

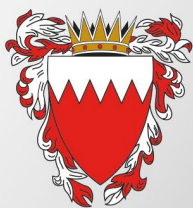
KINGDOM OF BAHRAIN

GUIDE TO THE SCOPE OF THE DMTT LAW AND REGISTRATION REQUIREMENTS

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National Bureau for Revenue

Preface

This document sets out general principles relating to the scope of Decree-Law No. 11 of 2024 Regarding the Implementation of Tax on Multinational Enterprises (the “DMTT Law”) and its Executive Regulations issued under Decision No. (172) of 2024 (the “Regulation”) and to requirements relating to registration of entities that are within the scope of the DMTT Law.

This guide is intended to provide general information only and contains the current views of the National Bureau for Revenue (NBR) on its subject matter. This guide is not a legally binding document and does not commit the NBR or any other person, including an entity within the scope of the DMTT Law, in respect of the application of the DMTT Law. This document should be used as a guideline only and is not a substitute for obtaining competent legal advice from a qualified professional.

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Updates to this guide

Version 1.1	1 December 2025	Section 8 The update clarifies the registration treatment for newly established entities and explains how the 120-day registration period is counted.
Version 1.2	31 December 2025	Section 8 Further details on the registration treatment for newly established entities.

1. Introduction

1.1. Background

In 2018, the Kingdom of Bahrain (“Bahrain”) joined the Inclusive Framework of the Organisation for Economic Cooperation and Development (“OECD”). The OECD introduced Pillar 2 as part of its BEPS 2.0 project to establish a global minimum tax rate to ensure that multinationals are taxed at a minimum level, in all jurisdictions in which they operate. The agreed minimum tax rate is 15%.

As a member of the Inclusive Framework, Bahrain issued Decree-Law No. 11 of 2024 on 1 September 2024 which introduces the global minimum tax (in the form of a domestic minimum top-up tax (“DMTT”)) for Multinational Enterprises (the “DMTT Law”) which takes effect from 1 January 2025. In addition, Bahrain issued Executive Regulation No. 172 of 2024 on 12 December 2024 (the “Executive Regulations”).

1.2. Purpose of This Guide

The purpose of this guide (“Guide”) is to provide a high-level overview of the scope of the DMTT Law (i.e. what entities fall within its scope) and to outline the registration requirements and process relevant for such entities. High-level information is also provided on certain “safe-harbours” and an exclusion which may reduce the tax liability of in-scope entities to zero. The Guide also provides information on who is required to register for DMTT and on the registration process.

This Guide is intended to provide general information only with regards to the identification of the entities that are subject to the DMTT Law and the registration process. It is not intended to be exhaustive or to cover every matter that would need to be considered by a Multinational Enterprise Group when considering the impact of the DMTT Law on them.

2. Scope of the DMTT Law

2.1. Introduction

The DMTT Law applies to Constituent Entities of a Multinational Enterprise Group where those Constituent Entities are located in Bahrain and where the Multinational Enterprise Group meets the EUR 750 million Revenue Test. These terms are discussed further below in this Guide.

The DMTT Law also applies to Joint Ventures (as defined) and their subsidiaries. Essentially, a Joint Venture is an entity which is at least 50% owned by the Multinational Enterprise Group, but whose financial results are reported using the equity method in the Consolidated Financial Statements of the Ultimate Parent Entity of the Multinational Enterprise Group.

Certain entities (Excluded Entities) are not within the scope of the operative provisions of the DMTT Law. However, their revenue is taken into account when determining whether the Multinational Enterprise Group has met the Revenue Test, and such entities may be subject to certain administrative obligations under that Law. Excluded Entities are discussed further in section 5.

A Multinational Enterprise Group or its Constituent Entities located in Bahrain may benefit from certain “safe harbour” provisions or an exclusion which may allow the Multinational Enterprise Group to reduce the tax due under the DMTT to zero. Certain administrative obligations (including those relating to registration and filing tax returns) will still apply to Constituent Entities located in Bahrain that benefit from a safe harbour provision or an exclusion.

