KINGDOM OF BAHRAIN

EXCISE GUIDE

AUGUST 2023

VERSION 1.2

Updated on: 6 October 2026

الجهاز الوطني للإيرادات

National Bureau for Revenue

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Updates to this guide

Version 1.1	**24 June 2025**	**Section 2.7** Scenarios of excise refund
Version 1.2	**6 October 2026**	**Section 2.7** Update on the excise refund amount related to re-exported case

1. Overview

This document sets out the general principles of Excise in the Kingdom of Bahrain. The main aim of this document is to provide:

An overview of the Excise rules and procedures in the Kingdom of Bahrain and, if required, how to comply with them; and

The necessary background and guidance to help in determining how an activity is treated for Excise purposes.

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.

1.1. Introduction

- In November 2016, the States of the Gulf Cooperation Council (GCC) agreed to implement Excise on specific harmful goods to encourage reducing the consumption of these goods.
- The Kingdom of Bahrain is committed to regional and international agreements, such as the Common Excise Agreement of the States of the GCC, to control the consumption of Excise goods.
- The Kingdom of Bahrain introduced Excise on the 30th of December 2017.
- The introduction of Excise is an initiative intended towards the consumption of healthier alternatives and away from the consumption of products that are harmful to human health and to the environment.

1.2. The Kingdom of Bahrain legal framework for Excise

Excise in the Kingdom of Bahrain is codified under the following texts:

Law No. (39) for the year (2017) ratifying the Common Excise Agreement of the States of the Gulf Cooperation Council

Law No. (40) for the year (2017) regarding the Excise

Excise Executive Regulations issued as per Ministerial Order No. (17) for the year (2017), details the rules for implementation in the areas covered within the Kingdom of Bahrain Excise Law

In addition to the laws mentioned above, Excise duty during import is subject to Unified GCC Customs Regulations.

The NBR may publish documents to provide guidance and / or clarify specific points relating to Excise rules. This may include guides like this one as well as public clarifications and interpretations of the Excise Law and the Executive Regulations.

2. How Excise works

2.1. Categories of Excise Goods

- Excise is applied to the following product categories:
  - Tobacco and its derivatives e.g., waterpipe tobacco "molasses", e-tobacco, cigarettes, pipe tobacco etc.
  - Carbonated drinks
  - Energy drinks
- The complete list of Excise products along with associated details like item description and list price is maintained by NBR.
  - This list is updated from time to time to reflect the latest list of excisable products and the corresponding market retail selling price.
  - The listed retail price of Excise products on the NBR list is used in the calculation of Excise due as mentioned in Section 2.2 Calculation of Excise.
  - The Excise goods list maintained by NBR can be accessed on NBR website.

2.2. Calculation of Excise

$$Excise\ due = Excise\ rate * Retail\ selling\ price\ of\ excise\ goods\ (exclusive\ of\ VAT\ \&\ Excise)$$

Excise is calculated using 2 components:

A. Excise rate

B. Retail selling price of Excise goods

A. Excise rate

Categories of Excise goods	Excise rate
Tobacco and its derivatives	100%
Carbonated drinks	50%
Energy drinks	100%

B. Retail selling price of Excise goods

- Retail selling price of the goods **exclusive of VAT and Excise** will be sold to the end consumer in the retail market. This price needs to be declared as mentioned below for each set of goods:
  - **For locally produced goods:** The retail selling price found in the Excise goods list on the NBR website is to be filed in the Excise returns submitted every Excise filing period with the NBR.
  - **For imported goods:** The retail selling price is to be declared on the Customs declarations at the point of entry at Customs. The retail selling price taken into calculation for Excise is calculated as the **greater of the following prices:**
    - The retail selling price found in the Excise goods list on the NBR website.
    - The retail selling price declared on the Customs declarations at the point of entry at Customs.

- All Excise products whether produced or imported into the Kingdom of Bahrain must be registered on NBR's Excise goods list before production/ importation:
  - Any Excise product listed in Excise goods list maintained by NBR is excisable in nature.
  - If any product falls under the Excise product category but is not listed on Excise product list, then it must be registered with NBR to be allowed to be released for consumption.

