

Indirect Tax Update

NBR announces conditions and procedure to opt for VAT annual return

22nd March 2020

Dear Valued Clients,

This is with reference to the earlier announcement made by the National Bureau for Revenue (NBR) regarding the simplified VAT annual return to facilitate Small & Medium Enterprises (SMEs) whose annual supplies are less than BHD 100,000/- (*please refer attachment*).

In line with the announcement, NBR has introduced an optional annual VAT return for taxpayers fulfilling all of the following conditions:

- The taxpayer is a resident in Bahrain
- The taxpayer is not part of a VAT group
- Annual supplies made by the taxpayer are below BHD 100,000/-

Where the taxpayer fulfills the aforementioned conditions, the taxpayer may opt to change the filing frequency on the NBR portal. It should be noted that, changing the filing frequency to annual is not a mandatory requirement set by the NBR.

Further, where the taxpayer opts for annual filing frequency, the first annual VAT period will be 1st January 2020 to 31st December 2020 for which the filing period will be 1st January 2021 to 31st January 2021.

In order to submit the annual VAT return for 2020, taxpayers will be required to obtain NBR's prior approval. Taxpayers, who wish to opt for annual filing, are required to submit their application for annual filing frequency latest by 29th March 2020 by requesting for a change in filing frequency on the NBR Portal. To this effect, NBR has also updated the 'Change of VAT Return Filing Frequency Manual' with an additional section regarding annual filing.

For any assistance regarding the change in VAT filing frequency, please [contact us](#).

Philippe Norré

Partner
T: +973 17201400
E: pnorre@kpmg.com
KPMG Fakhro

Ali AlMahroos

Director
T: +973 17201459
E: aalmahroos@kpmg.com
KPMG Fakhro

Adria Campbell

Manager
T: +973 17201403
E: abugeac@kpmg.com
KPMG Fakhro

Nik Faiziman Affandi

Manager
T: +973 17201457
E: naffandi@kpmg.com
KPMG Fakhro

Hasan Khalaf

Manager
T: +973 17224807
E: hakhalaf@kpmg.com
KPMG Fakhro

Shashank Chandak

Manager
T: +973 17201462
E: shashankchandak@Kpmg.Com
KPMG Fakhro

[Privacy](#) | [Legal](#)

©2020 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry, Commerce and Tourism (MOICT), Kingdom of Bahrain and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

home.kpmg/bh