Each Multinational Enterprise Group which has entities located in Bahrain within the scope of the DMTT Law must appoint a Filing Constituent Entity who will be responsible for the primary compliance obligations (such as filing, payment of tax) for all of the entities. See section 7 for further information on the appointment and responsibilities of a Filing Constituent Entity.

2.2. Relevant Definitions

2.2.1. Definition of “Constituent Entity”

A Constituent Entity is either of the following:

1. Any Entity that is included in a Group; or
2. Any Permanent Establishment of a Main Entity that is included in a Group.

Typically, Constituent Entities will be controlled by the Ultimate Parent Entity and their financial results will be included in Consolidated Financial Statements of the Ultimate Parent Entity. Certain minority-owned entities in a Multinational Enterprise Group will be Constituent Entities. These are called Minority-owned Constituent Entities. Such an entity is one in which the Ultimate Parent Entity of the Multinational Enterprise Group owns 30% or less.

A Constituent Entity does not include an Entity that is an Excluded Entity (see section 5 for further information on Excluded Entities).

2.2.2. Definition of “Multinational Enterprise Group”

A Multinational Enterprise Group is a Group that includes at least one Entity or Permanent Establishment that is not located in the jurisdiction of the Ultimate Parent Entity. A Sovereign Wealth Fund is not treated as a member of a Multinational Enterprise Group. These terms are explained further below.

2.2.3. Definition of “Group”

A “Group” means either:

1. A collection of Entities that are related through ownership or control such that the financial activities of the Entities are combined in the Consolidated Financial Statements of an Ultimate Parent Entity, unless they are excluded solely on size or materiality grounds, or if the Entity is held for sale.
2. An Entity that is located in one jurisdiction which has a Permanent Establishment located in another jurisdiction provided that the Entity is not part of another Group described above.

2.2.4. Definition of “Entity”

An “Entity” means any legal person or arrangement that prepares or is required to prepare separate financial accounts. The term does not include central or local government or their administration or agencies that carry out government functions.

2.2.5. Definition of “Permanent Establishment”

Generally, a “Permanent Establishment” is a place of business in Bahrain of an Entity which is resident for tax purposes in another country. It is similar in concept to a Bahrain branch of a foreign company. A Permanent Establishment is treated as separate from the Main Entity (essentially its head office) and any other Permanent Establishments of the Main Entity for the purposes of the DMTT Law.

2.2.6. Definition of “Ultimate Parent Entity”

An Ultimate Parent Entity is either:

1. An Entity that:
 - (a) owns directly or indirectly a Controlling Interest in any other Entity; and
 - (b) is not owned, with a Controlling Interest, directly or indirectly by another Entity;or
2. A standalone Entity (i.e. one that does not belong to a Group) with one or more Permanent Establishments in another jurisdiction. The Ultimate Parent Entity is essentially the head office of the Entity.

3. Identifying the Location of Constituent Entities

3.1. Introduction

As described in section 2.1, in order for a Constituent Entity of a Multinational Enterprise Group to be within the scope of the DMTT Law, it must be located in Bahrain. For this purpose, “location” is a concept defined in the DMTT Law and the location of an entity can depend on the type of entity in question as well as other factors.

3.2. Location of Entities – General Rule

The location of an Entity other than a Flow-through Entity or a Permanent Establishment is the jurisdiction in which the Entity is “tax resident”. If the Entity is not tax resident in any jurisdiction, it will be located where it was created (i.e. incorporated, formed etc).

Under the DMTT Law, an Entity that has a legal personality is considered as being tax resident in Bahrain if it is incorporated or established in accordance with Bahrain’s laws, or if it is incorporated or established under the laws applicable in a foreign jurisdiction and has its place of effective management in Bahrain.

Where an Entity is located in more than one jurisdiction and there is a Tax Treaty between the jurisdictions, the Entity is located solely in the jurisdiction where it is treated as resident under the Tax Treaty. If there is no Tax Treaty, certain rules set out in [Paragraph B of Article 5] of the Executive Regulations need to be applied to determine the location of the Entity.