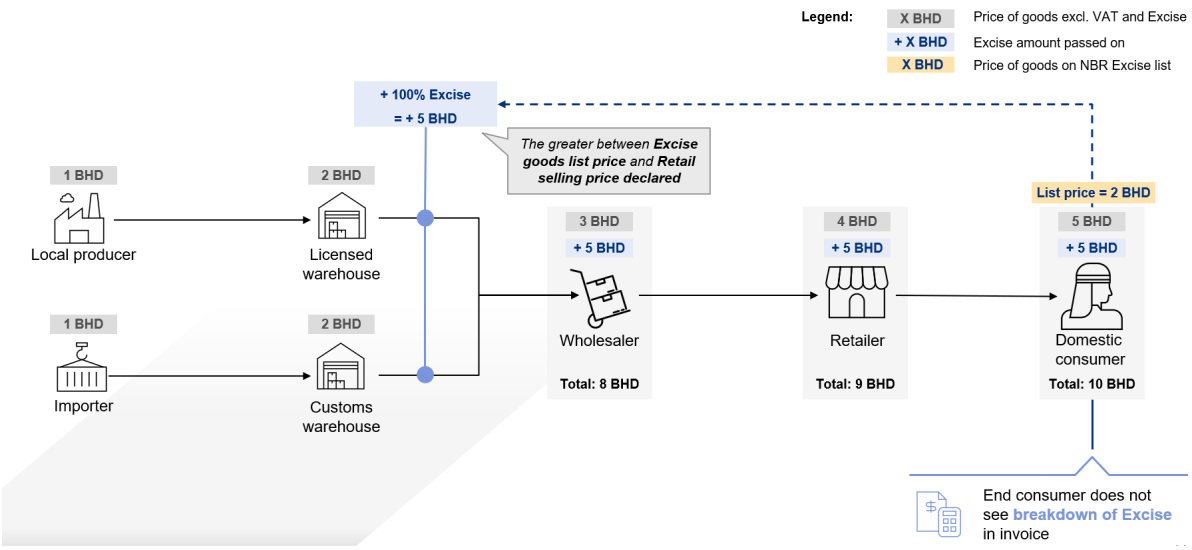

Figure 1: Illustrative calculation of Excise for a 100% Excise rate product

2.3. Excisable event

- Excise is due when Excise goods are **"released for consumption"** in retail, either upon being imported into the Kingdom of Bahrain or being locally produced within the Kingdom.
  - **Imported Excise goods:** Excise goods being imported into the Kingdom become liable for Excise due at the time of entry based on the purpose of importing.
    - Import for commercial purposes.
      - If the imported goods are stored in a Customs warehouse upon import, Excise is due once the goods are released from Customs warehouse.
      - If the imported goods upon entry into the Kingdom of Bahrain are not stored in a Customs warehouse, Excise is due once the goods are to be released outside of Customs jurisdiction.
    - Import for personal purposes.
      - If imported goods are for personal consumption, then Excise duty on such goods is paid at the point of entry into the Kingdom only if the quantity of the Excise goods is above the threshold set by GCC Unified Customs Agreement.
      - If imported goods for personal consumption are equal or lower than the quantity threshold set by GCC Unified Customs Agreement, then the goods are not subject to Excise duties.
      - For details on quantity threshold of Excise goods refer to Section 4.2 Entities liable for Excise payment.
  - **Locally produced Excise goods:** Excise goods locally produced in the Kingdom of Bahrain become liable for Excise due when they are released from the production facility or from licensed Excise warehouses to be sold in retail.

