



August 2021

## BEPS Inclusive Framework – FAQs

On 1 July 2021, in a historic agreement, 130 countries approved a statement providing a framework for reform of international tax rules. These countries (including **Bahrain**) are members of the OECD/G20 Inclusive Framework on BEPS, comprising 130 countries. The statement sets forth the key terms for an agreement of a two-pillar approach to reforms and calls for a comprehensive agreement by the October 2021 G20 Finance Ministers and Central Bank Governors meeting, with changes coming into effect in 2023.

Pillar One of the agreement is a significant departure from the standard international tax rules of the last 100 years, which largely require a physical presence in a country before that country has a right to tax. Pillar Two secures an unprecedented agreement on a global minimum level of taxation which has the effect of stipulating a floor for tax competition amongst jurisdictions.

What does this mean for Bahrain businesses and will this act as a catalyst for the introduction of corporate tax in Bahrain?

Whilst BEPS may be a complex subject - the KPMG Bahrain tax team has prepared a handy [FAQs guide](#) to help readers decode the theory behind the Global Minimum Tax and how this may impact the tax landscape in Bahrain.

*The above is for general information only and is not intended to address the circumstances of any particular scenario. Please seek professional advice in relation to your particular circumstances.*

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