industrial, agricultural or professional activities or services or any use of tangible or intangible assets, and any other similar activity.

   A person must determine if he is performing a regular and ongoing economic activity with the aim of generating income. A one-off transaction is not an economic activity. Further, it is not necessary that the activity is profitable for it to be an economic activity. It is enough if the activity is conducted for the purposes of generating income.

   Government bodies and public entities are usually not considered as carrying on an economic activity when they are acting in their sovereign capacity. However, they may also carry out some activities which typically fall within the economic sphere and are in competition with the private sector. If it is the case, such government bodies and public entities may be considered as VATable persons if the other conditions are met.

   A charity may be seen as conducting an economic activity even if its aim is not to make any profit. If a charity engages in commercial transactions and receives an income as a result, this could be an economic activity. Activities conducted with a charitable or philanthropic purpose and which are the reserved domain of appointed charities would

generally not be an economic activity and charities solely conducting these types of activities do not meet the conditions to be regarded as “VATable persons”.

Charities which also conduct activities that are commercial in nature (e.g., collecting used clothes and goods in order to recycle and sell them in charity shops) will be considered as carrying out an economic activity and may be “VATable persons”. The fact that these activities are not conducted with the aim of making any profit or raising money for the main purpose of the charity is not relevant.

An economic activity must be carried out in an independent manner. This condition mainly excludes employees (and persons in acting in a similar relationship with the same characteristics) from the scope of the definition of VATable person. When carrying out their duties under their employment contract, employees are not considered as performing an economic activity in an independent way. They are acting upon instructions and under the directions of their employer. Employees therefore cannot be VATable persons when acting in their capacity as employees.

Refer to the VAT Economic Activity Guide on the NBR’s website for further information.

VATable persons can register either on a mandatory or voluntarily basis, as explained in sections 2 and 3, respectively.

1.2. Who needs to consider VAT registration?

The obligation to register applies for both resident persons in Bahrain and non-resident persons that have economic activity in Bahrain.

VAT registration will identify these persons with the NBR as “VATable persons” who are duly authorized to account for VAT in Bahrain and remit this VAT to the NBR. It will also allow these “VATable persons” to claim the recovery of the VAT charged on their expenses (to the extent they are entitled to do so).

If a person is required to register, he should apply to the NBR for registration using the NBR website (please refer to section 4 and 5 for additional information). It is the responsibility of the person to identify whether he is required to register for VAT and, if so, from when. The NBR may register VAT payers automatically without their consent if they fail to register within the timeframe specified by the VAT legislation. In these cases, late registration penalties may be imposed.

If a person is not required to register for VAT, he may still be in a position to register in Bahrain on a voluntary basis (please refer to section 3 for additional information).

If a person does not meet the conditions for mandatory or voluntary registration, he cannot register for VAT in Bahrain. He will therefore be considered as a non-VATable person, and, as a result, will not be able to charge VAT on supplies of goods and services, nor will he be able to recover the VAT charged on his expenses (i.e. he will be considered as a “final consumer”).

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The VAT Law and the Regulations cover the cases where VAT registration is mandatory in Bahrain. The conditions differ depending on whether the person registering is resident in Bahrain or not.

2. Mandatory registration

2.1. The business is resident in Bahrain

2.1.1. Registration during the transitional period (2019)

The year 2019 was a transitional year for VAT in Bahrain. In this respect, specific rules were put in place. The transitional period had phased mandatory VAT registration with three registration deadlines: 20 December 2018, 20 June 2019 and 20 December 2019. In this respect, mandatory registration requirements have been defined as follows:

1. Mandatory VAT registration on 1 January 2019

- VATable persons with annual supplies exceeding or expected to exceed BHD 5,000,000 were required to register for VAT with an effective date of 1 January 2019;
- VATable persons with annual supplies exceeding or expected to exceed BHD 18,750 but lower or equal to BHD 5,000,000 were permitted to register for VAT with an effective date of 1 January 2019.

Registration applications were required to have been submitted to the NBR no later than 20 December 2018. Submitting the registration request is not sufficient to be considered a registered VAT payer until NBR review and approve the request followed by issuing the registration certificate.

2. Mandatory VAT registration on 1 July 2019

- VATable persons with annual supplies exceeded or expected to exceed BHD 500,000 but lower or equal to BHD 5,000,000 were required to register for VAT with an effective date of 1 July 2019;
- VATable persons with annual supplies exceeded or expected to exceed BHD 18,750 but lower or equal to BHD 500,000 were permitted to register for VAT with an effective date of 1 July 2019.

Registration applications were required to have been submitted to the NBR no later than by 20 June 2019.

3. VAT registration during the year 2019

- VATable persons exceeded the BHD 5,000,000 threshold during 2019 (where they did not forecast exceeding this threshold) were required to register for VAT:
  - Within 30 days of the last day of the month where they exceeded the threshold; or
  - Within 30 days prior to the first day of the month where they expected to exceed the threshold.

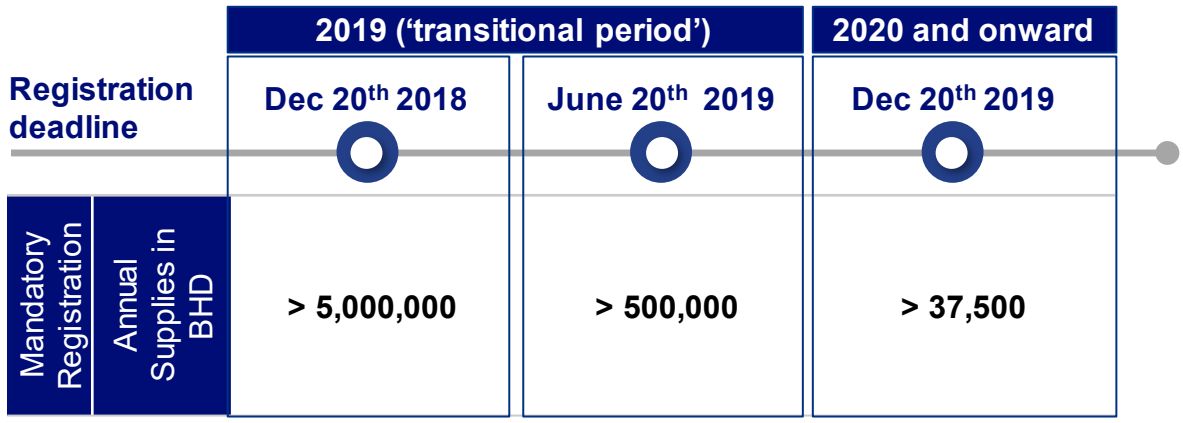
- VATable persons exceeded the BHD 500,000 threshold after 1 July 2019 (where they did not forecast exceeding this threshold) were required to register for VAT:
  - Within 30 days of the last day of the month where they exceeded the threshold; or
  - Within 30 days prior to the first day of the month where they expected to exceed the threshold.
- VATable persons with forecasted annual/actual value of supplies exceeding the BHD 18,750 threshold but below the BHD 5,000,000 threshold during 2019 (where they did not forecast exceeding this threshold) were permitted to register for VAT with an effective date in 2019.

4. VAT registration on 1 January 2020

VATable persons exceeding the mandatory registration threshold of BHD 37,500 on 1 January 2020 (based either on the 12 previous months test or on the 12 upcoming months test) were to register with an effective date of 1st January 2020.

Registration applications were required to have been submitted to the NBR no later than 20 December 2019.

The above is summarized below:



Businesses who were below these two thresholds for 2019 but above the voluntary registration threshold of BHD 18,750 were entitled to register for VAT from 1 January 2019 or during the year of 2019, if they wished. (Please refer to section 3 for additional information on voluntary registration).

2.1.2. Registration from 2020 onwards

When a person is resident in Bahrain and is a VATable person, he is required to register for VAT if:

- The amount of his annual supplies during the previous 12 months exceeded the threshold of BHD 37,500; or
- The amount of his annual supplies to be provided in the next 12 months is expected to exceed the threshold of BHD 37,500.

If the person exceeds the mandatory registration threshold under one of the above, he must apply to the NBR for VAT registration within 30 days starting from the last day of the month where he exceeded the mandatory threshold or within 30 days prior the first day of the month where he expected to exceed the mandatory threshold. Late application for registration may result in the application of penalties of up to BHD 10,000.

2.1.3. How to compute if the mandatory registration threshold is exceeded

In determining whether a person exceeds the mandatory registration threshold, the following must be taken into account:

1. VATable supplies excluding capital assets

The value of supplies of goods and services made in Bahrain (i.e. supplies subject to VAT at the zero-rate or standard rate), including deemed supplies but excluding the value of capital assets.

2. Intra-GCC supplies

When Bahrain and other GCC member states recognize each other as Implementing States for VAT purposes, the value of Intra-GCC supplies to another Implementing State which would have been subject to VAT in Bahrain if made in Bahrain will need to be added to determine if the mandatory registration threshold is exceeded. However, this is not applicable until further notice.

3. Value of VATable supplies of goods and services made by related persons

The value of the supplies of goods and services (computed as above) made by related persons should also be added together when computing the mandatory VAT registration threshold. If this combined value exceeds the mandatory registration threshold where a business has been segregated to avoid a mandatory VAT registration, then all of the related parties must register for VAT (even where each of them, taken on a stand-alone basis, do not exceed the mandatory registration threshold).

For VAT purposes, persons are considered as related where one has the authority to direct and supervise the other(s), where he holds an administrative authority enabling

him to influence the work of the other person(s) from a financial, economical or organizational perspective. This includes persons under the authority of a third person who may influence their work from a financial, economical or organizational perspective. Further detail on control conditions can be found in section 6 of this Guide.

4. Goods and services supplied to the person which are subject to the reverse charge mechanism

The value of the goods and services supplied to the person and for which he is liable to account for VAT in Bahrain under the reverse charge mechanism.

2.1.4. Exception from mandatory VAT registration

If a person only supplies goods or services which are subject to the zero-rate of VAT, and he does not receive services or goods for which he is liable to account for standard rated VAT under the reverse-charge mechanism, he can apply to the NBR for an exception to register for VAT if his zero-rated supplies exceed the mandatory threshold for registration.

If an application for an exception from VAT registration is approved by the NBR, the applicant will not be considered as a VATable person. He will not be entitled to charge VAT on his supplies and will not be able to recover the VAT incurred on his business expenses (i.e. he will be treated as an end-consumer).

A person who has been granted an exception from VAT registration must apply to register for VAT with the NBR as soon as he stops meeting the opt-out conditions. He must apply within 30 days from the day he stopped meeting the opt-out conditions. A late application may result in the application of penalties of up to BHD 10,000.

2.2. Non-resident conducting business in Bahrain

2.2.1. Requirement to register

A non-resident person is a person who does not have a place of residence in Bahrain by way of a place of business, fixed establishment or a usual place of residence, as defined by the VAT Law.

A non-resident VATable person must register for VAT in Bahrain as soon as he starts making supplies in Bahrain, on which VAT arises where no one else is liable to account for the VAT due on such supplies. This is generally the case where a non-resident supplies standard rated goods or services in Bahrain to non-VAT registered businesses or end-consumers.

There is no minimum registration threshold for non-resident persons. Making a standard rated supply of BHD 1 to a non-registered customer will result in an obligation to register.

2.2.2. Use of a VAT representative

A non-resident may register for VAT through a VAT representative. A VAT representative must be resident in Bahrain and duly approved by the NBR. The appointment as VAT representative must be done by way of an official power of attorney.

A VAT representative is jointly and severally liable for any VAT related liabilities of the VATable person he is representing. For example, if a filing deadline for a VAT return is missed or a payment of VAT is omitted, the VAT representative can be held responsible for the late submission and the outstanding VAT amount and applicable penalties to be paid to the NBR.

3. Voluntary registration

Persons who are not required by law to register for VAT in Bahrain (i.e. because their supplies do not exceed the mandatory registration threshold) can still decide to register for VAT on a voluntary basis provided:

- The amount of their annual supplies [1] or annual expenses [2] in Bahrain exceeded the voluntary registration threshold of BHD 18,750 in the previous 12 months; or
- The amount of their annual supplies[1] or annual expenses[2] in Bahrain is expected to exceed the threshold of BHD 18,750 in the next 12 months.

When a person applies for VAT registration on a voluntary basis, the effective date of registration is the first day of the next month of processing the application or any future date requested by the VAT payer. The person must remain registered for at least 24 months before being able to ask for voluntary deregistration.

Prior to voluntary registration, persons are not entitled to charge VAT on supplies and cannot recover the VAT incurred on business expenses (i.e. they are treated as an end-consumer). Any person who charges VAT without being registered or before being effectively registered for VAT may be subject to penalties.

[1] Annual supplies here should be understood in the same way as for the purpose of computing the mandatory VAT registration threshold.

[2] Annual expenses mean business expenses subject to VAT in Bahrain at the rate of 10% (previously 5%) or at the rate of 0%.

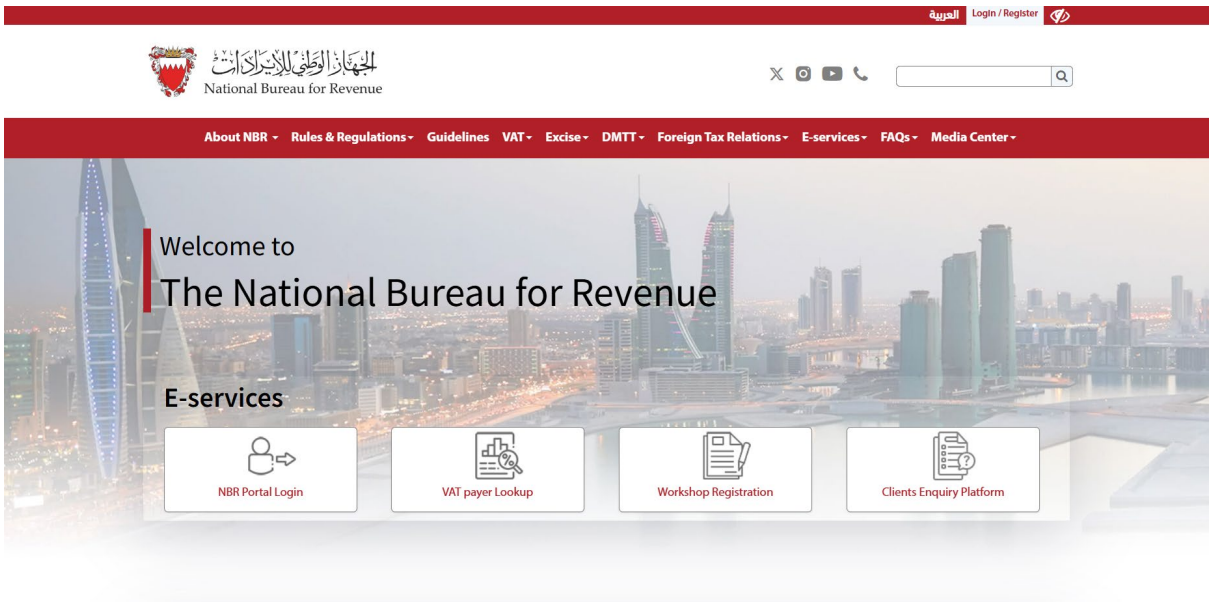
4. NBR profile process

4.1. Steps of NBR profile process

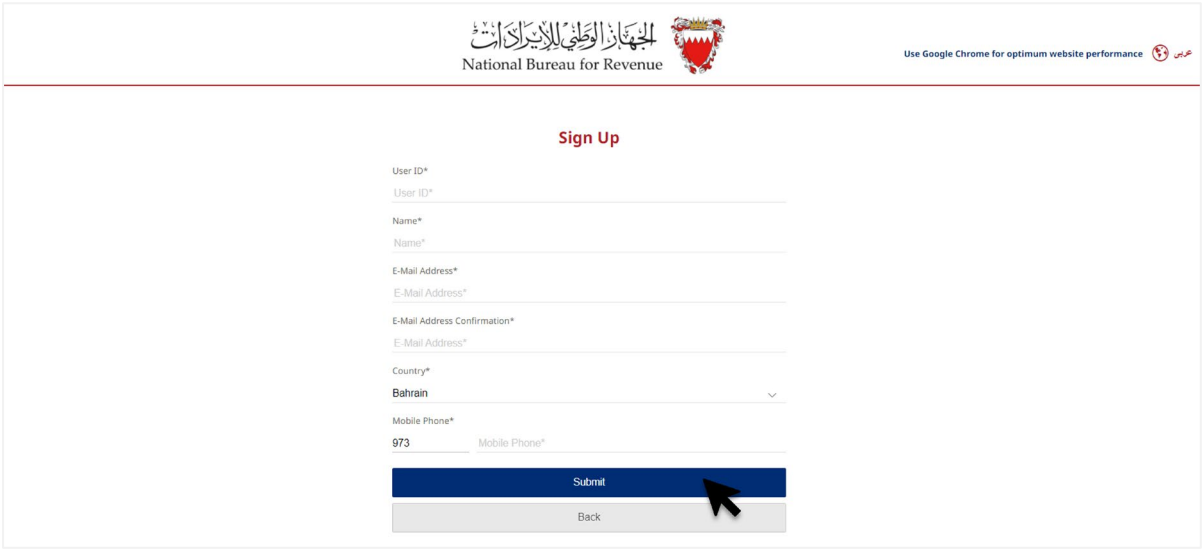
For applicants that do not have an existing NBR profile, the applicant will be required to create one by accessing the NBR online portal through the NBR website using the link: www.nbr.gov.bh.