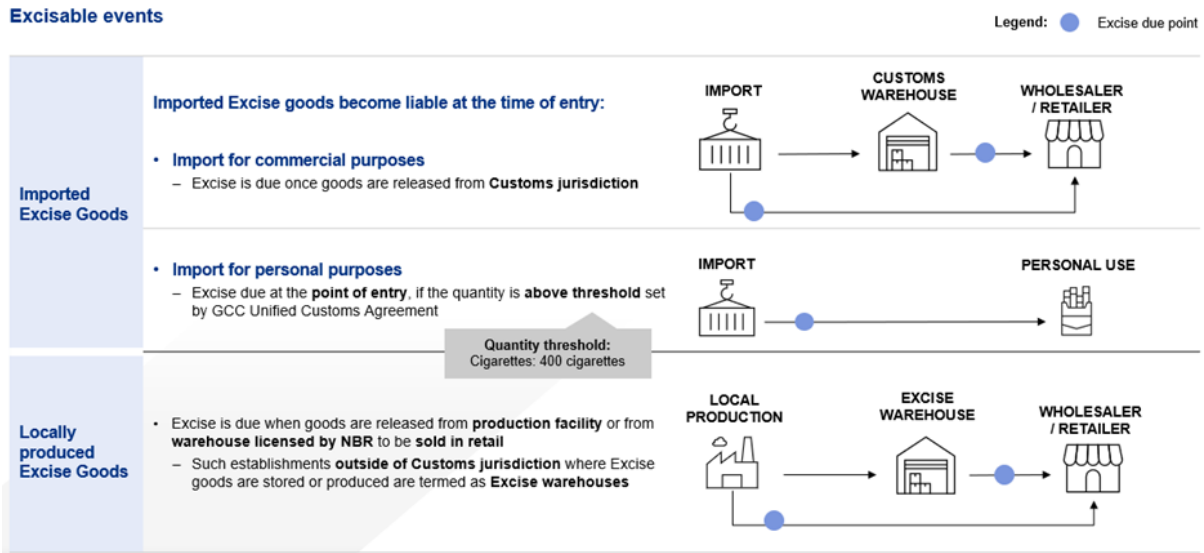

Figure 2: List of excisable events and point of release for consumption (Excise due)

- The exhaustive list of scenarios which are considered as release for consumption is detailed in Section 2.4 What is “Released for consumption”?
- Excise is levied only at the **point of release for consumption,** unlike VAT which has a supply chain effect**.** Below is an illustrative value chain of Excise:

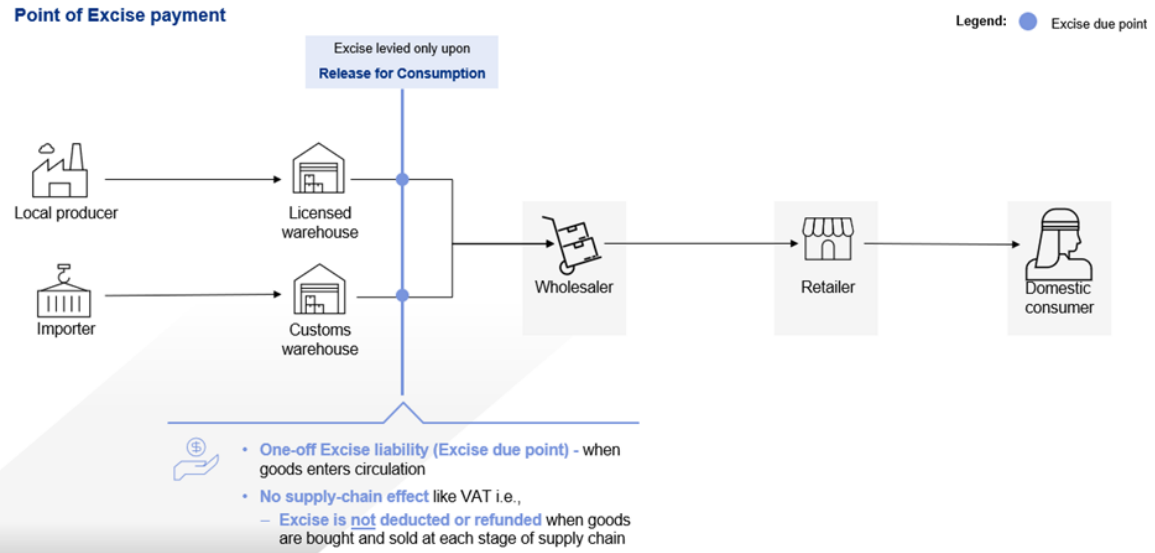

Figure 3: Excise value chain

2.4. What is “Released for consumption”?

- Excise goods are released for consumption and hence become liable for Excise due when any of the following activities are carried out:
  - **Release of locally produced Excise goods** for retail sale or consumption e.g., release from production facility or Excise warehouses.
    - Goods once released for consumption become liable for payment of Excise goods. Unlike VAT, Excise is not exempt or refunded in case goods turn obsolete or are returned from the market.
  - **Import of Excise goods** but not subject to Excise suspension arrangement i.e. Excise goods at the point of release from Customs.
  - **Possession of Excise goods on which Excise has not been paid** outside of Excise suspension arrangement. An illustrative list of scenarios that qualify as Excise suspension arrangement is listed in Section 2.5 Excise suspension arrangement.
  - In case of loss or destruction of Excise goods placed under Excise suspension arrangement and the licensee fails to provide evidence that the destruction or loss was caused beyond their control.
    - If the licensee successfully provides evidence that the destruction or loss is caused beyond their control, then the Excise due on those goods is exempted.

