

The National Bureau for Revenue has released a non-exhaustive list of goods and services with indicative VAT treatments. This list is – in the words of the NBR – ‘intended to provide general information only’. Keypoint has added some notes.

## Food

### Zero-rated (0%)

- Food items listed in the GCC list of basic food items

### Standard rated (5%)

- Restaurants and coffee shops

Note: food items that are otherwise zero-rated but sold by, for example, a restaurant, café or school canteen are standard-rated.

## Education

### Zero-rated (0%)

- Educational services provided by kindergartens, pre-primary, primary, secondary and higher education institutions
- Subscription, application and administration fees
- Printed and digital books directly related to the curriculum
- Student accommodation provided by the educational institution
- Activities and trips organised if these directly relate to the curriculum

### Standard rated (5%)

- Professional education
- Vocational training provided by an educational institution that is not a licensed polytechnic educational institution
- School uniforms
- Stationery
- Activities organised by educational institutions for recreational purposes
- Electronic devices supplied by the institution
- Food and beverages offered at the institutions

### Out of VAT scope

- Educational services provided free of charge at government schools

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## Healthcare

### Zero-rated (0%)

- General medical health services<sup>1</sup>
- Specialist medical health services, including surgery<sup>1</sup>
- Dental services<sup>1</sup>
- Services related to the treatment of mental illnesses<sup>1</sup>
- Occupational or surgical health services<sup>1</sup>
- Speech therapy<sup>1</sup>
- Physiotherapy provided<sup>1</sup>
- Sight and hearing tests<sup>1</sup>
- Nursing care<sup>1</sup>
- Services to diagnose an illness (incl. the analysis of samples and x-rays<sup>1</sup>)
- Vaccinations<sup>1</sup>
- Health testing and screening that is undertaken under a local law, documented policy or contractual obligation<sup>1</sup>
- Cosmetic procedures provided as part of a medical condition
- Drugs, medicines, bandages and other medical consumables<sup>1</sup> (if included in the lists of zero-rated products as defined by the National Health Regulatory Authority<sup>2</sup>)
- Laboratory services<sup>1</sup>
- Transport services for patients or those injured
- Accommodation and catering services<sup>1</sup>
- Mortuary services<sup>1</sup>
- Medical consultations provided remotely by electronic communications

<sup>1</sup>If provided by a qualified medical professional or qualified medical institution

<sup>2</sup>Please visit the National Health Regulatory Authority's website for additional information regarding zero-rated medicines and health products.

### Standard rated (5%)

- Cosmetic procedures
- The supply of food and beverages to any person who is not a patient
- Parking and valet services
- Telephone, internet and electronic services, including TV rental services
- Accommodation provided to any person who is not a patient

### Out of VAT scope

- Healthcare services provided free of charge at government hospitals

Note: healthcare providers need to carefully consider the VAT treatment of mixed supplies.

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## Financial services

### Exempt

- Interest payments on loans (such as credit card, personal loans, mortgages and auto-loans)
- Currencies trading
- Investment fund services (such as issuance of stocks, bonds and derivatives)
- The issue or transfer of ownership of securities (equities or debt)
- Life insurance and reinsurance contracts
- Interest earnings received on bank deposits

### Standard rated (5%)

- General insurance
- Fees paid on remittances and money transfers
- Fees paid on issuance of cheque books
- Brokerage and intermediary services (such as agency services for trading securities)<sup>3</sup>
- Discretionary asset management (e.g., private banking-type services)<sup>3</sup>

<sup>3</sup>When remunerated by way of a fee or commission (such as transaction or management fees, both fixed and variable)

## Oil & gas

### Zero-rated (0%)

- Gasoline for vehicles
- Diesel fuel for vehicles and generators
- Motor oil
- Gas for cooking oven

## Real estate

### Exempt

- Sale and rental of real estate (residential, commercial and bare land)

### Standard rated (5%)

- Hotel accommodation
- Rental of function room and halls
- Car parking
- Management services, utilities, telecommunications, internet and television charged for separately and in addition to the rent
- The lease of serviced office space where the customer does not have the right to use a designated space on an exclusive basis
- Brokerage or property agent fees in relation to the sale or rental of real estate

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## Construction of new buildings

### Zero-rated (0%)

- Construction services, including:
- Construction works
- Site clearance services
- A new extension to an existing building
- Services provided by engineers and surveyors for supervisory purposes
- Goods supplied as part of the construction services where the goods are used, installed or incorporated into the building or its location, including:
- Building materials – such as bricks
- Fixtures and equipment to the extent that these are permanently affixed to the building and cannot be removed without causing damage
- Goods supplied to conduct civil engineering works
- Goods supplied to connect the building to a water supply and telecommunications services
- Photovoltaic cells and equipment to produce electricity and hot water

### Standard rated (5%)

- Construction works to an existing building, unless it relates to a new extension of an existing building
- Demolition of existing buildings
- Architects' and interior design fees
- Restoration works
- Fixtures and equipment not permanently affixed to the building and which can be removed without damage (such as furniture, decorative lighting or artwork)
- Any goods or services supplied after the building has been completed

## Transportation services

### Zero-rated (0%)

- Local transport of goods and passengers in Bahrain such as buses and taxis
- Airplane tickets from one place in Bahrain to a place outside of Bahrain

### Standard rated (5%)

- Vehicle purchases
- Vehicle rental without a driver
- Transportation services for food delivery services
- Transportation services for sightseeing or leisure purposes

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## Telecommunication services

Standard rated (5%)

- Fixed phone services (that is, landlines)
- Home internet and WiFi services
- Mobile phone services used in Bahrain, such as calls, texts and data

Note: Roaming services used outside Bahrain are zero-rated.

## Imports and exports

Zero-rated (0%)

- Export of services
- Import of basic food items<sup>4</sup>
- Import of medicines and medical equipment<sup>5</sup>

<sup>4</sup>Food items listed in the GCC list of basic food items

<sup>5</sup>If approved by the National Health Regulatory Authority

Standard rated (5%)

- Services provided in Bahrain by a foreign company

Exempt items

- Import of equipment used by persons with special needs
- Import of personal baggage and used household items
- Import of gifts carried by passengers