If the applicant has an existing NBR profile, the applicant is required to proceed to section 5 “VAT Registration Process”.

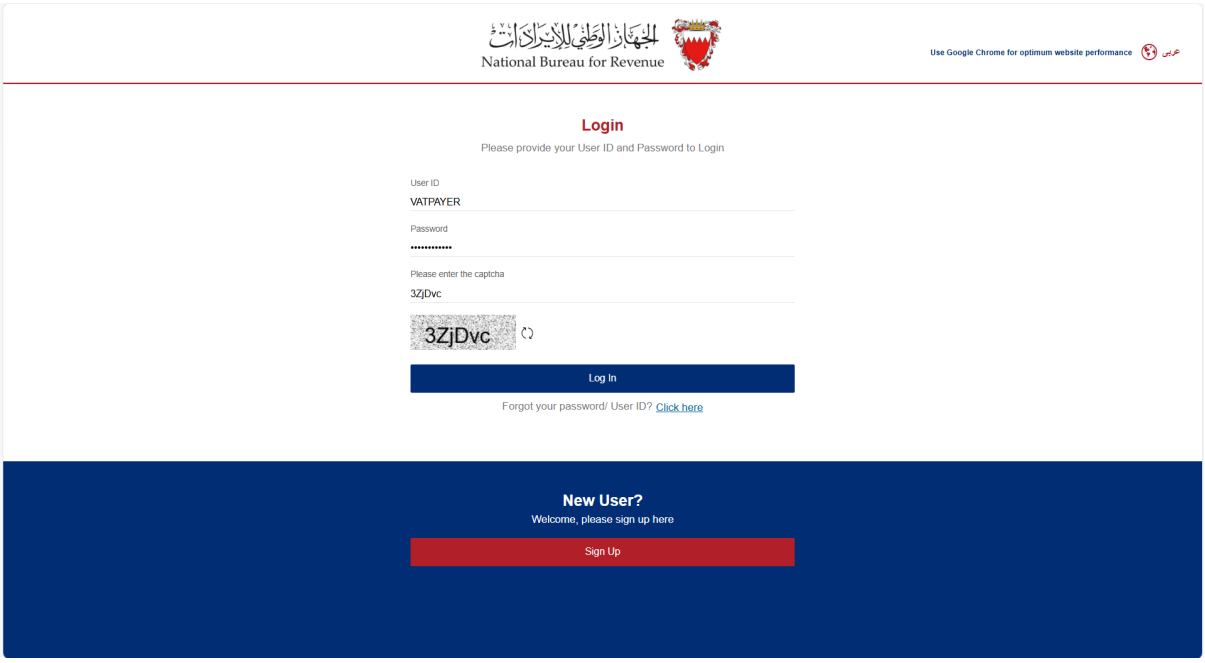
The registration portal should be accessed via Google Chrome for optimal utilization.



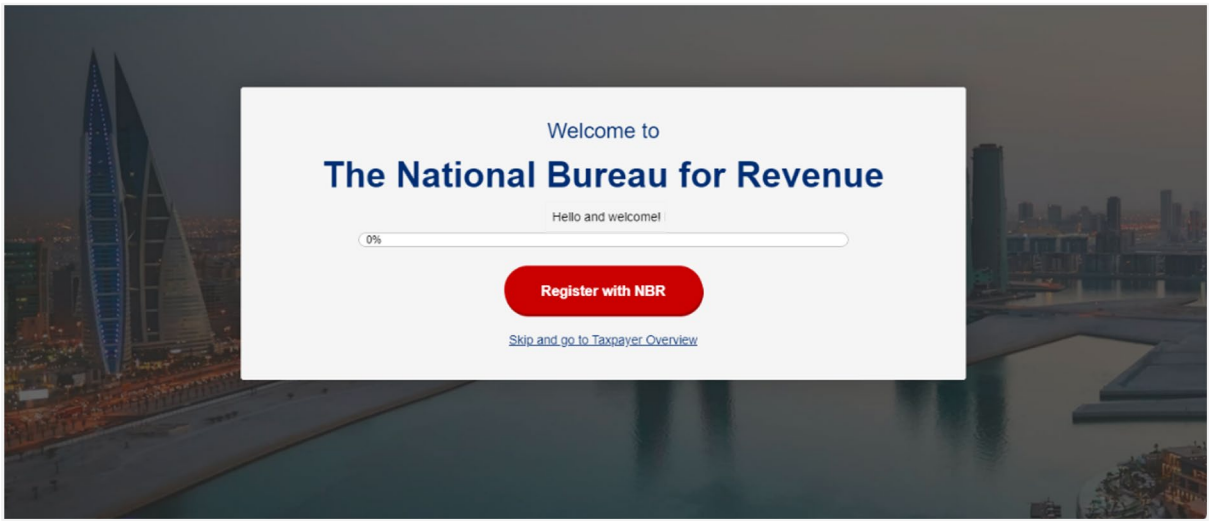
The applicant will then be required to sign up for the account.



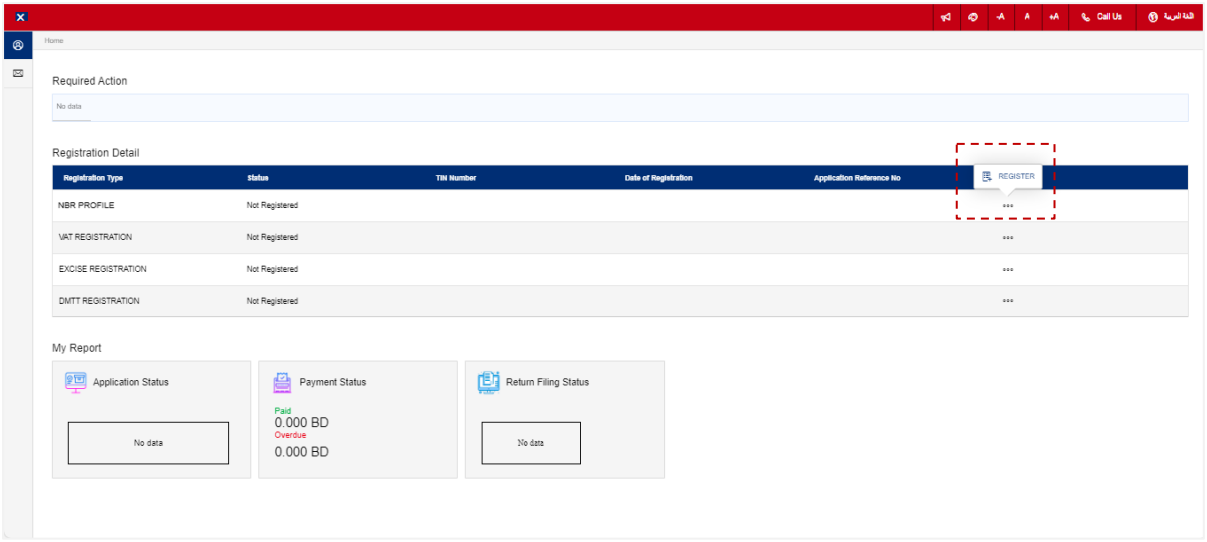
Once the sign-up details have been filled in and confirmed, two emails will be received from the NBR: one will confirm the User ID requested and the other will provide a temporary login password. The user will be prompted to change this temporary password, and when this step is completed, the applicant will be successfully logged in to the portal.



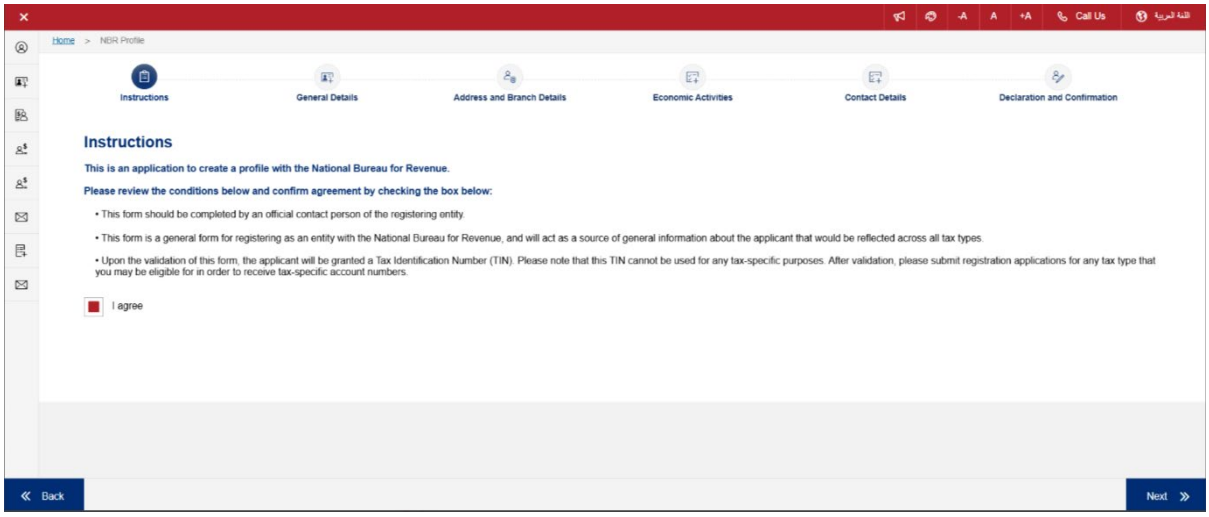
After logging in, the NBR profile process may be initiated. Specific tax type registrations (i.e. VAT registration, Excise registration or DMTT registration) cannot be accessed until the NBR profile is completed and validated by NBR.



The applicant may also skip creating a NBR profile during the initial login and initiate it at any time by clicking on the three buttons under “Action” next to the “NBR Profile” and then click on “Register” to start the process.



The applicant can go through the instructions (as per the screenshot below) and provide information on the below sections to complete the NBR Profile.



All mandatory fields on the form will be indicated by a red asterisk (*).

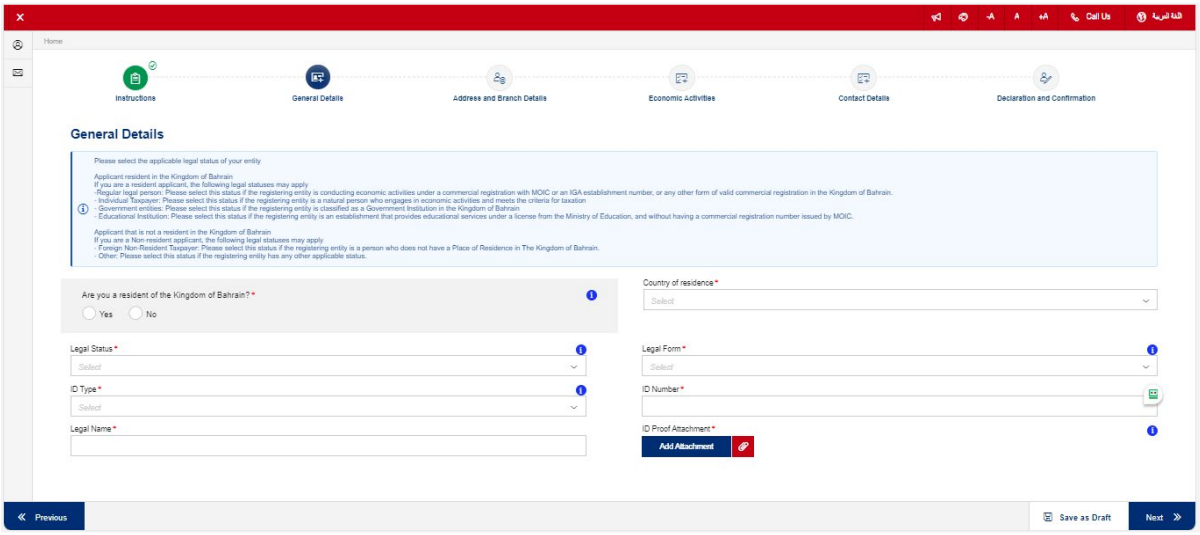
- **General Details**

  This section requires details of the legal name, ID type, ID number, legal status, and form (if applicable).

  Entities which selected Commercial Registration (CR) as their ID Type will have their Legal Name, Commercial Registration issue date and Commercial Registration expiry date auto-populated based on their data with the Ministry of Industry and Commerce (MOIC).

