

Bahrain Country by country reporting regulations

Following the recent ratification of the OECD Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports, Bahrain has now released the Country by country reporting (CbCR) regulations for multinational enterprises.

What is CbCR?

Large Multi-National Enterprises (MNEs) will have to provide an annual report that breaks down key elements of the financial and tax information relating to the global allocation of their income and taxes, among other indicators of economic activity, by each jurisdiction that they operate in.

CbCR in Bahrain

- Ministry of Industry, commerce and Tourism (MOICT) in Bahrain released Decision No. 28 of 2021 to introduce CbCR regulations from the financial year beginning on or after 1st January 2021
- CbCR regulations will apply to multinational enterprise (MNE) having consolidated revenues equal to or exceeding **BHD 342 million** in the preceding financial year (i.e. in year 2020).
- CbC notification will need to be filed by last day of the financial year (i.e. for year 2021 to be filed by 31st Dec 2021)
- CbC report will need to be filed within 12 months after the end of the financial reporting year (i.e. for year 2021 to be filed by 31st Dec 2022)
- MOICT will issue guidelines related to filing of CbC notification and report in due course. In line with standard OECD model, Cbc report content is expected to include financial information relating to revenues, profits/losses before income tax, income tax paid, income tax accrued, capital, accumulated earnings, number of employees, and tangible assets other than non-cash or cash-equivalent assets, along with details about business activities conducted and other disclosures and explanations provided by the MNE, with respect to each jurisdiction in which the MNE operates.
- Failure to comply with the CbC rules would result in the imposition of penalties.

If you would like to discuss any CbCR matters, please drop us an email at info@premier-brains.com

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- Business Accounts Outsourcing Services

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- Company incorporations (under group entities)

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