3.3. Location of Permanent Establishments

Typically, a Permanent Establishment will exist where an entity has a place of business, including a deemed place of business, in a jurisdiction in which the entity is not resident. This could arise where the Non-Resident Entity conducts business in the jurisdiction through:

1. A fixed or permanent place of business; or
2. A person, other than an independent agent, who has and habitually exercises an authority to conduct business in the jurisdiction on behalf of the Non-Resident Entity; or
3. Any other form of nexus to the jurisdiction.

Under the DMTT Law a Permanent Establishment can take different forms, and the location of the Permanent Establishment is dependent on the form of the Permanent Establishment. An overview of the rules relating to the location of a Permanent Establishment is as follows:

1. Where there is a Tax Treaty in place which recognises the presence of a Permanent Establishment, it is located in the jurisdiction which has the right to tax the income attributable to the Permanent Establishment under rules set out in Article 7 of the Model Tax Convention¹ on Income and on Capital (or similar provisions).
2. Where there is no Tax Treaty in place, the Permanent Establishment is located in the jurisdiction which taxes the income attributable to the Permanent Establishment on a net basis similar to the manner it taxes its own tax residents.
3. Where a jurisdiction does not have a corporate income tax system, but a place of business situated in the jurisdiction would be treated as a Permanent Establishment under the Model Tax Convention, and the jurisdiction would have had the right to tax the income attributable to the Permanent Establishment under Article 7 of the Model Tax Convention, then the Permanent Establishment would be considered to be located in that jurisdiction.

If none of the provisions set out above apply to the Permanent Establishment, it will be a Stateless Constituent Entity (treated as not located in any jurisdiction). Where a non-resident Entity carries on business in Bahrain through a Permanent Establishment and that Permanent Establishment is a Stateless Constituent Entity, the DMTT Law still applies to the Permanent Establishment, but the tax is calculated differently to that of other Entities in the Multinational Enterprise Group. Further guidance on this matter will follow in due course.

3.4. Location of Flow-through Entities

Under general tax principles, a flow-through entity is a type of entity where its owners are typically taxed on its income, rather than the Entity itself. There are different types of flow-through entities including certain forms of partnership, fund vehicles and trusts.

The DMTT Law has a specific definition of “Flow-through Entity”. For the purposes of DMTT, a Flow-through Entity is an Entity which is fiscally transparent (generally, its income is taxed in the hands of its owners, rather than in its own hands) with respect to its income, expenditure, profit or loss in the jurisdiction where it was created unless it is tax resident and subject to a Covered Tax on its income or profit in another jurisdiction.

¹ OECD (2017), Model Tax Convention on Income and on Capital: Condensed Version 2017, OECD Publishing, Paris, https://doi.org/10.1787/mtc_cond-2017-en

The location of a Flow-through Entity is the jurisdiction in which it was established (incorporated, formed etc.) in either of the following two situations:

1. Where the Flow-through Entity is the Ultimate Parent Entity of the Multinational Enterprise Group
2. Under the laws of the jurisdiction in which it was established, the Flow-through Entity is required to apply rules consistent with the Income Inclusion Rule.

For the purposes of 2 above, the Income Inclusion Rule is part of the Pillar Two framework and requires Multinational Enterprise Groups to include in their taxable income profits of foreign subsidiaries that are subject to low tax (i.e. below the 15% minimum rate). The domestic tax law of the relevant country would need to be considered to determine whether the Flow-through Entity is subject to rules consistent with the Income Inclusion Rule. For completeness, Bahrain has not implemented an Income Inclusion Rule, and the provisions of the DMTT Law and Regulations do not introduce such a rule.

If neither of two situations above apply, the Flow-through Entity is treated as a Stateless Constituent Entity. Special rules apply to Stateless Constituent Entities and further guidance on this will follow in due course.

4. The EUR 750 Million Revenue Test

4.1. General Principles and Requirements

As described in section 2.1, Bahrain located Constituent Entities of a Multinational Enterprise Group will not be in scope of the DMTT Law unless that Multinational Enterprise Group meets the EUR 750 million Revenue Test.