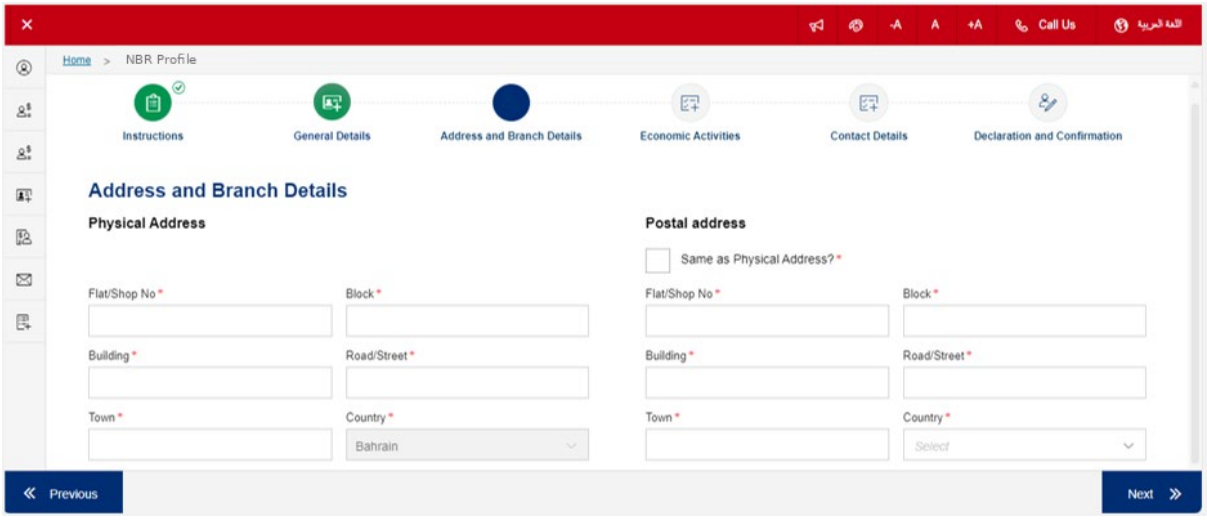
Required documents:

- Commercial Registration Certificate for all active CRs
- If the applicant is an individual person, copy of the ID with proof of address
- If non-resident, Certificate of Incorporation with proof of address



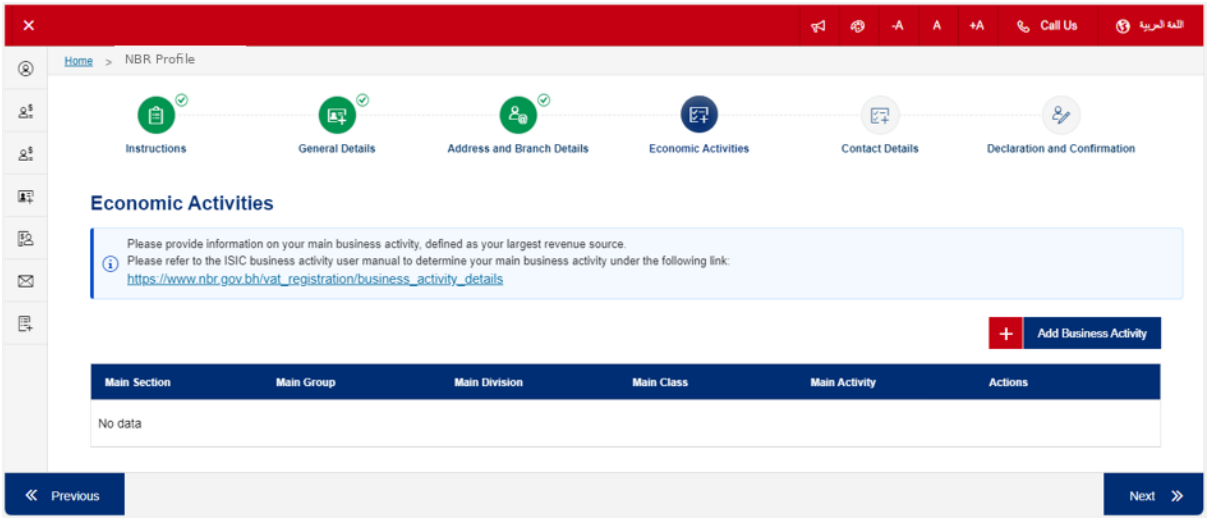
- **Address and Branch Details**

This section requires details on the physical address and postal address. Entities which selected Commercial Registration (CR) as their ID Type will have this section auto-populated based on their data with the Ministry of Industry and Commerce (MOIC).



- **Economic Activities**

  This section requires details of the main business activity as per ISIC classification including the main section, main division, main group and the main class. The entity can select one or more business activities. Please find more details on the classification of business activities based on the ISIC standard through the following link: Classification of Business Activities.

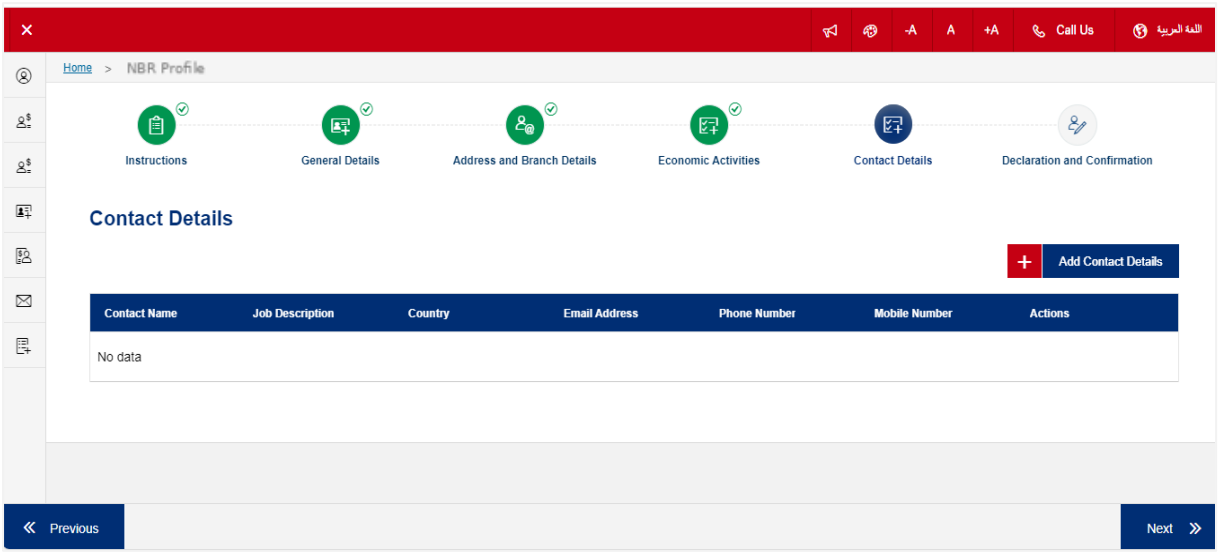


- **Contact Details**

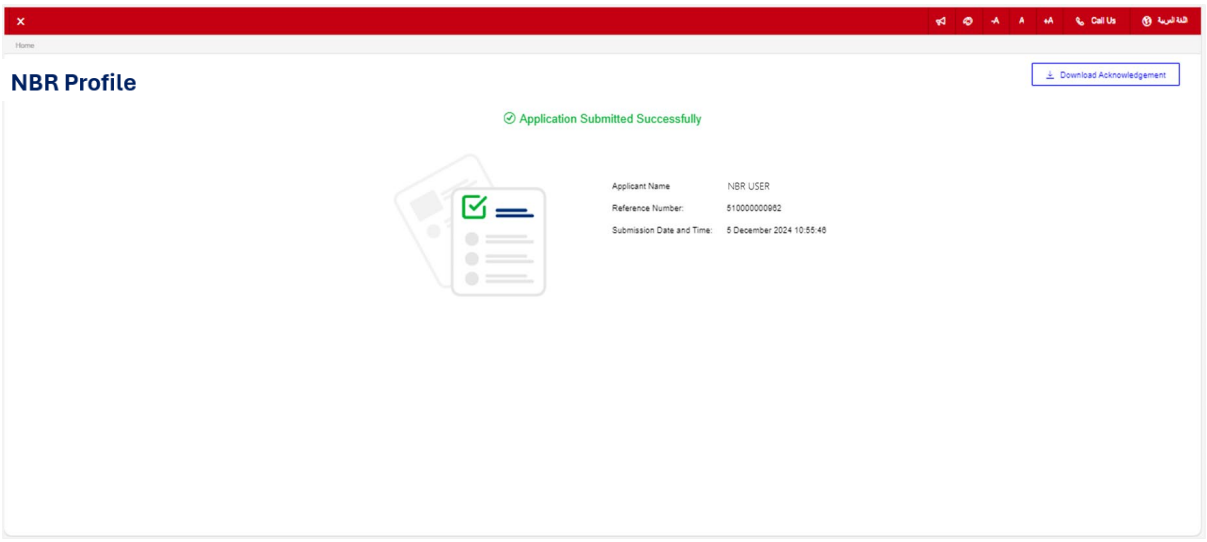
  This section requires details of the contact person, which will be considered the primary point of contact. This includes the contact person's name, ID type and ID number, job description, phone and mobile number, email address, copy of ID (front and back), and Authorization letter/Contact confirmation letter for the contact person.

  Required documents:

  - Contact person identification.
  - If the contact person is an **authorized signatory** of the Commercial Registration, include a signed letter confirming that the mobile number and email address entered in the contact details section belong to the authorized signatory of the Commercial Registration.
  - If the contact person is **not an authorized signatory** of the Commercial Registration, include an authorization letter for the contact person confirming that they are an employee of the company and confirming the contact number and email address provided (this letter must be stamped and signed by an authorized signatory).



Upon successful submission of the form, a new window with the message "*Application submitted successfully*" will be displayed. Upon the completion and validation of the NBR profile, an NBR profile number will be issued, and the applicant will then be able to register for VAT, Excise, or DMTT.



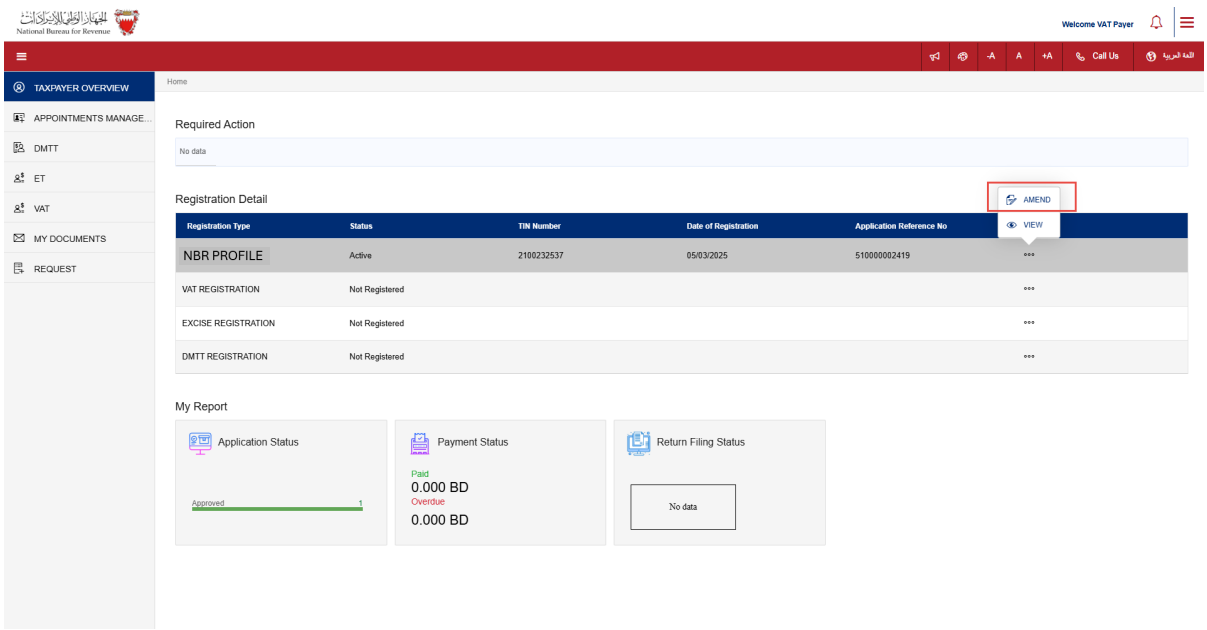
4.2. Amend NBR Profile

After approval, if there are any changes in the information provided while registering for NBR, the applicant should apply for NBR amend profile application.

Upon successful submission of the form, NBR shall review and process the change application within 5 working days from the date of its submission and shall notify the applicant of its decision to approve or reject the amendment.

The applicant must ensure that the NBR profile details reflect the latest information at all times. To access the application to amend NBR profile details, the applicant should log in to their account on NBR portal and click on the three buttons under “Action” next to the “NBR Profile” and then click on “Amend” to start the process.

All updates and change requests “if applicable” pertaining to your entity's general details information (General Details, Address and Branch Details, Economic Activities and Contact Details) should now be submitted exclusively through the “NBR Profile” tab on the portal. This centralized approach ensures that any changes made within the "NBR Profile" section will automatically be reflected across all other types (VAT, Excise and DMTT) for which you are registered.

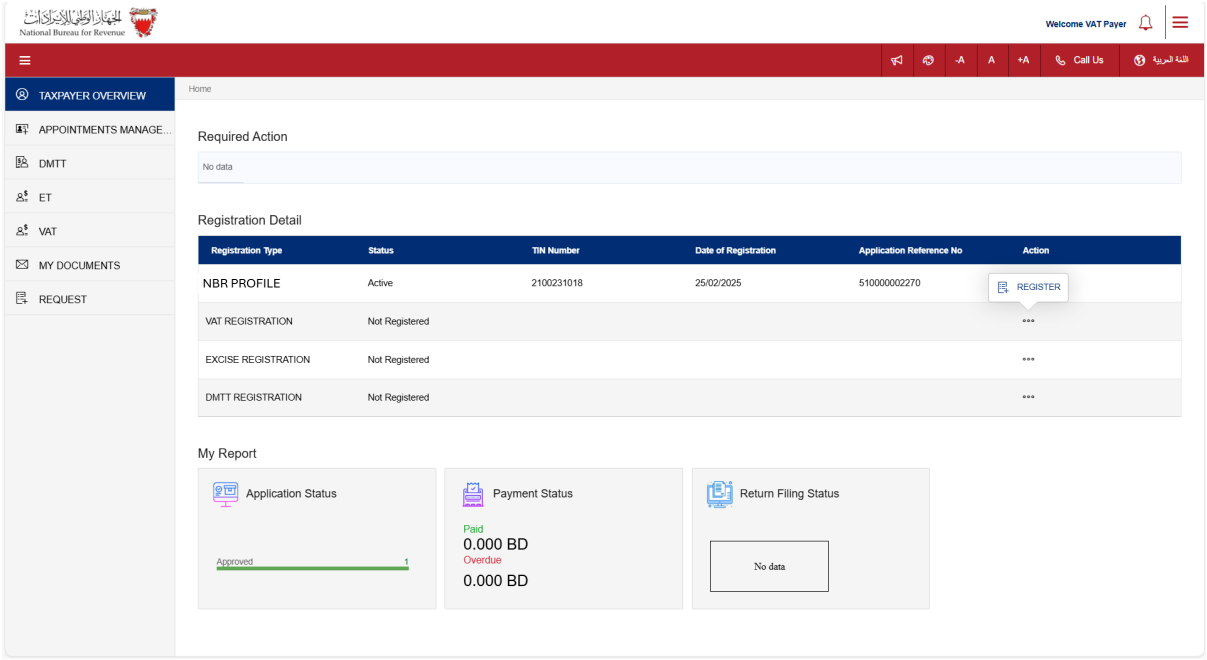


After the NBR has processed and approved the NBR amend profile application, and in case the applicant is registered for VAT, Excise and/or DMTT, the applicant may access their updated certificate by clicking “My Documents” on the home page of the portal.

