

Bahrain

1. Bahrain was first reviewed during the 2018/2019 peer review. This report is supplementary to that previous report (OECD, 2018^[2]).
2. There is no filing obligation for a CbC report in Bahrain yet.

Summary of key findings

3. It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2018/2019 peer review.
4. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2018/2019 peer review.
5. It is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017^[3]) relating to the exchange of information framework ahead of the first exchanges of information. This recommendation remains unchanged since the 2018/2019 peer review.

Part A: The domestic legal and administrative framework

6. Bahrain does not yet have legislation in place for implementing the BEPS Action 13 minimum standard. Bahrain reports that it is in the preliminary stages of drafting legislation.

(a) Parent entity filing obligation

(b) Scope and timing of parent entity filing

(c) Limitation on local filing obligation

(d) Limitation on local filing in case of surrogate filing

(e) Effective implementation

Conclusion

7. It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC reporting requirements as soon as possible. This recommendation remains unchanged since the 2018/2019 peer review.

Part B: The exchange of information framework

(a) Exchange of information framework

8. As of 31 March 2020, Bahrain has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2018/2019 peer review.

(b) Content of information exchanged

9. No changes were identified.

(c) Completeness of exchanges

10. No changes were identified.

(d) Timeliness of exchanges

11. No changes were identified.

(e) Temporary suspension of exchange or termination of QCAA

12. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

13. No changes were identified.

(g) Format for information exchange

14. No changes were identified.

(h) Method for transmission

15. No changes were identified.

Conclusion

16. It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2018/2019 peer review.

17. It is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating (OECD, 2017^[3]) to the exchange of information framework ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019 peer review.

Part C: Appropriate use

Appropriate use

18. No changes were identified.

Conclusion

19. Bahrain is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to appropriate use.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Bahrain take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible.
Part B	Exchange of information framework	It is recommended that Bahrain take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Bahrain has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Bahrain take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part C	Appropriate use	-

References

- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]



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