2.5. Excise suspension arrangement

- Excise suspension arrangement is any scenario where Excise due is suspended on the Excise goods within the Kingdom of Bahrain.
- Release of Excise goods on which dues have not been paid from Excise suspension arrangement makes the goods liable for Excise dues.
- Dues on Excise goods are suspended in any of the following cases:
  - Production of Excise goods in a licensed Excise warehouse.
  - Storage of locally produced Excise goods in a licensed Excise warehouse before being released for retail sale.
    - If Excise goods upon import through Customs are bound for Customs warehouse

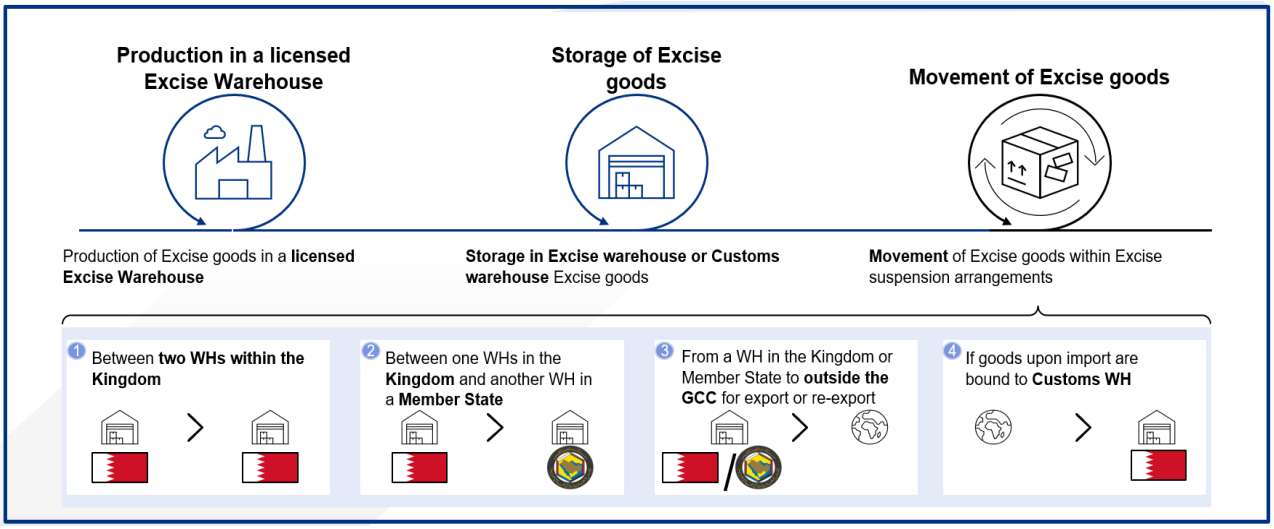

Figure 4: Scenarios considered as Excise suspension

- For more details on Excise warehouses, refer to Section 3 Excise warehouses

2.6. Declaration and Payment of Excise

- Excise due is reported and paid on Excise goods released for consumption based on if the Excise goods are locally produced or imported into the Kingdom of Bahrain.
  - **For Imported goods**
    - The entities liable to declare and pay Excise on imported goods are detailed in Section 4.2 Entities liable for Excise payment.
    - All such entities importing Excise goods must declare the details of excisable products to Customs at the time of import.
    - Details of the goods should be declared using the Customs declaration form as specified by Customs Affairs, Ministry of Interior.

- Excise dues on the imported products are paid to Customs at the point of release from Customs jurisdiction.

– **For locally produced goods**

- Entities producing Excise goods locally must declare and pay Excise dues to NBR.
- Declaration and payment of Excise due on locally produced goods is done by submitting an Excise return on NBR portal **within 15 days** from the end of the Excise period.
- Post successful submission of Excise filing, payment of Excise dues is to be made to the NBR.

Example
Company A imports concentrates (raw material) used for the production of carbonated drinks. Concentrates are excisable goods and so are finished carbonated drinks. Upon import, A declares and pays Excise due on the concentrates at Customs. Then the concentrate is used to produce a batch of carbonated drinks that are sold in retail. *When A files Excise return, they must mention the following to avoid double excise.* • *The released carbonated drinks (finished goods) as liabilities* • *The Excise paid on the concentrate (raw material) used to produce carbonated drinks (finished goods) to NBR as deductibles*

2.7. Excise Refund

Excise paid can be deducted or refunded in selected scenarios as below:

– Refund of excise paid on excise goods that were released for consumption in the Kingdom of Bahrain and exported outside the territory of the Gulf Cooperation Council countries.

– Refund of excise paid on excise goods that were released for consumption in the Kingdom of Bahrain and subsequently re-exported outside the territory of the Gulf Cooperation Council countries, provided that the value of the excise goods is not less than 2,000 Bahraini Dinars.

– Refund of excise paid on excise goods that were released for consumption in the Kingdom of Bahrain and later exported to a country within the Gulf Cooperation Council countries.

