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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
Subject: The EU list of non-cooperative jurisdictions for tax purposes
• Bahrain: final legislation and assessment under criterion 2.2

A/ FINAL LEGISLATION:

The CBB Directive No. OG/499/2018 was adopted on 22 November 2018 concerning Economic Substance Requirements for certain Financial Institutions in Bahrain.

https://www.cbb.gov.bh/wp-content/uploads/2019/01/OG-499-2018_Economic-Substance-Requirements.pdf

Legislative Decree No. (52) of 2018 concerning the Amendment to Certain Provisions of Legislative Decree No. (27) of 2015 Concerning the Commercial Register:

[http://www.moic.gov.bh/en/RegulationsAndAgreements/Regulations/Regulations/Legislative%20Decree%20No.%20\(52\)%20of%202018.pdf](http://www.moic.gov.bh/en/RegulationsAndAgreements/Regulations/Regulations/Legislative%20Decree%20No.%20(52)%20of%202018.pdf)

The MOICT Ministerial Order No. (106) of 2018 concerning Economic Substance Requirements in Bahrain was published in Issue No. 3399 of the Bahrain Official Gazette dated 27th December 2018. Bahrain also provided an unofficial English translation: see Annex 2.

Finally, Bahrain's Spontaneous Exchange of Information (SEOI) Procedure was formally approved and shared on 20 January 2019: see Annex 3.

B/ FINAL ASSESSMENT:

Contacts between the Commission services and Bahrain have taken place on a regular basis. Following numerous exchanges on preliminary draft laws, Bahrain has submitted a revised draft legislation for feedback by the Code of Conduct Group consisting of a draft Ministerial Order covering all non-regulated activities and a draft central bank Directive covering regulated financial activities. Technical meetings and/or calls have followed such submissions and comments were taken into consideration. The following assessment therefore only highlights the remaining issues identified and still pending at the beginning of 2019.

I) Identification of relevant activities

Bahrain covers all relevant activities in its draft ministerial order for non-regulated activities, (namely distribution and service centre activities, headquarters activities, holding company activities, leasing activities, shipping activities and intellectual property activities) and thus are subject to substance requirements, which are in line with the Scoping Paper. Regulated activities under the Central bank cover conventional Banks, Insurance, Specialised Licensees (meaning money changers, representative office, financial companies, administration, trust service, microfinance, ancillary), Islamic Banks, Investment Business, Capital Markets, Collective Investment Undertakings. Substance requirements are similar to the Scoping Paper and the Central Bank has issued a Directive to clarify those aspects.

It should be noted that leasing activities was split among both drafts because the Central Bank only supervises financial leasing, meaning that the Ministerial Order has to cover commercial leasing.

Conclusion:

This issue is settled.

II) Substance requirements and Core income generating activities

In all cases such identified activities are subject to established substance requirements in terms of qualified employees, physical premises, expenditure (in regulated activities this latter aspect is covered under an adequate level of financial resources concept), meetings of board of directors and minutes thereof, records keeping.

For non-regulated activities, CIGA are defined for each of the activities in the Order, while the Directive specifies CIGA for each of the regulated activities. In all cases these have to be undertaken in the jurisdiction. For IP activities, these are defined in the Order (as a patent – research and development activities; a brand, trademark and customer data – branding, marketing and distribution activities; and as any other intangible assets) and rebuttable presumption of non-compliance is present. Enhanced reporting is provided for in case of high-risk scenarios.

Outsourcing is allowed within the jurisdiction and subject to safeguards. For regulated activities, outsourcing of CIGA is subject to Central Bank approval and to the rules set out in the Rulebooks of the Central Bank. For non-regulated activities, a Relevant Activity might be outsourced to third party service providers provided that the primary entity can demonstrate adequate supervision and substance requirements are not counted multiple times.

Conclusion:

This issue is settled.

III) Implementation and consequences of non-compliance

For general substance requirements, Bahrain has envisaged a progressive system of sanctions applicable in conjunction with Legislative Decree No. 27 of 2015 concerning Commercial Registration. It starts with suspension of the registration and a warning, financial penalties (up to a maximum of BD 20.000/ca €46.000, to be amended to 100.000/ ca €232.000) ending up with the striking off the register and/or criminal justice. Bahrain intends to amend the above-mentioned Decree to increase the severity of penalties (as indicated below).

This would work as follows:

- (a) issuance of a written warning notice to the Trader to remedy the breach within 30 days.
- (b) following administrative enforcement measures if breach continues:
 - (i) suspend the Commercial Registration of the Trader (3 months to be amended to 6);

- (ii) impose a daily administrative fine which shall not exceed BD 1.000 per day and BD 2.000 per day if the Trader in breach commits any other breach within three years. In all cases, the sum of the administrative fine may not exceed Bahrain BD 20.000 (to be amended to BD 50.000); or
 - (iii) impose a total administrative fine not exceeding BD 20.000 (to be amended to BD 100.000, and
 - (iv) permanently strike the Trader from the Commercial Register is not remedied within the 30-day period in the notice.
- (c) The Ministry may refer the breach to the Public Prosecution and this may result in imprisonment for a term not exceeding one year and/or to a fine not less than BD 1,000 and not exceeding BD 5.000 (to be amended to BD100.000).