5. VAT Registration process

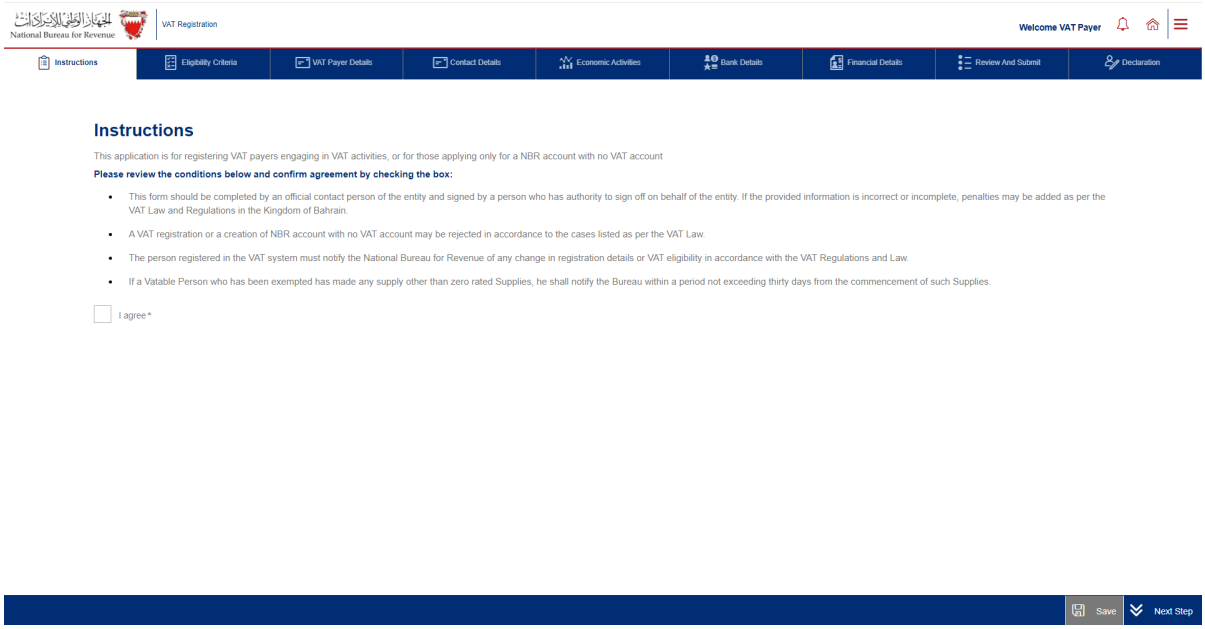
Please refer to the steps below when registering for VAT in Bahrain:

After completing NBR profile and receiving NBR's approval, the VAT registration process can be initiated by clicking the three dots under the "Action" column and selecting "Register".

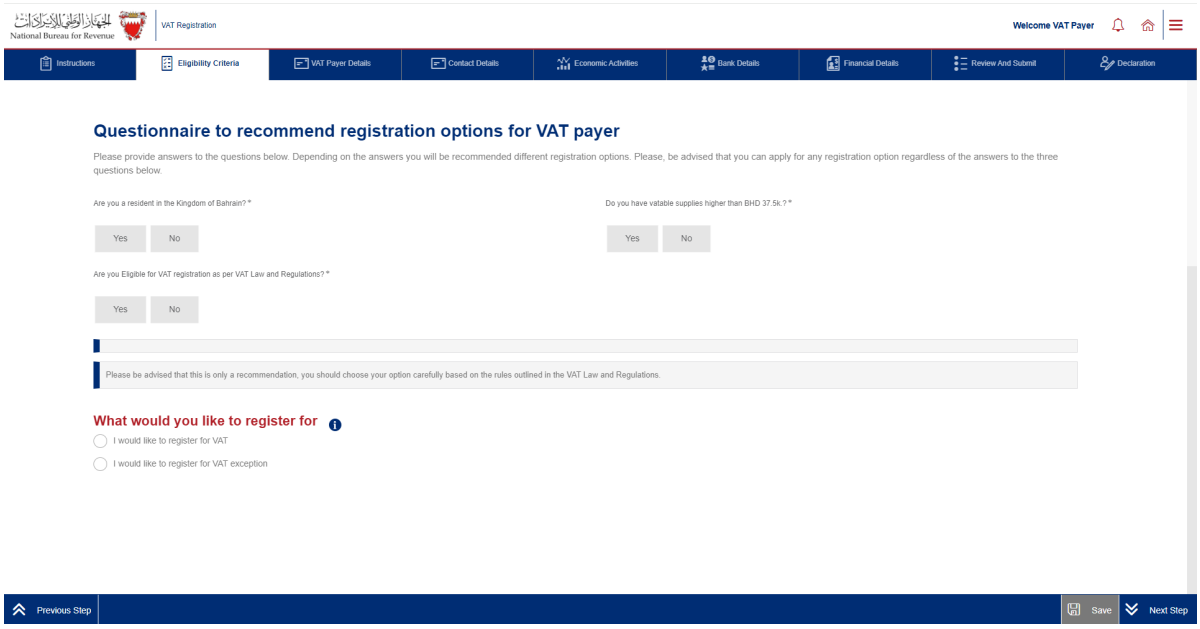


1. **Instructions** – After reviewing the conditions of registering for VAT with the NBR, the applicant must confirm that he agrees to the instructions; only then can he fill out the application form.

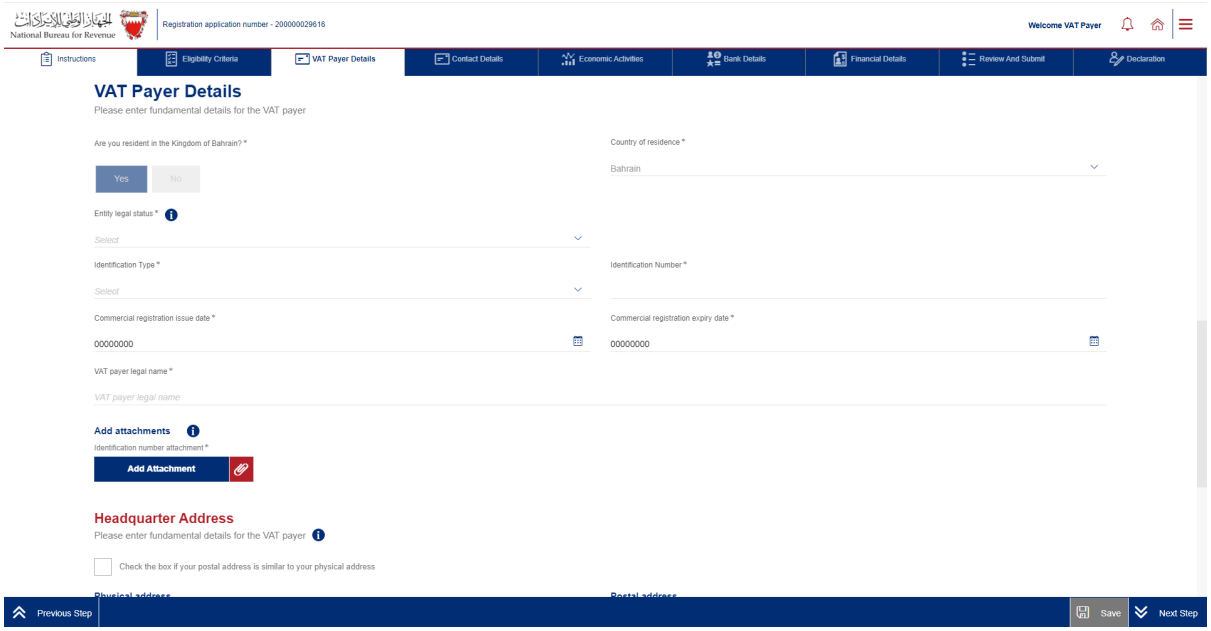
   Note: By clicking the "Save" button located at the bottom right of each page, the applicant has the option to save their application at each step to ensures that any entered information and submitted documents are saved, preventing any potential loss of the information and documents.

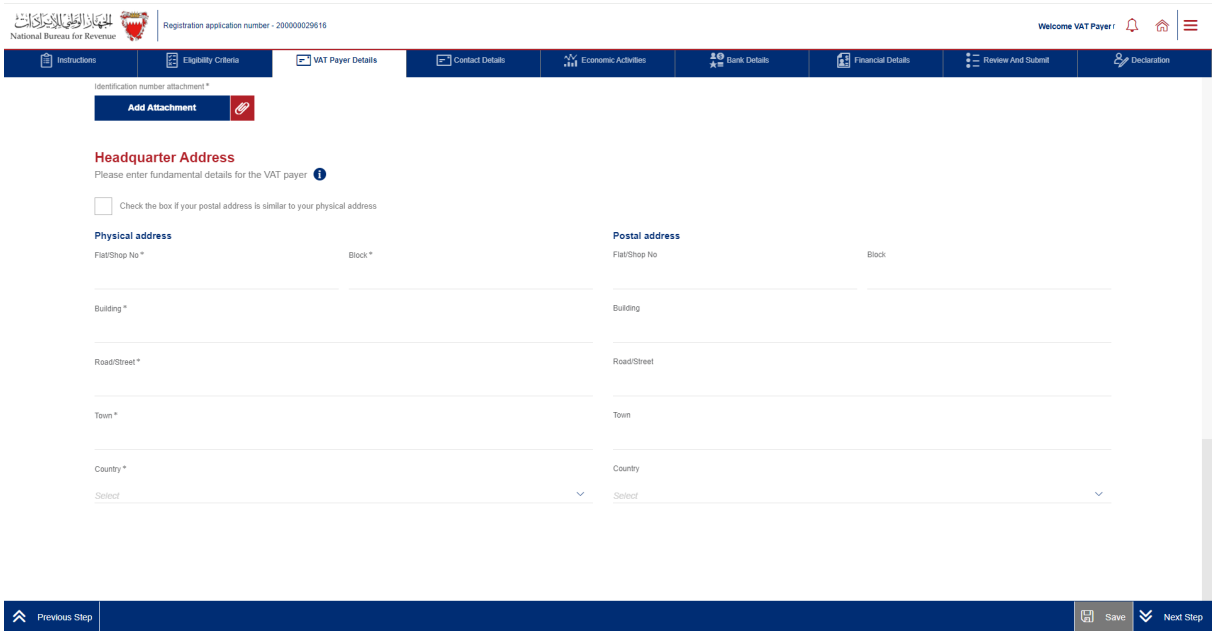


2. **Eligibility Criteria** - This section requires answering Questionnaire of registration options for the VAT payer.

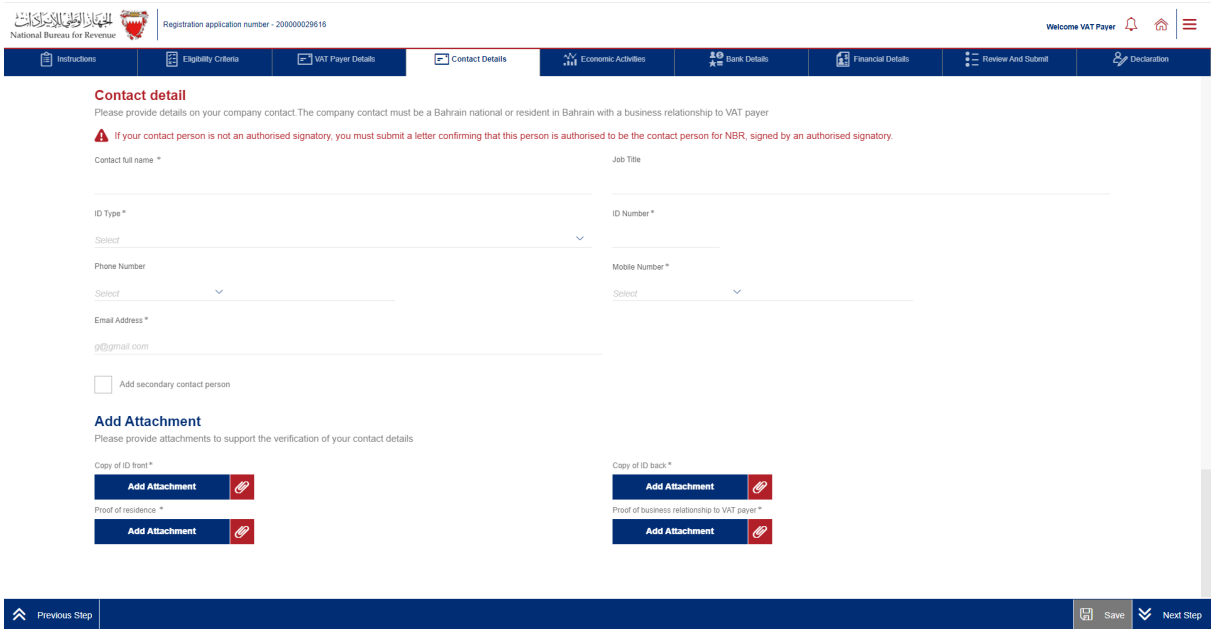


3. **VAT Payer Details** –This section includes information of the entity and will be automatically populated based on the data provided in the most recent NBR profile/amendment application that has been submitted and approved.

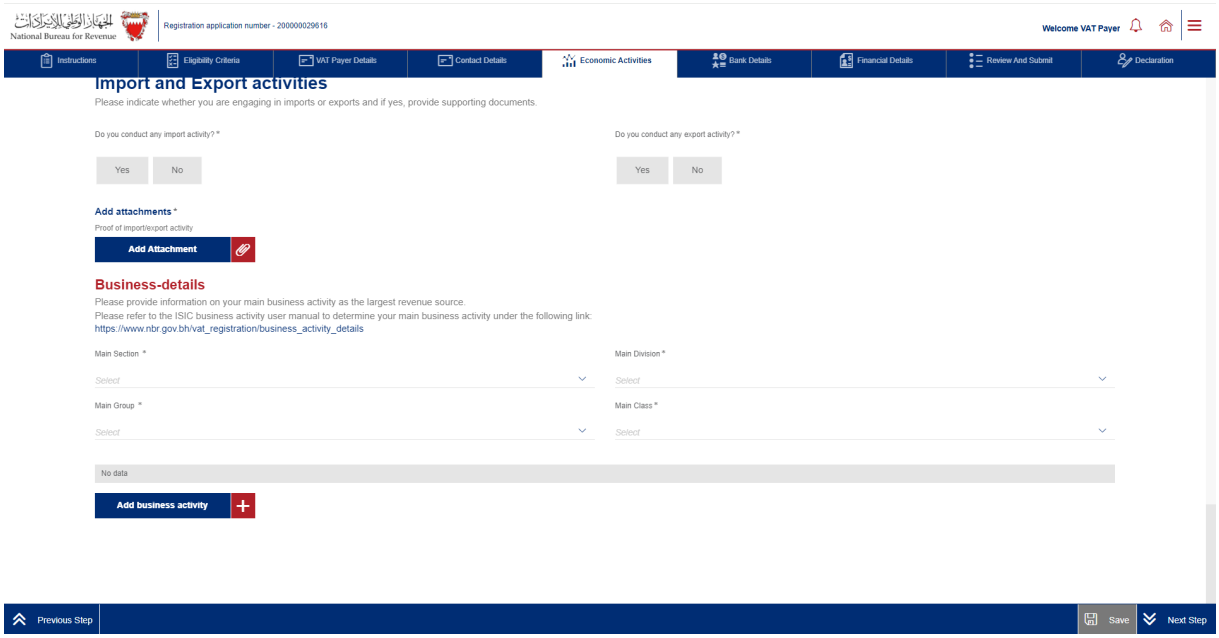




4. **Contact Details** –This section includes information of the contact person details and will be automatically populated based on the data provided in the most recent NBR profile/amendment application that has been submitted and approved.



