

Economic substance | MoICT updates ESR deadlines

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Contact us:



Mubeen Khadir
Senior Director
mubeen.khadir@keypoint.com
+973 1720 6879



Mohammed Ashraf
Senior Director
mohammed.ashraf@keypoint.com
+973 1720 6840



Raman Ohri
Senior Manager
raman.ohri@keypoint.com
+973 1720 6814



In Resolution 106 of 2018 and in additional guidance issued in January 2020, Bahrain's Ministry of Industry, Commerce and Tourism (MoICT) set out how businesses registered in the country must 'validate their economic substance'. In essence, Bahrain-registered businesses must prove that they have genuine commercial operations and management in the country, rather than establishing a presence here simply for tax reasons. The CBB issued a similar directive (OG/499/2018) to all of its licensees.

MoICT has now informed all companies whose financial year ends on 31 December and were due to file an ESR report by 31 March 2020 that the reporting deadline has been extended to 30 June 2020.