The Multinational Enterprise Group will meet the Revenue Test if the revenue reported in the Consolidated Financial Statements of its Ultimate Parent Entity equals or exceeds EUR 750 million in at least two out of the four Fiscal Years preceding the current Fiscal Year. If any Fiscal Year within the four-year period is shorter or longer than 12 months, the revenue threshold of EUR 750 million is adjusted proportionately to reflect the actual length of the Fiscal Year.

4.2. Requirements Relating to Consolidated Financial Statements

The Consolidated Financial Statements of the Ultimate Parent Entity must either be prepared in accordance with an Acceptable Financial Accounting Standard or under a different accounting standard provided that adjustments are made to prevent any Material Competitive Distortions.² For the purposes of the DMTT Law, International Financial Reporting Standards (IFRS) is an Acceptable Financial Accounting Standard.

Where an Ultimate Parent Entity does not prepare Consolidated Financial Statements as described above, the Consolidated Financial Statements of the UPE are those that would have been prepared if the entity were required to prepare such statements in accordance with an Authorised Financial Accounting Standard that is either an Acceptable Financial Accounting Standard or another financial accounting standard that is adjusted where any material competitive distortion arises.

4.3. Excluded Entities, Mergers and Demergers

The revenue of Excluded Entities (see section 5) should be included when computing whether the Revenue Test has been met.

Special rules may apply in computing the Revenue Test where a group merger or demerger occurs. Multinational Enterprise Groups which have been subject to a group merger or demerger should consider these rules in detail.

² Guidance on what constitutes a Material Competitive Distortion will be provided in due course.

5. Excluded Entities

Certain entities are not subject to the operative provisions of the DMTT Law (such as computation of DMTT liability), although their revenue is taken into account for the purposes of determining whether the Multinational Enterprise Group has met the Revenue Test under section 4. The EUR 750 million Revenue Test. These are referred to as “Excluded Entities”. Under the DMTT Law, Excluded Entities include:

1. Government Bodies
2. International Organisations
3. Non-Profit Organisations
4. Pension Funds
5. An Investment Fund that is an Ultimate Parent Entity
6. A Real Estate Investment Vehicle that is an Ultimate Parent Entity
7. Except for a pension service entity, an Entity where at least 95% of the value of the Entity is directly or indirectly owned by one or more Excluded Entities referred to in points 1 to 6 above, whether directly or indirectly, provided that the Entity operates exclusively or almost exclusively to own assets or invest funds on behalf of Excluded Entities and it engages exclusively in activities ancillary to those performed by Excluded Entities.
8. Except for a pension service entity, an Entity where at least 85% of the value of the Entity is directly or indirectly owned by one or more Entities referred to in points 1 to 6 above, whether directly or indirectly, provided that most of the Entity's income is primarily derived from gains or losses on shares or equity interests excluded from the computation of Constituent Entity Income or Loss.

Although Excluded Entities are not subject to the operative provisions of the DMTT Law, the NBR may still require these entities to comply with some administrative provisions, such as registration and maintenance of books and records.

6. Safe-Harbours and De Minimis Exclusion

6.1. Introduction

Under the DMTT Law, in-scope Multinational Enterprise Groups may be able to benefit from certain safe harbours or the De Minimis Exclusion which allows the Multinational Enterprise Group to reduce the amount of Tax Due under the DMTT Law to zero.

This section of the Guide describes, at a high-level, the safe-harbours and the De Minimis Exclusion. Multinational Enterprise Groups should not determine whether they come within one of the safe harbours or the De Minimis Exclusion only by reference to the information below. They should give consideration to the relevant provisions of the DMTT Law and Regulations on the safe harbours and De Minimis Exclusion.

6.2. Transitional Country-by-Country Reporting Safe Harbour

The Transitional Country-by-Country Reporting Safe Harbour is a temporary safe harbour. It is limited to Fiscal Years beginning on or before 31 December 2026 but excludes Fiscal Years ending after 30 June 2028. If the conditions to qualify for the Transitional Country-by-Country Reporting Safe Harbour are met, then the amount of Tax Due under the DMTT Law is deemed to be zero.