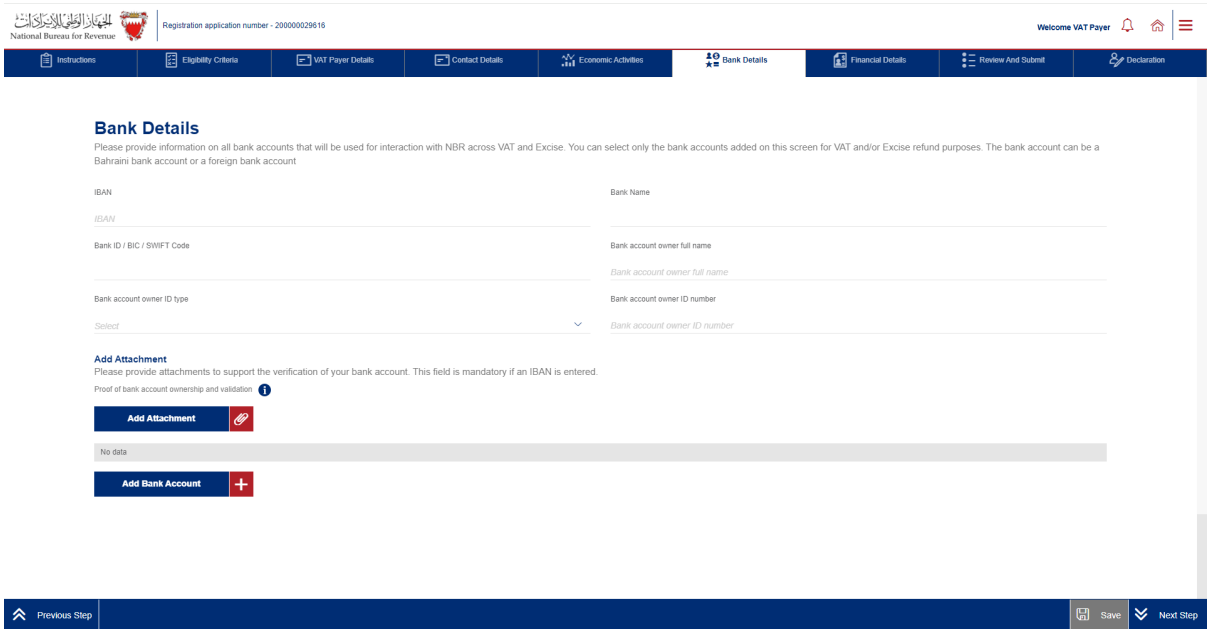
5. **Economic Activities** – This section requires the declaration of any import and export activities. Additionally, it includes information of the main business activity as per ISIC classification and will be automatically populated based on the data provided in the most recent NBR profile/amendment application that has been submitted and approved.



6. **Bank Details** – This section requires information of the entity's Bank details. This includes IBAN, Bank name, SWIFT code, Bank account full name, Bank account owner ID type and Bank account owner ID number.

   Required documents:

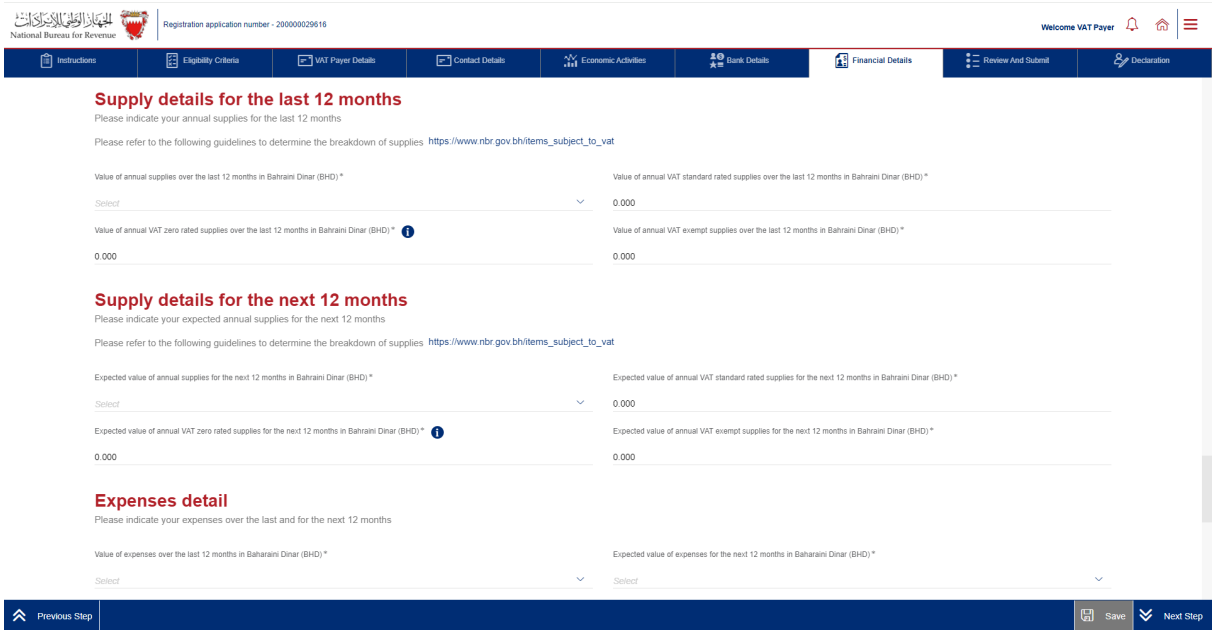
   - Official document issued by the bank that shows the full company name and IBAN.

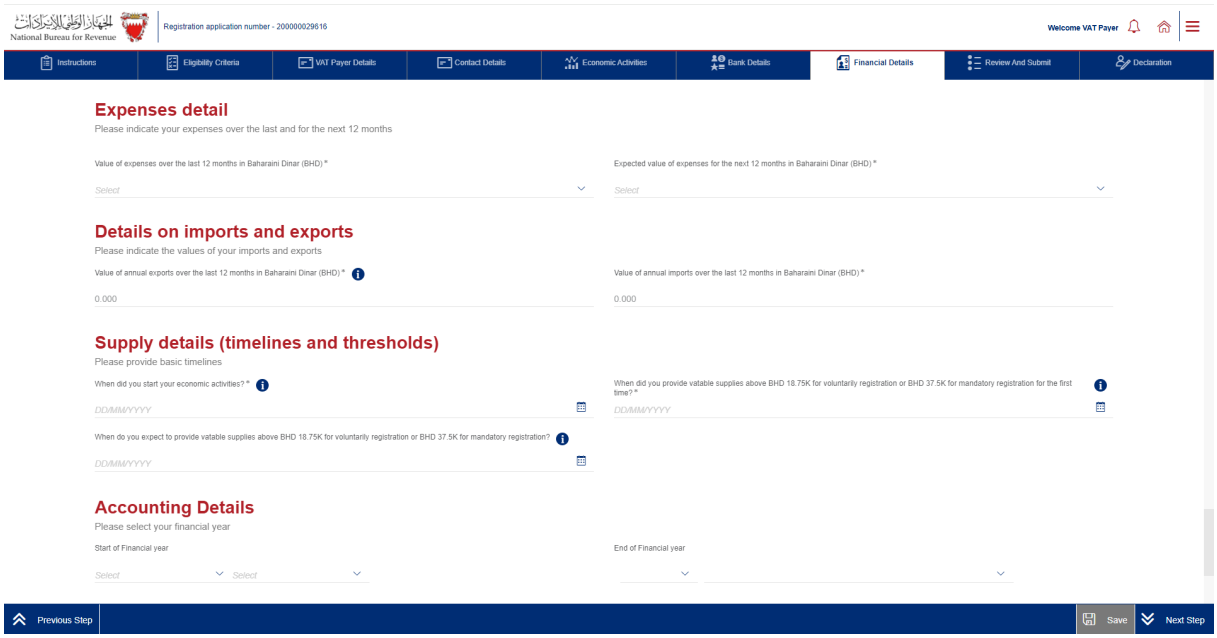


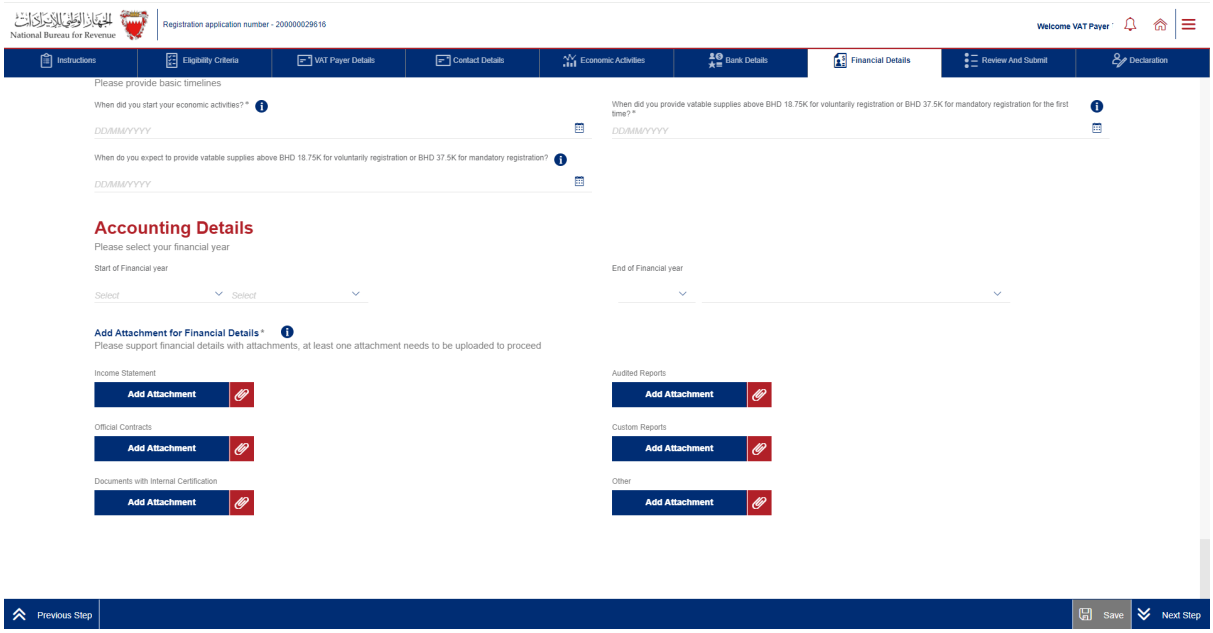
7. **Financial Details** – This section requires information of the entity's Supply and expense for the last and next 12 months, value of imports and exports, supply timelines and thresholds, financial year details.

   Required documents:

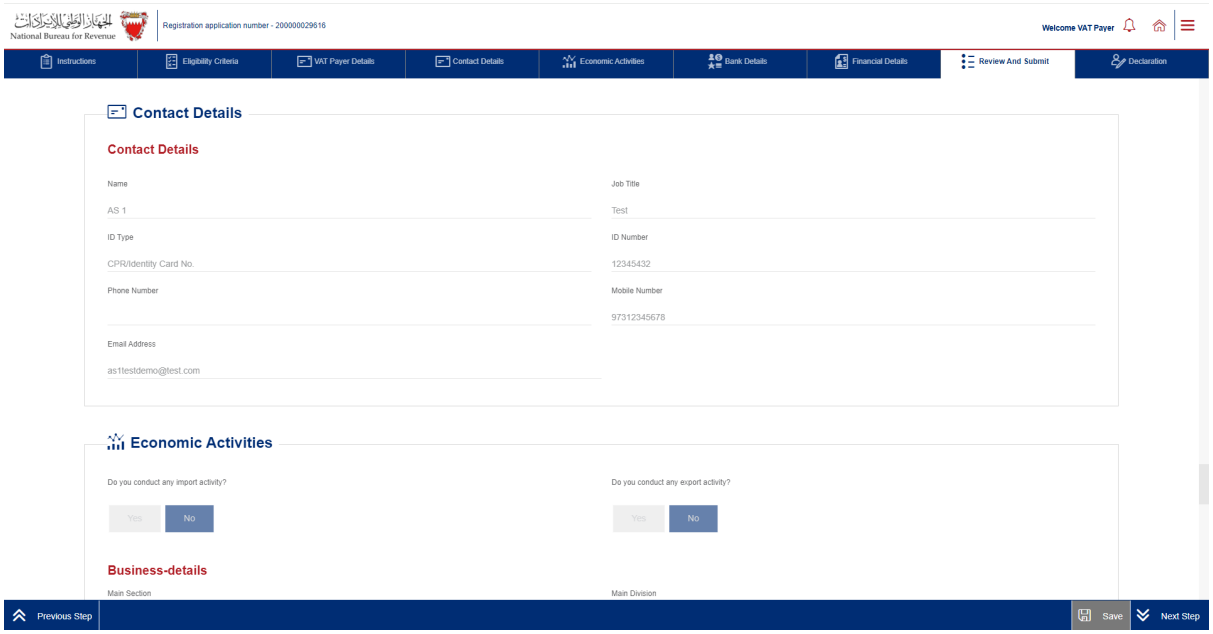
   - Audited financial statements.
   - Monthly sales report since VAT implementation date (1 January 2019) or issuance date of the entity. If the VAT payer has supplies subject to VAT at a standard rate, zero rate and/or exempted from VAT, the applicant must submit a breakdown document classifying the supplies for the last 12 months.
   - Consolidated income statement for the past 12 months.
   - Sales forecast for the next 12 months.
   - If the applicant is a non-resident, the applicant should submit a letter verifying the date of the first supply made in Bahrain to a non-registered entity, along with a copy of the first invoice issued, confirming that the supply is standard rated.


National Bureau for Revenue
Registration application number - 200000029616
Welcome VAT Payer
Instructions
Eligibility Criteria
VAT Payer Details
Contact Details
Economic Activities
Bank Details
Financial Details
Review And Submit
Declaration
Supply details for the last 12 months
Please indicate your annual supplies for the last 12 months
Please refer to the following guidelines to determine the breakdown of supplies https://www.nbr.gov.bh/items_subject_to_vat
Value of annual supplies over the last 12 months in Bahraini Dinar (BHD) *
Select
Value of annual VAT standard rated supplies over the last 12 months in Bahraini Dinar (BHD) *
0.000
Value of annual VAT zero rated supplies over the last 12 months in Bahraini Dinar (BHD) *
0.000
Value of annual VAT exempt supplies over the last 12 months in Bahraini Dinar (BHD) *
0.000
Supply details for the next 12 months
Please indicate your expected annual supplies for the next 12 months
Please refer to the following guidelines to determine the breakdown of supplies https://www.nbr.gov.bh/items_subject_to_vat
Expected value of annual supplies for the next 12 months in Bahraini Dinar (BHD) *
Select
Expected value of annual VAT standard rated supplies for the next 12 months in Bahraini Dinar (BHD) *
0.000
Expected value of annual VAT zero rated supplies for the next 12 months in Bahraini Dinar (BHD) *
0.000
Expected value of annual VAT exempt supplies for the next 12 months in Bahraini Dinar (BHD) *
0.000
Expenses detail
Please indicate your expenses over the last and for the next 12 months
Value of expenses over the last 12 months in Baharaini Dinar (BHD) *
Select
Expected value of expenses for the next 12 months in Baharaini Dinar (BHD) *
Select
Previous Step
Save
Next Step