– Refund of excise paid on excise goods that were used in the production of other excisable goods.

– Refund of excise paid on excise goods that were paid in excess of the excise due.

– Refund of excise paid on non-consumable excise goods that are destroyed under the supervision of the Customs Affairs, provided that the concerned person notifies the NBR prior to the destruction process and complies with all conditions and requirements specified by the NBR.

– Further details can be found in the Excise Refund and Deduction Guide.

Note: Tobacco Excise payers should take into consideration deactivating/cancellation of digital stamps prior to the destruction of excise goods. Further details can be found in the Digital Stamps Scheme Manual.

2.8. Impact of Excise on the price charged to customers

- Outside of the retail sector, whether the price of supplies of goods and services can be increased by an additional amount of Excise depends on the contract between the supplier and the customer.
- Any entity down the supply chain after the importer or local producer of Excise goods, including end consumers, will not be able to recover the Excise charged on their expenses.
- Unlike VAT, Excise does not have a cascading supply chain effect. Excise is levied by NBR or Customs at a single point and may be passed down the supply chain based on the contract between the supplier and the customer.
- Unlike VAT, the end consumer will not see Excise as a breakdown on their invoice.

3. Excise warehouses

3.1. Overview

- Excise warehouses are designated establishments permitted by NBR for the production, transfer or storage of locally produced or imported Excise goods without attracting Excise dues.
- Goods placed in an Excise warehouse fall under Excise suspension arrangement and hence are not liable for Excise during the period they are housed in the Excise warehouse.
- Excise goods become liable for Excise the moment they are released from Excise warehouses and hence must be reported in the Excise filings.
- Each Excise warehouse is provided an Excise warehouse license by NBR that designates the warehouse's status to operate and be classified as an Excise suspension arrangement.
- The Excise warehouse license is **valid for a period of 12 months** after which it must be renewed for the Excise warehouse to remain operational as an Excise suspension arrangement.
- The licensee is provided a license certificate for the possession of an Excise warehouse which they must present upon the request of NBR whenever necessary.

3.2. Eligibility criteria

- The entity owning the establishment to be licensed must be registered for Excise.

  - In case the Excise warehouse is owned by non-excise registered entity, the liability to apply for a warehouse license falls on the beneficiary of that warehouse (one who transfers/ stores/ produces excisable goods) who is registered/ required to register for Excise purposes.
- Location of the establishment must be within the Kingdom of Bahrain but outside the Kingdom Customs jurisdictions.
- If the establishment is involved in the production of Excise goods and registered with MOIC, it must have an active Industrial license issued by MOIC.
- The establishment must furnish one of the following purposes:
  - Production and/or storage of goods before release into retail
    - Exception: Any location where Excise goods are immediately consumed at the site of production is not eligible for Excise warehouse license
  - Duty-free zones/shops
    - Exception: Any other location where Excise goods are directly sold to consumers is not eligible for Excise warehouse license

3.3. Applying for a new Excise warehouse license

The owner of the location being used for production, transfer or storage of Excise goods is required to apply for the Excise warehouse license with NBR through the NBR portal.

- The applicant must already be registered for Excise with NBR

- In case the Excise warehouse is owned by non-excise registered entity, the liability to apply for a warehouse license falls on the beneficiary of that warehouse (one who transfers/ stores/ produces excisable goods) who is registered/ required to register for Excise purposes.

- The information sought during the application of a new Excise warehouse license:
  - **General information:**
    - All information regarding Excise business activity is aligned with the Excise registration details of the applicant that are present with NBR. Hence, it is important that Excise registration details of the applicant are up to date.
    - Additional information regarding warehouse e.g., purpose of warehouse, Excise product list to be produced/stored at the warehouse are sought from the applicant.
  - **Financial guarantee:**
    - All applicants are required to submit a financial guarantee that covers the entire Excise due on the products stored in the warehouse.
    - Applicants must fill in details required for calculation of financial guarantee as a part of application e.g., item codes/names, retail selling price, quantity of each item etc.
    - Applicants may ask for financial assistance on the financial guarantee citing legitimate causes and proofs of the same.
    - Financial assistance if approved by NBR translates to a discount on the final financial guarantee amount to be paid by the applicant
    - Upon being notified by NBR of the final financial guarantee amount to be submitted, the applicant must provide details of the financial guarantee on NBR portal and must submit a physical copy of financial guarantee at NBR headquarters.
    - Further details regarding financial guarantee are addressed in Section 3.5 Financial guarantee.
  - Applicants must declare their financial health as part of the application through appropriate documents i.e. financial statements, sales data etc.
- Upon submission of the application, NBR shall review the same and inform the applicant regarding their decision.
- For further details on the licensing process and step-by-step application process, refer to Excise Registration Manual