In order to qualify for the Transitional Country-by-Country Safe Harbour, **any** of the following conditions must be met:

1. The total revenue of the Constituent Entities located in Bahrain which belong to the same Multinational Enterprise Group per its country-by-country report ("CbCR") for the Fiscal Year is less than EUR 10 million. The total profit or loss before income tax of the Constituent Entities located in Bahrain which belong to the same Multinational Enterprise Group per its country-by-country report (CbCR) for the Fiscal Year is less than EUR 1 million;
2. The Effective Tax Rate of the Multinational Enterprise Group based on a simplified test which assesses the Simplified Covered Taxes in Bahrain divided by the profit or loss before income tax in Bahrain is equal to or greater than 16% for Fiscal Years beginning in 2025 and 17% for Fiscal Years beginning in 2026;
3. The Multinational Enterprise Group's profit or loss before income tax in Bahrain shown on the CbCR for the Fiscal Year is equal to or less than the Substance-based Income Exclusion amount.³

The Transitional Country-by-Country Safe Harbour rules apply to Joint Ventures and Joint Venture Subsidiaries, even though such entities are not Constituent Entities of a Multinational Enterprise Group. The Safe Harbour applies to Joint Ventures and Joint Venture Subsidiaries

³ The amount of Substance-based Income Exclusion is a percentage of certain payroll related expenditure and the carrying value of certain tangible assets. See Article 10 of the DMTT Law and Article 46 of the Regulations.

based on information from financial statements. Each Joint Venture entity (together with its Joint Venture Subsidiaries) is treated separately for the purposes of determining whether the Safe Harbour applies.

6.3. Simplified Computation Safe Harbour

The Simplified Computation Safe Harbour is a permanent safe harbour and, where it applies, the amount of Tax Due for all Constituent Entities located in Bahrain which are members of the same Multinational Enterprise Group will be zero where the Multinational Enterprise Group satisfies **any** of the following conditions:

1. The Constituent Entity Income, as determined under a simplified computation, is equal to or less than the Substance-based Income Exclusion amount for that Fiscal Year; or
2. The average annual revenue for all Constituent Entities located in Bahrain for the Fiscal Year and two preceding Fiscal Years, as determined by a simplified computation, is less than EUR 10 million, and the average Constituent Entity Income of all Constituent Entities located in Bahrain for the Fiscal Year and two preceding Fiscal Years, as determined by a simplified computation, is less than EUR 1 million, or if such entities have a Net Constituent Entity Loss.
3. The Effective Tax Rate of all Constituent Entities located in the Kingdom determined based on a simplified computation is equal to or greater than 15%.

Full details on how the Simplified Computation Safe Harbour will operate will be issued in due course.

6.4. Exclusion for Initial Phase of International Activity

The exclusion for the initial phase of international activity applies for a five-year period from the first day of the first Fiscal Year in which the Multinational Enterprise Group entered into the scope of the OECD Model Rules.

Where this exclusion applies, the amount of Tax Due under the DMTT Law for Constituent Entities located in Bahrain which are members of the same Multinational Enterprise Group will be zero. Certain registration and tax filing obligations will still be applicable relating to a Constituent Entity benefitting from the exclusion.

The exclusion applies where the Multinational Enterprise Group meets **all** the following conditions:

1. The Multinational Enterprise Group has Constituent Entities in no more than six jurisdictions (i.e. it has such Entities in Bahrain and up to five other jurisdictions);
2. The net book value of tangible assets of all Constituent Entities located in all jurisdictions, other than the jurisdiction which has the greatest total net book value of tangible assets, is less than or equal to EUR 50 million; and

3. None of the ownership interests in the Constituent Entities located in Bahrain are held by a parent entity which applies the Income Inclusion Rule.

6.5. De Minimis Exclusion

A Filing Constituent Entity can make an election to apply the De Minimis Exclusion where both of the following two conditions are met:

1. The Average Constituent Entity Revenue of all Constituent Entities located in Bahrain, which are members of the same Multinational Enterprise Group, is less than EUR 10 million; and
2. The Average Constituent Entity Income or Loss of all Constituent Entities located in Bahrain which are members of the same Multinational Enterprise Group, is a loss or is less than EUR 1 million.