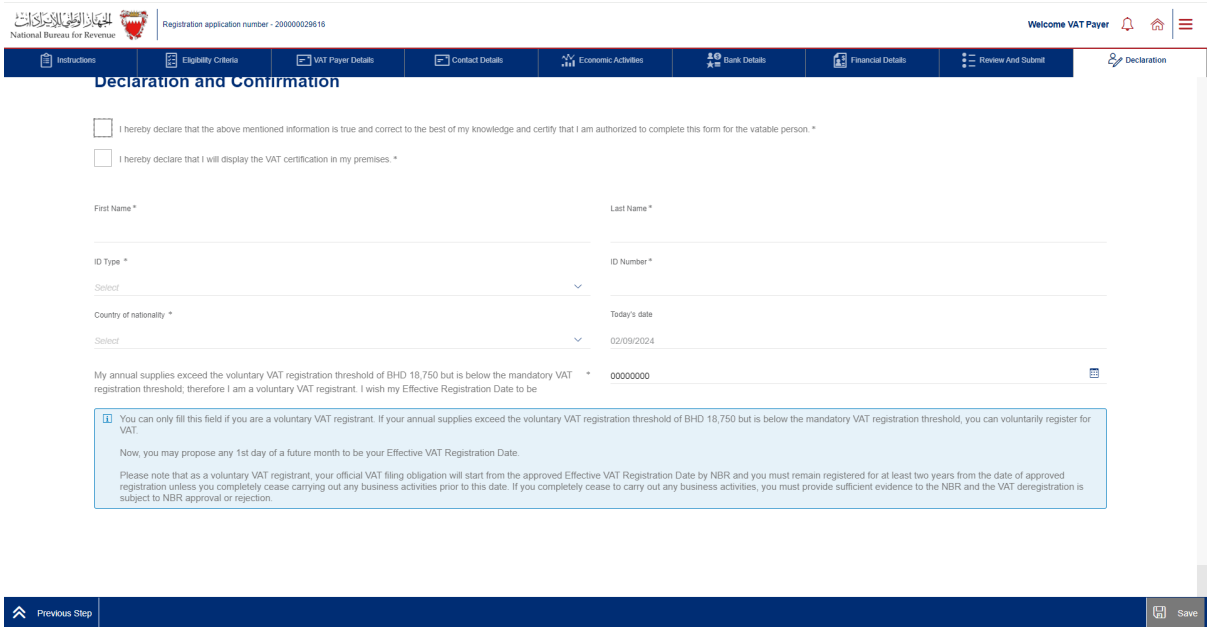

National Bureau for Revenue
Registration application number - 200000029616
Welcome VAT Payer
Instructions
Eligibility Criteria
VAT Payer Details
Contact Details
Economic Activities
Bank Details
Financial Details
Review And Submit
Declaration
Expenses detail
Please indicate your expenses over the last and for the next 12 months
Value of expenses over the last 12 months in Baharaini Dinar (BHD) *
Select
Expected value of expenses for the next 12 months in Baharaini Dinar (BHD) *
Select
Details on imports and exports
Please indicate the values of your imports and exports
Value of annual exports over the last 12 months in Baharaini Dinar (BHD) *
0.000
Value of annual imports over the last 12 months in Baharaini Dinar (BHD) *
0.000
Supply details (timelines and thresholds)
Please provide basic timelines
When did you start your economic activities? *
DD/MM/YYYY
When did you provide vatable supplies above BHD 18.75K for voluntarily registration or BHD 37.5K for mandatory registration for the first time? *
DD/MM/YYYY
When do you expect to provide vatable supplies above BHD 18.75K for voluntarily registration or BHD 37.5K for mandatory registration?
DD/MM/YYYY
Accounting Details
Please select your financial year
Start of Financial year
Select
Select
End of Financial year
Previous Step
Save
Next Step



8. **Review and submit** – In this section, the applicant will be able to review and verify the application.



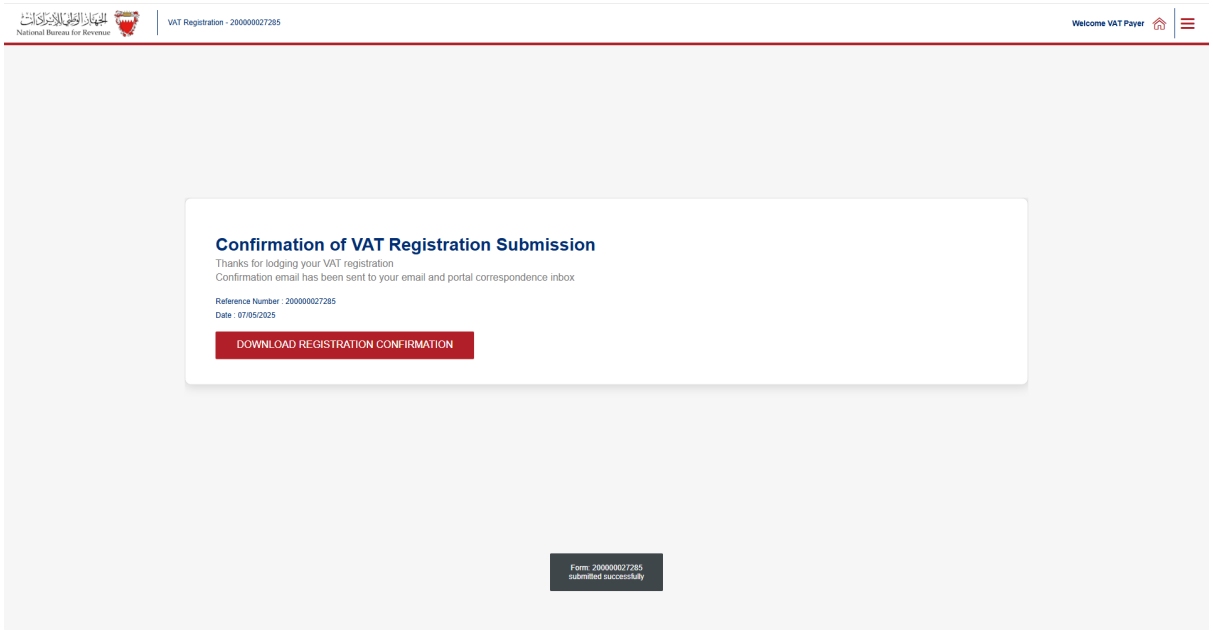
9. **Declaration** – To proceed with the application submission, applicant must first review and confirm the written declaration followed by completing the required applicant information within this section.



In each section, the applicant will be required to upload relevant attachments. If the appropriate documents are not included, and/or the requested information has not been filled in correctly, the applicant will be unable to proceed with the application.

The applicant will not be considered to have submitted a VAT registration application until the NBR has reviewed and accepted all required information, confirming that it is complete and accurate.

Once the application is submitted, a page will be displayed confirming the successful submission of the application, where the applicant can view the acknowledgment form of successful submission of the application. Additionally, a text message and an email will be sent to confirm the submission of the application.



Ref. Number : الرقم المرجعي :

Date of Letter : تاريخ الرسالة :

National Bureau for Revenue

Acknowledgment Of Successful Submission Of Registration Application

إشعار بنجاح تقديم طلب التسجيل

Name: اسم :

Address: عنوان:

CR number: رقم السجل التجاري:

Dear

Thank You for submitting your Registration Application with Reference Number dated

We are currently reviewing your application and will get back to you shortly.

عزيزي

شكراً لك على تقديم طلب التسجيل والذي يحمل الرقم المرجعي بتاريخ

نحن بصدد مراجعة طلبك وسنقوم بالرد عليك قريباً.

For further information, please contact the National Bureau for Revenue on 80008001.

This document is extracted from the automated system and does not need to be signed.

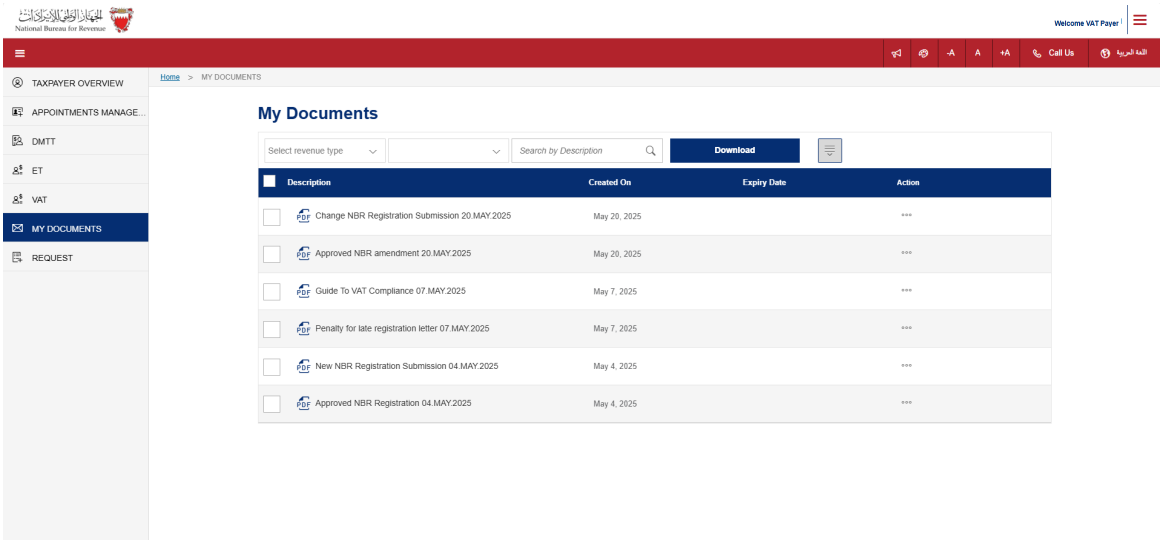
لمزيد من المعلومات، يرجى الاتصال بالجهاز الوطني للإيرادات على 80008001.

يتم استخراج هذه الوثيقة من النظام الآلي ولا تحتاج للتوقيع.

NBR will review the application and shall process the registration application within 21 working days from the date of its submission and shall notify the applicant of its decision to approve or reject the application.

If the NBR does not approve an application, the applicant should expect to receive an SMS and email either requesting additional information to be provided (which can then be resubmitted) or notifying them of the rejection of the registration application.

If NBR processed and approved the VAT registration application, the applicant should expect to receive SMS and email confirmation of the VAT registration. The VAT registration certificate can be accessed by accessing “My Documents” on the home page of the portal.



The certificate is an official confirmation of your VAT registration and it includes the VAT account number. This certificate must be visibly displayed in the premises of the VAT payer.



VAT Registration Certificate

شهادة تسجيل القيمة المضافة

National Bureau for Revenue

Hereby, the National Bureau for Revenue certifies the VAT effective registration date for the VAT payer below as 01/05/2023

يقر الجهاز الوطني للإيرادات بأن الخاضع للقيمة المضافة أدناه مسجل في القيمة المضافة من تاريخ 2023/05/01

VAT payer information:		معلومات الخاضع للقيمة المضافة:
CPR/Identity Card No.	323223	رقم البطاقة السكانية/ الهوية
VAT payer name		اسم الخاضع للقيمة المضافة
VAT payer address	Flat/Shop No. 1, Building 123, Road/Street 1234, test, Block 12, Bahrain	عنوان الشخص الخاضع للقيمة المضافة
Registration:		**التسجيل:**
VAT account number	210024592700002	رقم الحساب للقيمة المضافة
VAT registration date	12/05/2025	تاريخ التسجيل
Updated as of	18/05/2025	تم التحديث بتاريخ

This certificate is sent from an automated system and does not require a signature

هذه الشهادة مرسلة من النظام الآلي ولا تحتاج إلى توقيع

Please ensure that the details on this certificate are correct. You must inform the National Bureau for Revenue "NBR" of any change on the basis of which you obtained your VAT account number. NBR reserves the right to deregister you for VAT purposes based on the evidence of your non-compliance with registration or deregistration criteria.

يرجى التأكد من صحة تفاصيل هذه الشهادة. ويجب إبلاغ الجهاز الوطني للإيرادات بأي تغيير بشأن حصولك على رقم حساب القيمة المضافة.

يحتفظ الجهاز بحق إلغاء تسجيلك لأغراض القيمة المضافة في حال ثبوت عدم امتثالك لمعايير التسجيل أو إلغاء التسجيل.

After approval, if there are any changes in the information that has been provided while registering for VAT, the VAT payer should notify the NBR within (30) days from the date of the change as stipulated in the VAT executive regulation article (43). Furthermore, the NBR shall process the registration amendment application within 21 working days from the date of its submission and shall notify the applicant of its decision to approve or reject the amendment.

6. VAT group registration

6.1. Eligibility to form/join a VAT group

Two or more persons can apply to form a VAT group provided all the following conditions are met:

- Each applicant is a legal person (i.e. an entity that is capable of entering into contracts in its own name);
- All applicants have a place of residence in Bahrain;
- All applicants conduct an economic activity;
- All applicants are registered for VAT purposes at the date of applying for registration as a VAT group;
- None of the applicants is a member of another VAT group in Bahrain; and
- All the applicants are related (see below for further details on this condition).

Upon forming/joining a VAT group, each member of the VAT group becomes jointly and severally liable for all the VAT group's VAT obligations (including any VAT and penalties due) arising during VAT group membership. That liability remains even after the member has left the VAT group.

A member must leave the VAT group as soon as it ceases to meet the conditions to be a member of the VAT group.

A member may leave the VAT group voluntarily even if it still meets the conditions to be a member. However, voluntary withdrawal is only permitted after a period of at least twelve months has passed from the date of joining the VAT group.

6.2. The "related" condition

The persons applying to form/join a VAT group will be considered as "related" for the purpose of VAT grouping where:

- One of them has the authority to direct and supervise (i.e. to control) the others; or
- They are all directed and supervised (i.e. they are controlled) by the same person.

The "same person" could be:

- A legal person;
- A natural person; or

- A group of persons acting jointly under a formal arrangement such as a shareholders' agreement or partnership agreement.

For control to exist through the same group of persons, these persons must act jointly under a formal arrangement requiring them to exercise their rights in each of the entities wishing to be group registered as if they were one person. This formal arrangement must be notarized by the Ministry of Justice. This applies to families, partnerships or any other group of persons (legal or natural).

Control is considered to be established when either (i) the same person, or (ii) the same group of persons who act jointly under a formal arrangement:

- Hold, directly or indirectly, more than 50% of the voting rights attaching to the shares in each applying entity;

- Hold, directly or indirectly, more than 50% of the capital or ownership in each applying entity; or

- Control each applying entity by any means other than voting rights or capital participation.

Direct holding refers to cases where a person has shares or voting rights in an entity without intermediaries (e.g. company A owns 55% of shares in company B). Indirect holding covers cases where that relationship is established through a third company (e.g. company A owns 100% of shares in company B which, in turn, owns 55% of shares in company C).

"Control by any other means" exists where a person or same group of persons acting jointly under a formal arrangement do not have control by way of voting rights or capital. "Control by any other means" will be considered established when the same person (or the same group of persons acting jointly under a formal arrangement), having a capital participation in the applying entities, exercises a dominant influence over these entities in one of the following ways:

1. Has the right to appoint and / or remove members of the administrative, management or supervisory body of these entities (equivalent to the board of directors of the entity and does not mean the day-to-day management personnel) who hold a majority of the voting rights in that body. This right must be formalized in a provision in the contracts, articles of association or other constitutional documents establishing / governing these entities or in any other agreement; or

2. Controls alone, pursuant to an agreement with other shareholders / owners of these entities, a majority of the shareholder voting rights in these entities. This agreement must be notarized by the Ministry of Justice.

It is not necessary that:

- The controlling person is a member of the VAT group;

- The controlling person is established (for a legal person) or resident (for a natural person) in Bahrain; or
- There is a direct participation of one applying entity in the other applying entity, provided both of them are effectively controlled by the same person.

Example 1 – Control by the "same group of persons"

A, B and C (all natural persons) each hold 20% of the voting rights in Company Y and Company Z. They do not control them even though their rights, held collectively, amount to 60% in each company.

