

Bahrain Dispute Resolution Profile

(Last updated: 24 September 2018)

General Information

- **Bahrain tax treaties are available at:**

<https://www.mof.gov.bh/RulesandPolicies.aspx>

- **MAP requests should be made to:**

Enterprise Tax Directorate

Bahrain Competent Authority, Ministry of Finance

P.O BOX 333

Kingdom of Bahrain

Tel No: +973 17575258 | e-Fax No: +973 17518947

E-mail: CompetentAuthority@mof.gov.bh

Tel No. for General Inquiries: +973 17575799

- **APA requests should be made to:**

Same as above.

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	-	To date, Bahrain has never made or received a MAP request. However, if an agreement to resolve difficulties or doubts arising as to the interpretation or application of Bahrain's tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers were reached by the Bahrain Competent Authority (BCA) it would be published on the BCA page of the Bahrain Ministry of Finance (MOF) website.	https://www.mof.gov.bh/Page.aspx?i=MI16&m=Competent%20Authority
2.	Are bilateral APA programmes implemented? If yes:	-	To date, Bahrain has never made or received any APA request.	-
a.	<ul style="list-style-type: none"> Are roll-back of APAs provided for in the bilateral APA programmes? 	-	-	-
b.	<ul style="list-style-type: none"> Are there specific timeline for the filing of an APA request? 	-	-	-
c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available? 	-	-	-
d.	<ul style="list-style-type: none"> Are there any fees charged to taxpayers for a bilateral APA request? 	-	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
e.	<ul style="list-style-type: none"> Are statistics relating to bilateral APAs publicly available? 	-	-	-
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	Yes	MOF concerned officials are trained on the application of the provisions of Bahrain’s tax treaties through attending specialized training courses and on the job training.	-
4.	Is other information available on preventing tax treaty-related disputes?	No	-	-

Notes:

1. An APA is an “arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time”. (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* (“Transfer Pricing Guidelines”)).

2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of “roll-back” is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application (“Roll back”)) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure (“MAP APAs”)) of the Transfer Pricing Guidelines. Simply put, the “roll-back” of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	-	-
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	-	-
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes	In Bahrain, tax treaties, once in force, override all other domestic laws (other than the Constitution), with the result that the MAP provisions of Bahrain's tax treaties override domestic tax provisions.	-
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	Yes	BCA would, in such cases where the MAP applicant can show sufficient justification for the application, allow issues where there is already an audit settlement between the tax authority and the taxpayer to be the subject of a MAP, in accordance with the MAP provisions of the relevant tax treaty.	-
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign adjustments covered within the scope of MAP?	Yes	-	-
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	In Bahrain, tax treaties, once in force, override all other domestic laws (other than the Constitution), with the result that the MAP provisions of Bahrain's tax treaties override domestic law.	-
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	In Bahrain, tax treaties, once in force, override all other domestic laws (other than the Constitution), with the result that the MAP provisions of Bahrain's tax treaties override domestic law.	-
13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	Bahrain has adopted the OECD's MEMAP guidelines.	https://www.mof.gov.bh/Page.aspx?i=MI16&m=Competent%20Authority
14.	Are there specific timeline for the filing of a MAP request?	Yes	MAP requests should be filed in accordance with the MAP provisions of the relevant tax treaty and the OECD MEMAP guidelines.	https://www.mof.gov.bh/Page.aspx?i=MI16&m=Competent%20Authority
15.	Are guidance on multilateral MAPs publicly available?	No	-	-
16.	Are tax collection procedures suspended during the period a MAP case is pending?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
17.	Are there any fees charged to taxpayers for a MAP request?	No	-	-
18.	Is there any other information available on availability and access to MAP?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	-	Even though Bahrain has adopted the OECD's MEMAP guidelines to date, Bahrain has never made or received a MAP request and no model timeframes are available.	https://www.mof.gov.bh/Page.aspx?i=MI16&m=Competent%20Authority
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	-	To date, Bahrain has never made or received a MAP request and no statistics are available.	-
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	-	To date, Bahrain has never made or received a MAP request, however, interest or penalties would be dealt with as part of the MAP procedure.	-
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	No	To date, Bahrain has never made or received a MAP request and no information other than the designation of the BCA as the competent MAP authority and its adoption of the OECD MEMAP guidelines are publicly available.	https://www.mof.gov.bh/Page.aspx?i=MI16&m=Competent%20Authority
23.	Is MAP arbitration a mechanism currently available for the resolution of tax treaty related disputes in any of your tax treaties? If not:	No	-	-
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	Yes	-	-
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available?</p> <p>If yes:</p>	Yes	-	<p>Bahrain's domestic tax law, its tax treaties and a link to the OECD's MEMAP guidelines are available on the MOF website at:</p> <p>https://www.mof.gov.bh/</p>
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	No	-	-
25.	<p>Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?</p>	Yes	<p>MAP requests for multi-year resolutions should be filed in accordance with the MAP provisions of the relevant tax treaty.</p>	-
26.	<p>Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing adjustment (i.e. is</p>	No	<p>Bahrain's tax treaties with the Czech Republic, France, Malaysia and Thailand do not include paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention.</p>	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?			
27.	Is there any other information available on resolution of MAP cases?	No	-	-

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
D. Implementation of MAP Agreements				
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?	-	To date, Bahrain has never made or received a MAP request and no such timeframes are available.	-
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for a refund of the tax paid?	-	To date, Bahrain has never made or received a MAP request and no such timeframes are available.	-
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?	-	To date, Bahrain has never made or received a MAP request. However, any time limits will be met in accordance with the MAP provisions of the relevant tax treaty.	-
31.	Is there any other information available on the implementation of MAP agreements?	No	-	-