The Average Constituent Entity Revenue and Average Constituent Entity Income or Loss is determined based on the average of the current and the two preceding Fiscal Years.

Where the De Minimis Exclusion applies, the amount of Tax Due under the DMTT Law for Constituent Entities located in Bahrain which are members of the same Multinational Enterprise Group will be zero. Certain registration and tax filing obligations will still be applicable relating to a Constituent Entity benefitting from the exclusion.

Additional provisions are included in the Regulations to deal with Fiscal Years which are shorter than 12 months, Constituent Entities joining and leaving the Multinational Enterprise Group within the three-year period (i.e. current and two preceding Fiscal Years), adjustments that impact Constituent Entity Income or Loss in prior years, as well as other items relevant to the application of the De Minimis Exclusion.

7. Appointment of Filing Constituent Entity

7.1. Introduction

Under the DMTT Law, one Entity located in Bahrain is responsible for the main compliance obligations of all Group Entities in Bahrain. This Entity, referred to as a “Filing Constituent Entity”, is responsible for filing a tax return showing information for all Constituent Entities located in Bahrain and for paying the Tax Due for all such Entities.

The following Entities are required to appoint one Entity as the Filing Constituent Entity:

1. The Bahrain located Constituent Entities of a Multinational Enterprise Group that meets the Revenue Test as outlined in section 3 of this Guide
2. A Joint Venture and its Joint Venture subsidiaries.

7.2. Appointing a Filing Constituent Entity

The appointment is made by notifying the NBR using a form designed for this purpose during the registration process. The Filing Constituent Entity must:

1. Be a Bahrain located Constituent Entity of the Multinational Enterprise Group, or for a Joint Venture and its Joint Venture Subsidiaries, one of the Entities (i.e. the Joint Venture Entity or one of its subsidiaries) that is located in Bahrain
2. Possess the administrative capacity to maintain records, submit tax returns and handle all tax administration matters.

An Excluded Entity may not be appointed as a Filing Constituent Entity.

During the appointment process, a Filing Constituent Entity must provide to the NBR a written consent from all relevant Entities located in Bahrain on whose behalf it will act.

7.3. Responsibilities of a Filing Constituent Entity

A Filing Constituent Entity is responsible for:

- Registering on behalf of the Group Entities located in Bahrain
- Making tax payments on behalf of Group Entities located in Bahrain
- Submitting the group’s DMTT tax return and providing all required documentation
- Making elections on behalf of the Group Entities located in Bahrain
- Maintaining accurate records of elections, declarations, and financial accounts related to DMTT compliance.

7.4. Changing a Filing Constituent Entity

The Filing Constituent Entity **must** be changed where it ceases business operations in Bahrain or is no longer treated as located in Bahrain as described in section 3. The Multinational Enterprise Group may also change its Filing Constituent Entity to another Entity in the group for its own reasons.

Any changes to the Filing Constituent Entity, such as a change in location or ownership, must be promptly reported to the NBR within prescribed timelines.

8. Registration

A Filing Constituent Entity must apply for registration with the NBR on behalf of Group Entities located in Bahrain in accordance with following timelines:

1. No later than 30 January 2025 where the Revenue Test is met for two of the four Fiscal Years immediately preceding 1 January 2025.
2. In all other cases, no later than 120 days from the beginning of the Fiscal Year in respect of which the Group Entities located in Bahrain come within the scope of the DMTT Law.

For the purposes of the above, a Multinational Enterprise Group is considered in scope when it meets the Revenue Test and has a Bahrain located Constituent Entity that is a member of Multinational Enterprise Group or a Joint Venture, or a Joint Venture Subsidiary that is located in Bahrain. A Constituent Entity is a member of a Multinational Enterprise Group if its financials are included in the Group's Consolidated Financial Statements. Consolidation follows the financial accounting standards applied by the Multinational Enterprise Group, usually starting when the Parent Entity gains control over the Entity.