3.4. Renewal of Excise warehouse license

- Excise warehouses licenses are valid for a period of 12 months after which they must be renewed for the Excise warehouse to remain operational as an Excise suspension arrangement.
  - If Excise warehouses are not renewed before expiry, then the license stands expired, and the establishment is no longer qualified as an Excise suspension arrangement.
  - Not being classified as an Excise suspension arrangement entails that all Excise goods in the warehouse become liable for Excise as soon as the license expires.
- Renewal can be done within a period of **90 days** before the expiry of the current license.

If the renewal application was submitted during the period mentioned above and the validity period of the previous license expired without a renewal decision being issued, the previous license shall be valid until a renewal decision is issued by the NBR. This will only be applicable to the Excise warehouses, as customs warehouses will follow customs procedures.

- The information sought during application of Excise warehouse license renewal:
  - **General information:**
    - Licensees must ensure their MOIC and Excise registration details are the latest at all points in time as the license details are aligned with MOIC and Excise registration.
    - Entities can update select warehouse-specific details during renewal of Excise warehouse license e.g., purpose of warehouse, Excise product list etc.
  - **Financial guarantee:**
    - The financial guarantee submitted to NBR must be renewed with renewal of license.
    - Recalculation of financial guarantee takes place each time the Excise warehouse is renewed.
    - Applicant must fill in details required for re-calculation of financial guarantee as a part of application e.g., item codes/names, retail selling price, quantity of each item etc.
    - Applicant may ask for financial assistance on the financial guarantee citing legitimate causes for the same.
    - Upon being notified by NBR of the recalculated financial guarantee amount to be submitted, the applicant must provide details of the financial guarantee and upload a scanned copy of it on NBR portal. The applicant is also required to submit a physical copy of the financial guarantee at NBR headquarter.
  - Applicant must declare their financial health as part of the application through appropriate documents i.e. financial statements, sales data etc.
- Upon submission of the application, NBR shall review the same and inform the applicant regarding their decision.

3.5. Financial guarantee

- Financial guarantee obtained from a legitimate bank is a mandatory requirement for a new Excise warehouse license and renewal of Excise warehouse license.
- Financial guarantee covers the worth of Excise that may become due to excisable events related to the specific warehouse.
  - The guaranteed amount may be submitted as a single document or multiple documents.
  - The total amount secured through one or multiple financial guarantee documents must total the amount requested by NBR.

- A legitimate financial guarantee document consists of the following elements:
  - It must be authorized by a legitimate bank.
  - It must carry a unique document reference number.

  The entity responsible for the financial guarantee must be the same as the Licensee who is the owner of the Excise warehouse.

  In case the Excise warehouse is owned by a non-excise registered entity, the liability to apply for a warehouse license falls on the beneficiary of that warehouse (one who transfers/ stores/ produces excisable goods) who is registered/ required to register for Excise purposes.
  - Document must have a validity period with start date and end date.
  - The total amount of the financial guarantee/ guarantees must be as notified to the Licensee by NBR
  - The expiration date of the financial guarantee must match the end of licensing period of the warehouse for which the guarantee is being submitted.
- The financial guarantee is calculated by NBR based on the following quantities:
  - Quantity of Excise goods held in Excise warehouse.
  - Quantity of Excise goods being released for consumption over the course of a calendar month.
  - Quantity of Excise goods being placed under Excise suspension arrangement over the course of a calendar month.
- If there are multiple Excise warehouses licensed by an entity, a financial guarantee is to be submitted by Licensee for each of the Excise warehouses of the amount intimated by NBR.
- Applications for new warehouse licenses or license renewal must carry the details necessary to calculate the financial guarantee.
- Applicants may choose to ask for financial assistance that translates to a discount on the financial guarantee to NBR citing legitimate reasons and accompanying proofs.
  - NBR holds the right to accept or reject the request for financial assistance made by the applicant.
- Upon intimation by NBR, applicants must provide details of the financial guarantee and upload a scanned copy of it on NBR portal. The applicant is also required to submit a physical copy of the financial guarantee at NBR headquarter for approval of the application.
- For further details on financial guarantee and step-by-step guide on filling up information for the same, refer to Excise Warehouse Licensing manual.

