# Excise Tax plan has been approved by the Prime Minister in Bahrain

October 2017

Dear valued clients,

The Prime Minister Prince Khalifa bin Salman Al Khalifa approved the decision to impose Excise Tax on the unhealthy products like tobacco, soft drinks, and energy drinks on the 16th October 2017 during the weekly Cabinet session.

The law governs the way of dealing with tax evasions, incurred penalties, refund of taxes, registration for the purpose of taxation, exemptions, and compliance requirements. The draft legislation is in compliance with the provisions of the Unified GCC Agreement on Excise Tax.

Based on the Unified GCC Agreement, the Excise Tax rates that will be imposed are:

- Tobacco products 100%
- Soft drinks 50%
- Energy drinks 100%

Source

For more information, please contact us.

Privacy | Legal

©2017 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.

**Philippe Norre**
Partner – Head of Indirect Tax
Tax and Corporate Services
E: pnorre@kpmg.com

**Ali Al Mahroos**
Senior Manager
Tax and Corporate Services
E: aalmahroos@kpmg.com