Once an Entity is incorporated in Bahrain, the parent gains control and consolidation begins from that date.

Accordingly, for Entities incorporated in Bahrain on or after 1 January 2025, the 120-day registration period will generally commence from the date of registration in the Commercial Register. This date marks when the Entity is legally established and able to commence business activities in Bahrain and is therefore regarded as the date in which parent obtains control and the Multinational Enterprise Group comes within scope of the DMTT Law. For registration purposes, the NBR will consider a registration application to be submitted within the required deadline when it is submitted within 120 days of the date of obtaining the "Active with License" status in the Commercial Register. This rule is generally applicable to most Entity forms including a branch and an incorporated Joint Venture as described in the examples below.

Where the Ultimate Parent Entity of an Entity starts consolidating the financial results of an Entity before the "Active with License" status in the Commercial Register is obtained, the 120 days to submit a registration application will start on the day from which the Ultimate Parent Entity starts consolidating the Entity.

The deadline of 30 January 2025 does not apply to Entities incorporated on or after 1 January 2025, as it only covers Groups already in scope before the effective date of the Law.

Example 1

Atlas Holdings incorporates a new subsidiary, Atlas Bahrain, on 5 February 2025. Following incorporation, the Entity obtained an “active with license” status in the Commercial Register on 22 April 2025, allowing it to commence business activities in Bahrain from that date.

When calculating the 120-day registration period, the starting date will be 22 April 2025. Accordingly, Atlas Bahrain W.L.L. must complete its DMTT registration no later than 20 August 2025.

Example 2

Lunar Construction Co, a company headquartered in South Korea, is awarded a long-term manufacturing project in Bahrain. To carry out the works, Lunar established a branch in Bahrain on 2 April 2026.

On 12 May 2026, after completing all required procedures, the branch’s Commercial Registration is updated to “active with license,” enabling Lunar Construction Co. to commence business activities in Bahrain. However, the Branch did not yet complete the process for obtaining the necessary permits to start production.

The 120-day registration period is therefore measured from 12 May 2026, and Lunar Construction Co must complete the DMTT registration for its Bahrain PE no later than 9 September 2026. The date of obtaining the building permits or any other regulatory licenses is not relevant for DMTT registration purposes.

Example 3

Helix Energy and Crescent Power are jointly awarded a renewable energy development contract on 15 February 2026. To execute the project, a Joint Venture (BrightStone JV WLL) was incorporated on 6 March 2026.

On 18 April 2026, after completing all the relevant procedures, BrightStone JV WLL’s Commercial Registration is updated to “active with license,” enabling the Joint Venture to commence business activities in Bahrain.

The 120-day registration period is calculated starting from 19 April 2026, and BrightStone JV W.L.L. must complete the DMTT registration no later than 16 August 2026.

As a part of the registration process, a Filing Constituent Entity will need to provide relevant supporting documents and information on all of the following:

1. The Ultimate Parent Entity of the Multinational Enterprise Group, including the jurisdiction in which it is located.
2. The ownership structure of the Multinational Enterprise Group.
3. The Fiscal Year of the Ultimate Parent Entity of the Multinational Enterprise Group.
4. The Constituent Entities, Joint Ventures and Joint Venture Subsidiaries of the Multinational Enterprise Group. A separate registration application should be made for Joint Ventures and their Joint Venture subsidiaries.

5. Financial information of the Multinational Enterprise Group, including details substantiating that the Revenue Test has been met, where applicable.
6. A written consent stating which entity is appointed to be a Filing Constituent Entity on behalf of all other entities in the group.

Once the registration application is approved, the Bureau will issue a registration certificate to the Filing Constituent Entity. The registration will take effect from the first day of a Fiscal Year as specified on the registration certificate.

If there are any changes to the information provided as part of the registration process, the Filing Constituent Entity should notify the NBR of such changes within 30 days of the date of change. This requirement does not apply where there is a change in the Fiscal Year of the Ultimate Parent Entity of the Multinational Enterprise Group where the Filing Constituent Entity had already notified the Bureau.