3.6. Recalculation of financial guarantee

- Any existing financial guarantee is recalculated in the following scenarios:
  - Renewal of warehouse license by Licensee
  - Amendment of Excise product list associated with Excise warehouse by licensee.
  - Liquidation of financial guarantee by NBR in the event of non-compliance in payment of Excise dues by Licensee
  - Expiry of financial guarantee before the expiry of warehouse license
- NBR may recalculate the amount of financial guarantee at its discretion whenever it has reasonable grounds that the license applicant is incorrect.
- Any time the financial guarantee is recalculated, the Licensee is notified to submit the revised amount as a financial guarantee.

3.6.1. Release of financial guarantee

- Financial guarantee is released by NBR in the following scenarios:
  - Renewal of an Excise warehouse license associated (the original guarantee is released and a new guarantee with recalculated amount is sought)
  - Cancellation of the Excise warehouse license
  - Expiry of the financial guarantee
- Upon intimation from NBR regarding release of financial guarantee, Licensee must collect the physical copy of the guarantee from NBR office.

3.7. Amendment of Excise warehouse license details

- Any change in warehouse details i.e. warehouse address, purpose of warehouse, change of Excise products being produced/stored, etc. must be notified to NBR
- The licensee must ensure the Excise warehouse license details always reflect the latest information regarding business activities of the warehouse.
- Licensee may choose to change their license details at any point by logging onto the NBR portal. They may also update details during license renewal.
- The various information captured in Excise warehouse license is as follows:
  - **General information:**
    - The business details of the entity and warehouse that are aligned with existing Excise deregistration details of the licensee e.g., business name, CR number, industrial license, warehouse address etc.
    - Warehouse specific details e.g., warehouse purpose, product list etc. can be edited by the licensee by directly amending the warehouse license or during the renewal of license.

- **Excise product list associated with warehouse:**
  - Licensee can update the Excise product list associated with the Excise warehouse at any time.
  - A change in the list of products being produced or stored in the warehouse may lead to recalculation of financial guarantee and the recalculated amount shall be intimated to the applicant upon approval.
  - If the financial guarantee amount is revised as part of amendment of license details, then Licensee must submit the revised amount as new financial guarantee.

- Upon approval of amendment request, the new details shall be reflected in the license certificate.
- Licensee must utilize the latest Excise warehouse certificate for all purposes wherever necessary.

3.8. Cancellation of warehouse license

- Cancellation of license for Excise warehouse can be requested by licensee at any time. Licensees may apply for license cancellation by submitting a request on NBR portal.
- If any of the following conditions are satisfied, then the Excise warehouse license must be cancelled.
  - Failure to use the Excise warehouse for the purpose it is licensed for, for a period exceeding **90 days.**
  - Expiry of CR of the license applicant's company
- NBR holds the right to cancel Excise warehouse license of any licensee, if any of the above conditions are satisfied. The licensee shall be notified of the decision taken by the NBR, provided it specifies the effective date of the cancellation of the license.
  - **Note:** If the warehouse license is not renewed before the expiration date of the license, cancellation of the license is automatically triggered by NBR
- The following conditions must be satisfied for approval of license cancellation request:
  - The licensee must have cleared all pending liabilities with NBR e.g., Excise dues, penalties etc.
  - **Details and filing on residual goods in warehouse:** Licensee must submit, as part of application, type, quantity, and price of all the Excise goods in the warehouse as of the date of submission of license application. They must also file Excise returns on the products for the application to be processed successfully.
- **Note:** The goods present in the Excise warehouse become Excise liable with the cancellation of the license. It is thus, mandatory for licensees to submit details as part of cancellation of application and file Excise return on the Excise goods in the warehouse.
- In the event of the Licensee's death, the Excise warehouse license shall be transferred to the successors according to the following conditions and procedures:
  - Licensee's death certificate shall be submitted to the NBR.

- The License is effective at the time of Licensee's death.
- The Successor shall undertake the same activities undertaken by the Licensee in the Excise warehouse.
- Procedures:
  - The Successor shall provide a statement of the excise goods that are available in the Excise warehouse intended for license transfer under Excise suspension arrangement.
  - The License in this case, shall be effective for 3 months or for the remaining period whichever is less.
  - If the Successor wishes to continue running the Excise activity of the Licensee for a period longer than the one referred to, they must submit a request to NBR before the license expiry for transferring the License to their name.
  - In case of license expiry without submission of the request, the Excise warehouse license shall be deemed cancelled.