In order for them to control these two companies, they must hold more than 50% of the voting rights in each company in such a manner that they effectively act as one person in relation to the voting rights, e.g. through a partnership arrangement or through a shareholder agreement (notarized by the Ministry of Justice) where they agree to effectively act as one person when exercising the voting rights attached to their shares.

Example 2 – Direct and indirect control

Assuming that the voting rights follow the capital participation, control is established in cases where (non-exhaustive list):

- *A VAT group applicant has a direct participation of more than 50% in another VAT group applicant.*
- *A parent company has a direct participation of more than 50% in the capital of two different subsidiaries. Although there is no direct participation of one subsidiary in the other subsidiary, both of them are effectively controlled by the same person, i.e. the parent company.*
- *A parent company owns a 100% participation in Subsidiary 1, which in turn directly owns 60% of Subsidiary 2. The parent company holds direct control over Subsidiary 1 and indirect control over Subsidiary 2. Subsidiary 1 holds direct control over Subsidiary 2.*
- *A parent company owns a 70% participation in Subsidiary 1 which, in turn, holds a 70% participation in Subsidiary 2. The parent company directly controls Subsidiary 1 and Subsidiary 1 directly controls Subsidiary 2. Since the parent has an indirect participation of only 49% (70% x 70%) in Subsidiary 2, the three of them cannot form a VAT group together. A VAT group may be formed either between the parent company and Subsidiary 1 or between Subsidiary 1 and Subsidiary 2.*

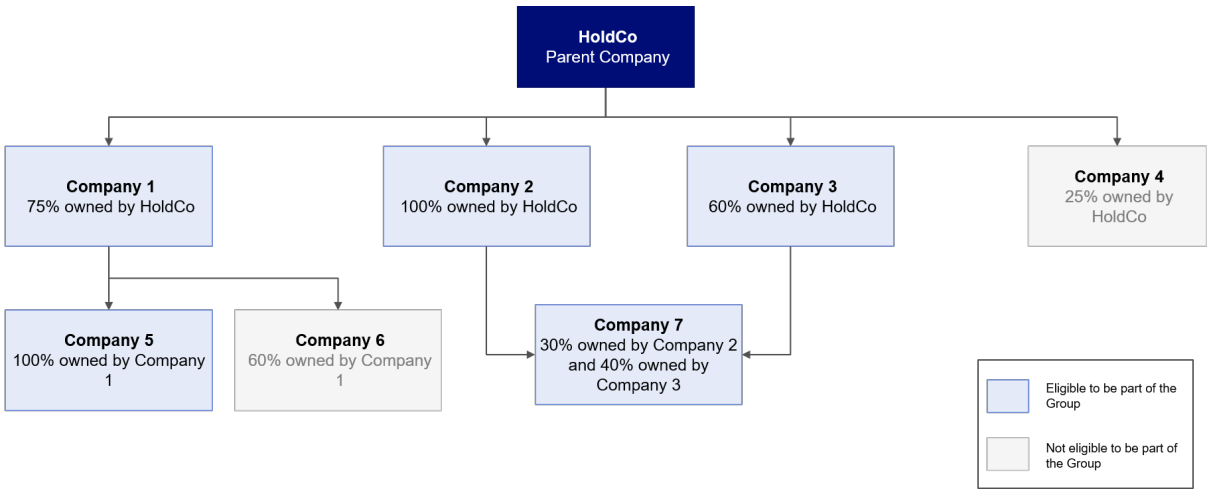
Example 3 – Control by any other means

Noor owns 30% of the shares in Company X (1 share = 1 voting right). Company X's articles of association grant Noor's shares the right to appoint and / or remove a majority of the board of directors (who hold a majority of the voting rights at board meetings). Noor does not have control by virtue of her shareholding rights (not being more than 50% of shares and voting rights). However, Noor has effective control of Company X by virtue of dominant influence granted by her right to appoint or remove board members who have the majority of the voting rights at board level.

Example 4 – Control by any other means

Company A and Company B hold 21% and 34% of the shares in Company Y respectively (1 share = 1 voting right). Company A and Company B enter into a shareholders' agreement whereby Company A grants Company B the right to exercise its voting rights in Company Y. By virtue of this shareholders' agreement, Company B will have effectively control of Company Y.

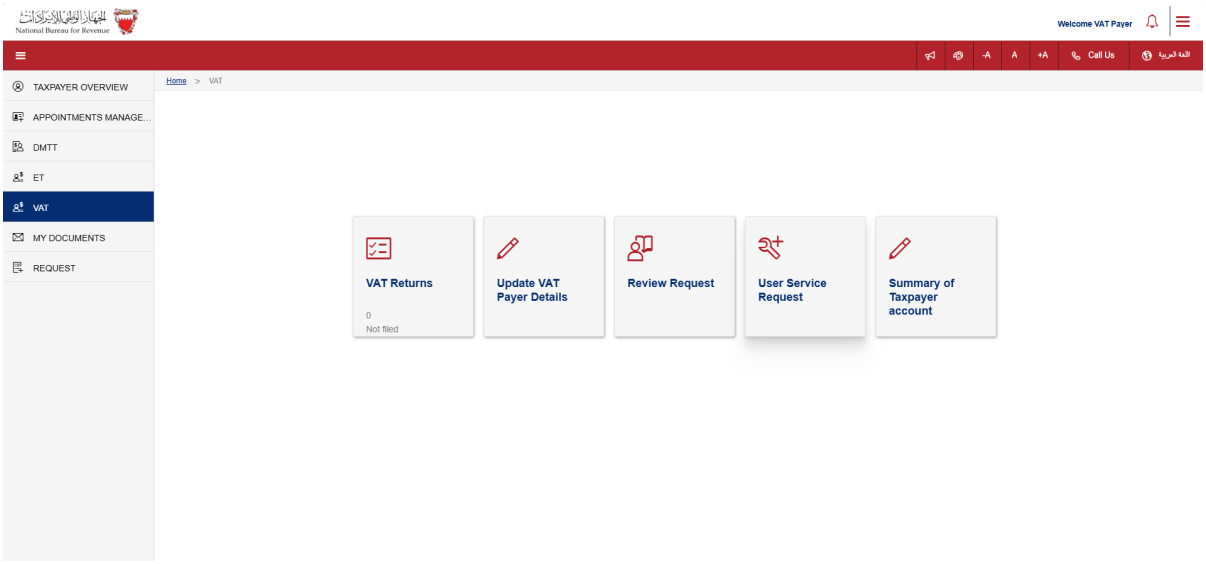
The following is an illustrative example of VAT group registration:



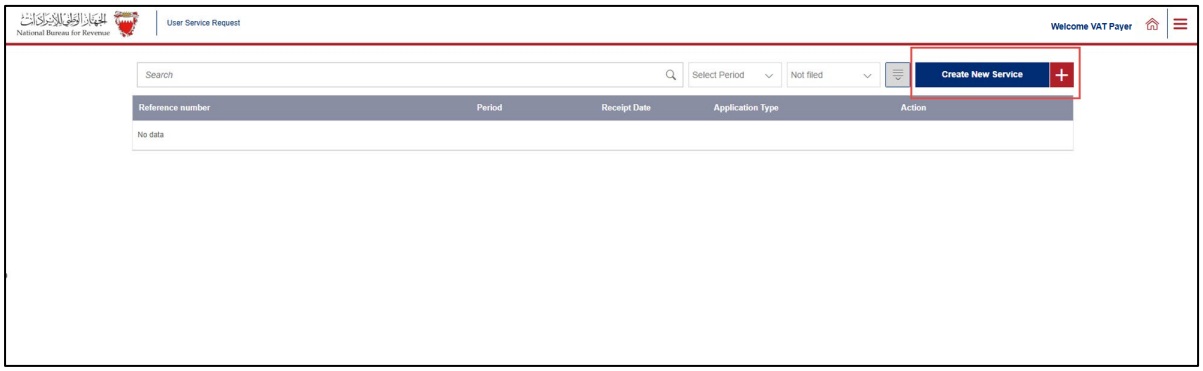
6.3. Applying for VAT group registration

Please refer to the steps below to apply for VAT group application:

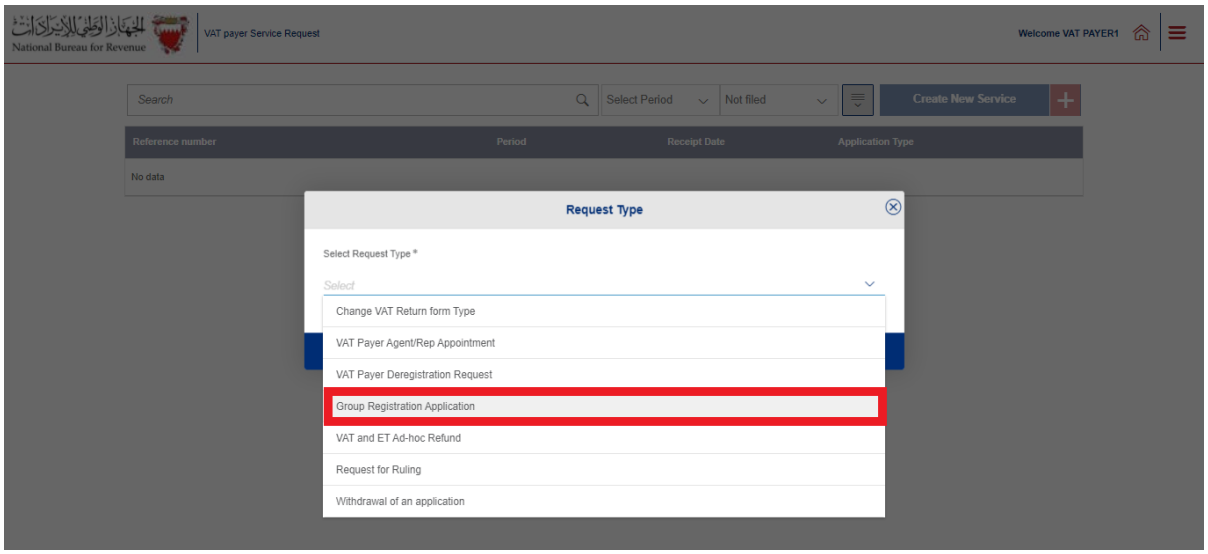
- The VAT group representative should initiate the VAT group application by clicking "User Service Request" located in the "VAT" page of the portal.



- The applicant should click on “Create new service”.

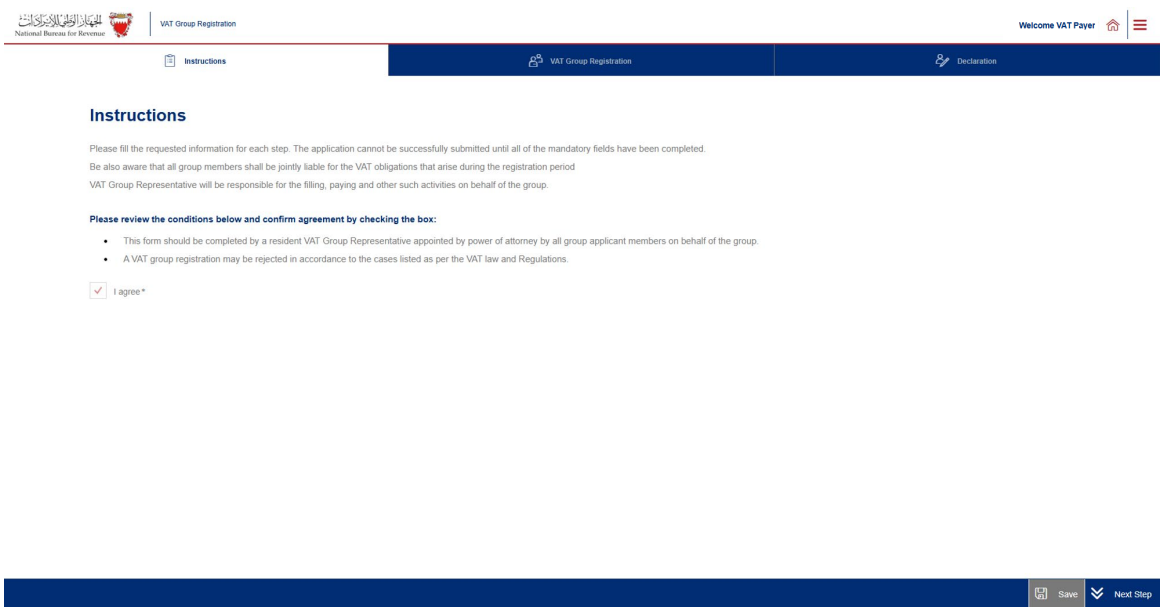


- The applicant should select “Group Registration Application” request type. After clicking on “OK” button, the applicant will be directed to the desired application.



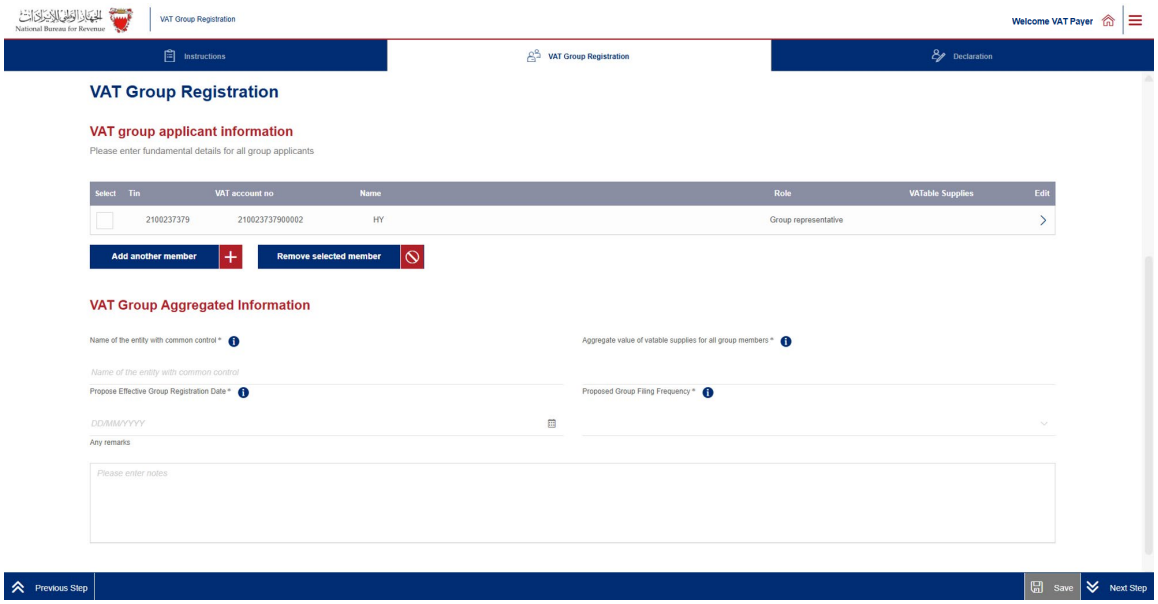
1. **Instructions** - After reviewing the conditions for registering a VAT group with the NBR, the applicant must confirm that he agrees to the instructions; only then can he fill out the VAT group registration application form.

   Note: By clicking the "Save" button located at the bottom right of each page, the applicant has the option to save their application at each step to ensures that any entered information and submitted documents are saved, preventing any potential loss.

