



Tax Alert



17 July 2023

Bahrain Corporate Income Tax (CIT) – How to calculate ‘taxable income’?

On 23 May 2023, the Bahrain Minister of Finance and National Economy confirmed the introduction of CIT in Bahrain during the weekly parliamentary session. Bahrain is expected to implement a standard CIT regime similar to other jurisdictions. With the UAE implementing CIT from 1 June 2023, we have entered a new era for tax in the region with Bahrain currently being the only GCC country without a broad-based CIT. Given the Bahrain CIT is likely to apply to all commercial activities with limited exclusions, this will be a paradigm shift for Bahrain businesses.

In our latest publication, we have discussed what CIT is, what Bahrain CIT regime may look like and how ‘taxable income’ is calculated based on general principles and CIT laws of some of the other GCC countries.

Click [here](#) to read our latest Tax Insights on Bahrain CIT and calculation of ‘taxable income’.

For a detailed discussion on how the above may impact your business, [contact us](#).

Mubeen Khadir

Partner - Head of Tax & Corporate Service

T: +973 3222 6811

E: mubeenkhadir@kpmg.Com

home.kpmg/bh

© 2023 KPMG Fakhro, a Bahrain partnership registered with the Ministry of Industry and Commerce (MOIC), Kingdom of Bahrain and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Throughout this release, “we”, “KPMG”, “us” and “our” refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.