- For more details on cancellation of Excise warehouse license and step-by-step guide refer to Excise Registration Manual

4. Entities liable for Excise

4.1. Entities liable for Excise registration

- An entity that falls under any of the following categories must register itself for Excise with NBR before conducting any Excise activity:
  - Entity involved in **import of Excise goods** for commercial purposes.
    - Passengers importing Excise goods for personal usage are not required to register themselves on NBR portal, although Excise may be due to the products being imported if they are above the quantity thresholds.
  - Entity involved in **production of Excise goods** for commercial purposes.
  - Entity involved in **possession of Excise goods** under Excise suspension arrangement e.g. Excise warehouses for commercial purposes
- Registration for Excise with NBR is a pre-requisite to carry out any commercial Excise activity within the Kingdom of Bahrain.
- Failing to register prior to conducting Excise activity is punishable through legal sanctions and/or administrative penalties by NBR.

4.2. Entities liable for Excise payment

- Any entity that falls under any of the following categories is liable for payment of Excise:
  - **Entity conducting commercial Excise activity.**
    - Any **import** of Excise goods, outside Excise suspension arrangement

      If Excise goods are imported into the Kingdom of Bahrain, Excise is liable for them at the point of release from Customs.
    - Any **production** of Excise goods, outside Excise suspension arrangement

      If Excise goods are produced in an establishment that is not licensed as Excise warehouse, then the goods become liable for Excise immediately post-production.
  - **Entity conducting import of Excise goods above quantity threshold for personal use**
    - If passengers carry Excise goods above the quantity threshold, they shall be made liable to pay Excise dues on them at the point of entry into the Kingdom of Bahrain.
      - Excise goods meant for personal usage carried by passengers are exempt from Excise dues if the quantity is under the threshold.
    - The quantity threshold for personal usage is as per GCC Unified Customs Regulations
      - For cigarettes, quantity threshold is set at 400 cigarettes.
      - For more information refer to GCC Unified Customs Regulations

Example
Consider the 3 cases: • *A is a passenger who is carrying 40 cigarettes in their luggage when they arrive into the Kingdom of Bahrain airport.* • *B is another passenger who is carrying 500 cigarettes in their luggage when they arrive into the Kingdom of Bahrain airport.* • *C is a registered commercial entity that is importing a shipment of cigarettes into the Kingdom of Bahrain.* *A is not required to pay Excise duties on the cigarettes in their luggage since it is below Customs threshold.* *Both B and C are required to declare and pay Excise duties on the imports since it is above Customs threshold for personal consumption for B and it is commercial import in case of C*

- Excise dues are suspended on any Excise goods which are under Excise suspension arrangement.
  - Excise is liable to be paid on such goods once the Excise goods are released from Excise suspension arrangement.
  - The complete list of scenarios that qualify as Excise suspension arrangement is listed in Section 2.5 Excise suspension arrangement

5. Digital Stamps Scheme

The Digital Stamps Scheme is a supervisory system to track excise goods from the manufacturing stage to the point of consumption to limit instances of illicit trade within the Kingdom of Bahrain, thereby reducing the possibility of Excise evasion.

According to this scheme, a digital stamp is placed to contain security features and codes to prevent the circulation of inauthentic excise goods, as the digital stamps will be scanned at the Kingdom of Bahrain entry points to ensure the authenticity of these goods, as well as the efficient and timely collection of due government revenues.

The Digital Stamps Scheme applies to:

- Cigarettes
- Waterpipe tobacco “molasses” products
- Some excise goods of tobacco products that include:
    - Electronically heated tobacco products (EHTP)
    - Jirak
    - Chopped or pressed tobacco for pipes
    - Chopped or pressed tobacco for dokha
    - Chopped or pressed tobacco for cigarettes

Figure 5: Illustrative Image of Digital Stamp on Cigarettes

- Registration for the Digital Stamps Scheme is required by Excise payers who manufacture excise goods, import them or release them from customs suspension and are responsible for placing them on the specified excise goods. Once the Digital Stamps Scheme is implemented, it will work as follows:

- Placing an order to obtain digital stamps will be available for registered excise payers with NBR who import cigarettes, waterpipe tobacco “molasses” products and some of the specified other tobacco products.
- Orders will be reviewed by the NBR, and upon its approval, the physical digital stamps will be shipped to the specified manufacturer in order to be placed on each product.
- The products will be shipped from the manufacturer to the Kingdom of Bahrain.
- Customs Affairs will verify the presence of valid and activated physical digital stamps on the shipments upon arrival. Note that Customs Affairs will not release any product that does not have valid and activated digital stamp placed starting from the enforcement date.

For details on Digital Stamps Scheme, please refer to Digital Stamps Scheme Manual or Excise FAQ section 8 – available on NBR’s website.