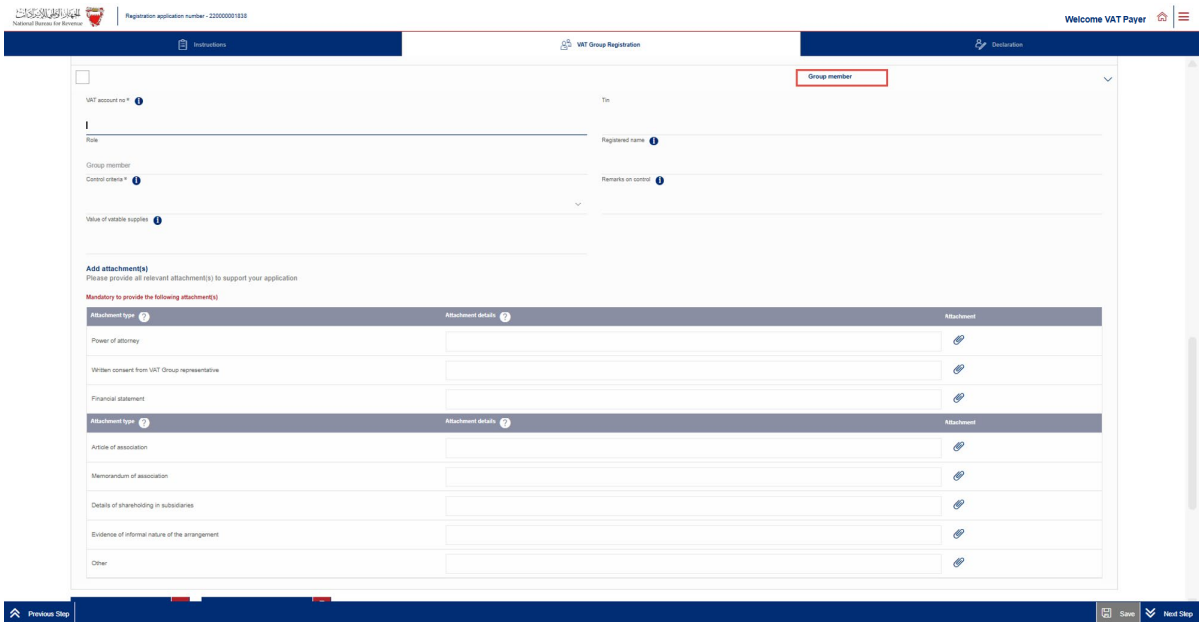


2. **VAT group registration** - In this section, the applicant is requested to list the members of the VAT group, and it is mandatory to upload all the attachments.

   By clicking on **"Add another member"**, The VAT group representative **"The Applicant"** will be able to add the VAT group member.



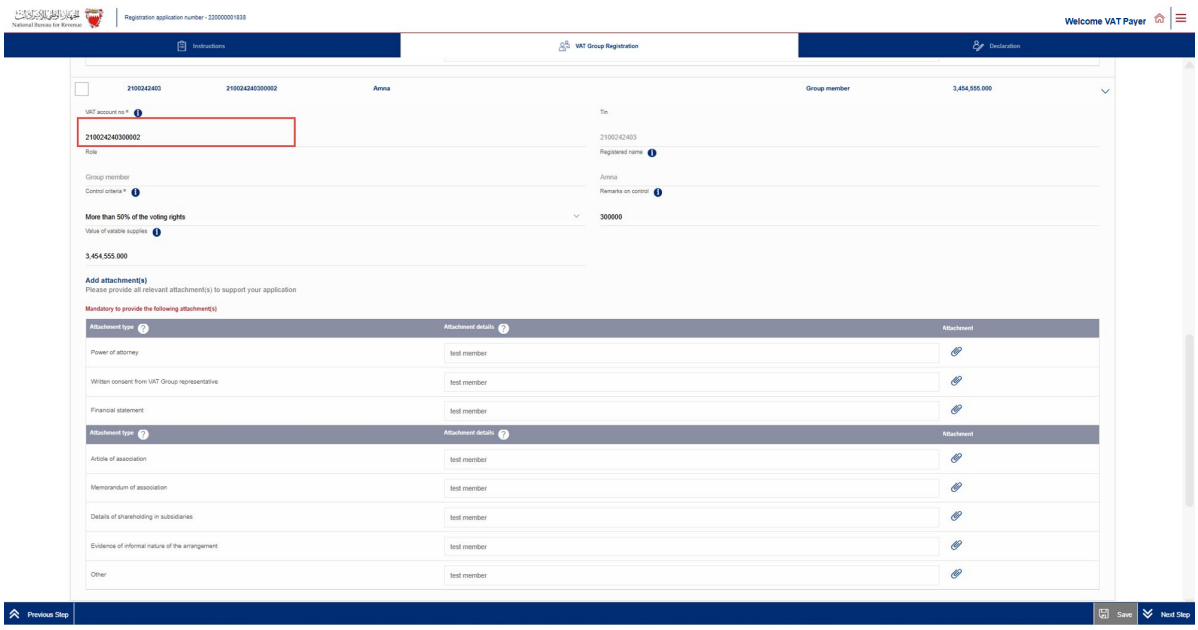
- The applicant should enter the “VAT account number” of the VAT group member and click enter.



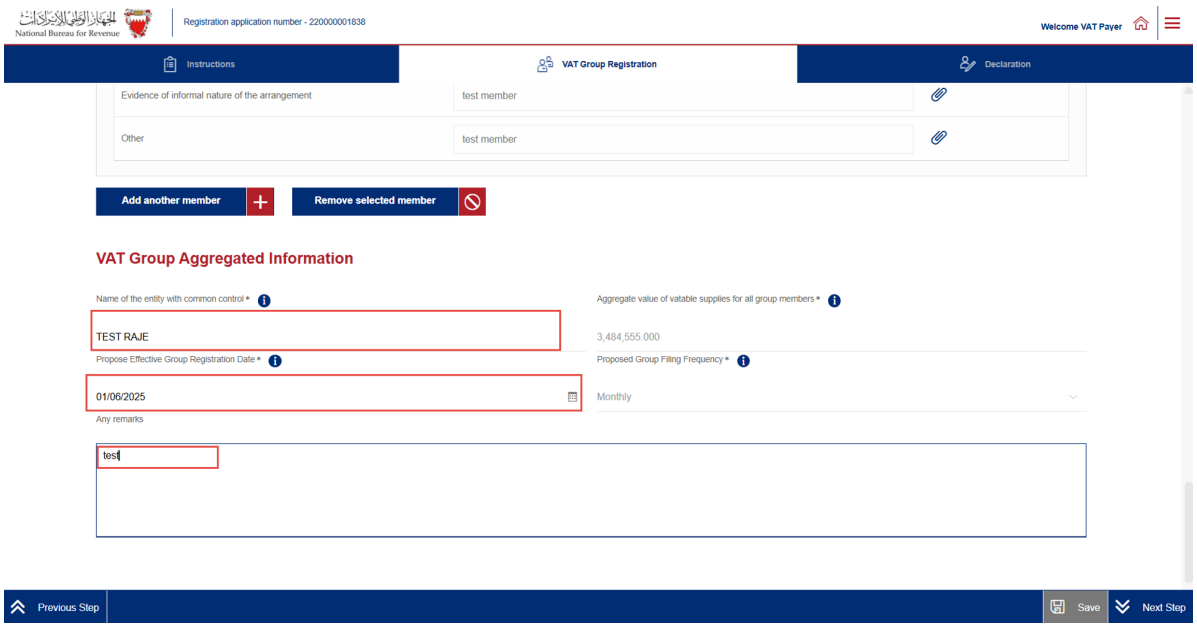
- After entering the VAT account number, the (TIN, Role, Requested name) fields will be auto-populated, where the (Control criteria, Remarks on control, Value of vatable supplies) fields needs to be filled by the applicant, and all the attachments needs to be uploaded.

  Required documents:

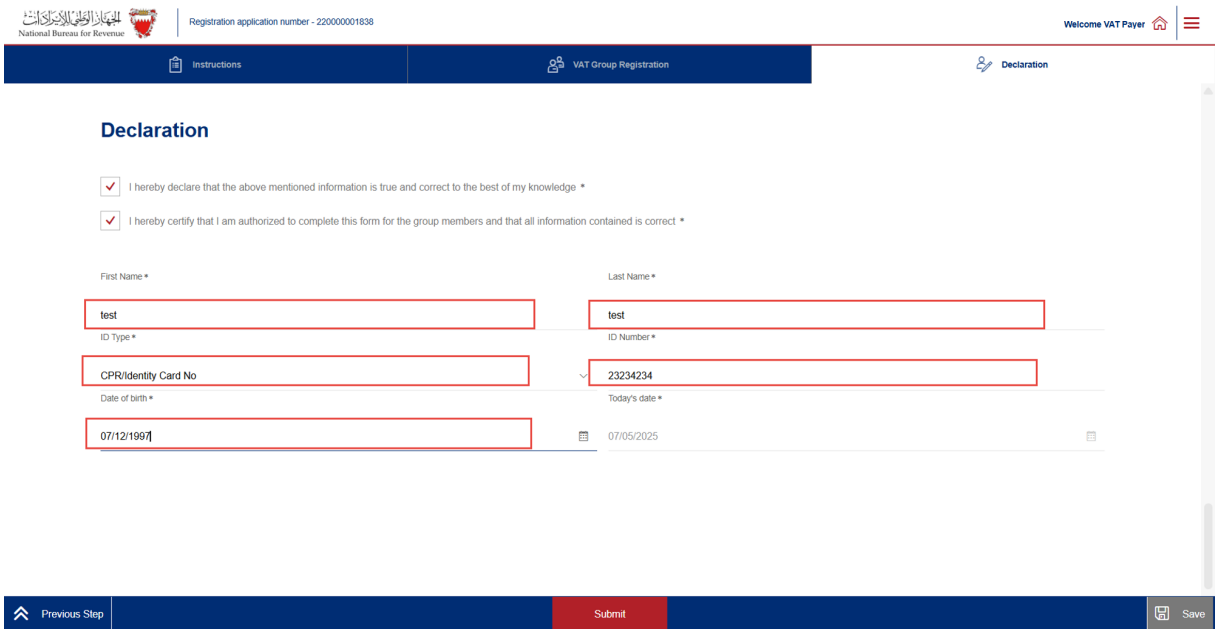
  - Notarized power of attorney issued by the members of the VAT Group to appoint a VAT Group representative.
  - Written consent from the appointed member as the VAT Group representative consenting to represent the VAT Group.
  - Confirmation of last 12 months supplies.
  - Proof of Relationship between the members (including the VAT Group representative).



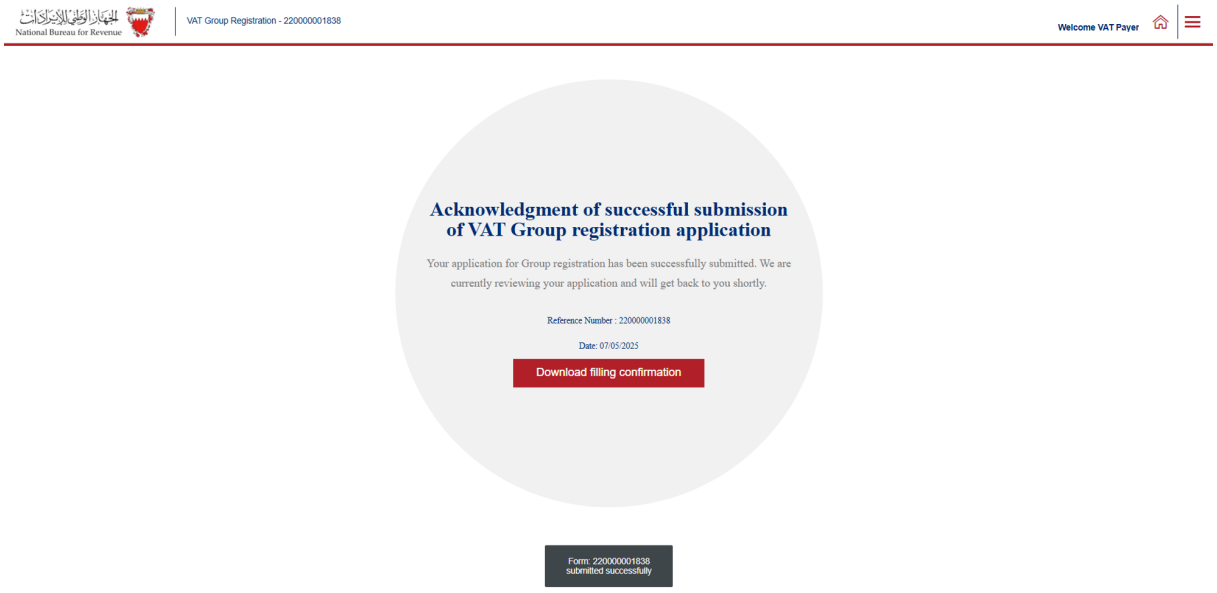
- The applicant is required to fill the “VAT group aggregated information”. The (Aggregate value of vatable supplies for all members, Proposed group filing frequency) fields will be auto-populated, where other fields need to be filled by the applicant.



Declaration - To proceed with the application submission, applicant must first review and confirm the written declaration and complete the required applicant information within this section.



Once the application is submitted, the applicant will be redirected to a page that confirms the successful submission of the application. The applicant should also expect to receive an SMS and email confirming the submission.



NBR will review the application and notify the applicant of its decision to approve or reject the application.

If the NBR does not approve an application, the applicant should expect to receive an SMS and email either requesting additional information to be provided (which can then be resubmitted) or notifying them of the rejection of the registration application.

If NBR processed and approved the VAT registration application, the applicant should expect to receive SMS and email confirmation of the VAT group registration. The VAT registration certificate can be accessed through “My Documents” on the home page of the portal.

7. Non-compliance with registration obligations

Any person who is required to register for VAT, but has not done so by the relevant deadline, may be automatically registered by the NBR from the date on which he should have been registered.

The person will be required to account for all the VAT due on supplies and acquisitions of goods and services from the effective date of registration.

If a person does not register within 60 days from the registration deadline, the NBR may apply administrative penalties of up to BHD 10,000.

If a person does not register within 120 days from the registration deadline, he may be convicted of VAT evasion.

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8. De-registration

If a person no longer meets the criteria to be registered for VAT, he must de-register. A request for de-registration should be made on the NBR's portal.

A person will remain a VATable person, liable for all his VAT obligations until the NBR approves the de-registration and notifies the person of his effective de-registration date.

8.1. Mandatory de-registration

If a person is registered for VAT in Bahrain, he must de-register within 30 days of any of the following events occurring:

He is	He must de-register
Resident / Non-resident	• If he no longer carries out an economic activity in Bahrain; or • If he has not made any VATable supplies for a period of 12 consecutive months
Resident	• If the total value of his annual VATable supplies in the last 12 months is below the voluntary registration threshold; and • The total value of his annual supplies[3] or annual expenses[4] is not expected to exceed this threshold in the next 12 months

8.2. Voluntary de-registration

8.2.1. Residents

A person may apply to the NBR to de-register on a voluntary basis if:

The value of his annual supplies during the last 12 months is below the mandatory registration threshold (BHD 37,500) but exceeds the voluntary registration threshold (BHD 18,750) and is not expected to exceed the Mandatory Registration Threshold of BHD 37.5K during the following 12 months.

A person who registered for VAT on a voluntary basis may not de-register on a voluntary basis until he has been registered for at least 24 months.

8.2.2. Non-residents

A non-resident person may not choose to de-register on a voluntary basis.

[3] Annual supplies should be understood in the same way as for the purpose of computing the mandatory VAT registration threshold (refer to section 2.1.3).

[4] Annual expenses mean business expenses subject to VAT in Bahrain at the rate of 10% (previously 5%) or at the rate of 0%