

The background of the top section of the page is a photograph of a sunset over a body of water. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water. In the distance, a city skyline is visible against the darkening sky. The overall color palette is dominated by blues, oranges, and yellows.

Tax alert

Country-by-Country Report

15 September 2019

Dear Valued Clients and Contacts,

On 3 September 2019, the Organization for Economic Cooperation and Development (“OECD”) published the Compilation of Peer Review Reports on Country-by-Country (“CbC”) Report. This is the second annual peer review for the Base Erosion and Profit Shifting (“BEPS”) Action 13 minimum standard which is Bahrain’s first annual peer review report.

The review covers three areas namely i) the domestic and legal framework, (ii) the exchange of information framework as well as (iii) the appropriate use of CbC reports. The key takeaways from the report insofar as Bahrain is concerned are as follows:

- Bahrain has yet to pass any legislation for implementing the CbC Reporting. Bahrain reports that it is in the preliminary stages of drafting legislation and expects to have this in place by the end of 2019. This supports our earlier tax alert dated 26 August 2019 on similar subject wherein we have speculated that the legal framework for implementing CbC Reporting in Bahrain could be as early as 2020.
- It is recommended by the OECD that Bahrain take steps to have qualifying competent authority agreement in effect with jurisdictions who are members of the BEPS Inclusive Framework. As highlighted in our earlier tax alert dated 26 August 2019, Bahrain’s Cabinet session recently decided to take the necessary constitutional procedures to ratify the CbC Multilateral Competent Authority Agreement (“MCAA”) for facilitating the exchange of CbC Reports.
- It is noted that Bahrain will not be exchanging CbC reports in 2019.

You may reach out to our local team of tax experts should you need any clarifications or assistance with regard to your tax affairs be it domestic or cross-border.

For more information, please [contact us](#).

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