For regulated activities, Bahrain relies on existing enforcement rules and sanctions as provided for in the Central Bank's rulebooks. The system is quite comprehensive, taking a step-by-step approach including, directions, administration, financial penalties, cancellation of licence to criminal sanctions. Penalties vary from module to module but seem to be limited to DB100.000 (€232.000) plus a gradual system for date sensitive requirements. The Central bank has a methodology for calculation of penalties which includes risk factors. Application is immediate with established deadlines, although there is provision of a grace period which will not be less than 30 days (no upper limit). Investigation can be carried out by appointed experts (the cases where such experts were involved have increased from 6 in 2014 to 14 in 2017). The Directive includes a reference to enforcement action by the Central Bank.

Conclusion:

This issue is settled. The amount of the fines can be considered as relatively low for the non-regulated activities but given the fact that the company is quickly suspended from the Commercial Registry in case of non-compliance, the system of sanctions appears to be dissuasive. The same can be said about the regulated activities.

IV) Transparency requirements

Exchange of information: in terms of spontaneous exchange of information Bahrain relies on the MAC framework and bilateral agreements with the Member States. An Internal Spontaneous Exchange of Information Procedure was adopted. This covers cases of non-compliance and high risk IP scenarios. The Bahrain Competent Authority is in charge of collecting and exchanging information. Bahrain has submitted a document explaining the technical details of the procedure.

The procedure for exchange of information was approved in January 2019 but this is an internal procedure and does not delay the entry into force of substance requirements for entities in Bahrain.

Conclusion:

This issue is settled.

Conclusion

Bahrain has implemented its commitment under criterion 2.2

ANNEX 1: assessment by COCG experts in 2017

ANNEX 2: unofficial translation of MOICT Ministerial Order No. (106) of 2018

ANNEX 3: Bahrain's Spontaneous Exchange of Information (SEOI) Procedure

ASSESSMENT BY COCG EXPERTS IN 2017

	1a	1b	2a	2b	3	4	5
BAHRAIN	X	?	X	?	V	?	?
<p><i>Criterion 2.2: "The jurisdiction should not facilitate offshore structures or arrangements aimed at attracting profits which do not reflect real economic activity in the jurisdiction"</i></p> <p><i>In light of the assessment made under all Code criteria applied by analogy, the tax system of Bahrain should be considered overall harmful from a Code of Conduct point of view.</i></p> <p><i>The main concerns on deviations from the Code of Conduct criteria as applied by analogy relate to the lack of legal substance requirements</i></p>						<p>Overall: V</p>	

Explanation

Absence of a corporate tax system or applying a nominal corporate tax rate equal to zero or almost zero:

In this respect, where criterion 2.1 is inapplicable solely due to the fact that the jurisdiction concerned does not meet the gateway criterion under Paragraph B of the Code of Conduct, because of the "absence of a corporate tax system or applying a nominal corporate tax rate equal to zero or almost zero", then the five factors identified in paragraph B of the Code of Conduct should be applied by analogy to assess whether the criterion 2.2 has been met.

Relevant questions (Q 1.2)

Bahrain levies CIT (46%) only on companies operating in the gas and oil sectors. Only the locally sourced income is taxed. No CIT applies to all other companies including banking and financial services. We therefore suggest this jurisdiction to meet the gateway test of the criterion 2.2.

Criterion 1:

“whether advantages are accorded only to non-residents or in respect of transactions carried out with non-residents”

Relevant questions (Q 2.1, Q 2.2, Q 2.3, Q 1.1, Q 1.2, Q 1.5, Q 1.8,)

Facts

No CIT and 46% taxation is de lege available to both residents and non-residents and does not require that the beneficiaries carry out transactions only with non-residents.

We would therefore propose a cross (“X” - not harmful) for criterion 1a)

Even the absence of CIT is de lege available to both residents and non-residents and does not require that the beneficiaries carry out transactions only with non-residents, Bahrain indicates that Gulf Cooperation and USA and third countries citizens may practice all commercial, professional industrial services with exception of certain banned activities. Bahrain did not explain which are the activities banned and how the restriction applies.. Bahrain states that its law does not in any way favour non-resident over resident, but it also says that foreign company have no minimum capital requirement and no restriction on company location. Moreover, according to publicly available information, foreign companies can set up branch, agency or offices (Branch) without being subject to the same provisions as for the formation of companies.

2,880 out of 76,590 registered active legal entities are controlled by non resident,

while 3,255 out of 180,456 registered legal entities are non resident.

It appears that foreign owned/non resident legal registered entities are few so that the de facto ring fencing is not triggered..

As the situation seems not clear, we would propose a question mark ? for criterion 1b)

Criterion 2:

“whether advantages are ring-fenced from the domestic market, so they do not affect the national tax base”

Relevant questions (Q 2.1, Q 2.2, Q 2.3, Q 1.1, Q 1.2, Q 1.5, Q 1.8.)

By analogy to the assessment against criterion 1a/b. We would propose a cross ("X" – not harmful) for criterion 2a) and a question mark (?) for criterion 2b).

Criterion 3:

“whether advantages are granted even without any real economic activity and substantial economic presence within the jurisdiction offering such tax advantages”

Relevant questions (Q 1.1, Q 1.7, Q 1.9, Q 2.4, Q 2.5, Q 2.6, Q 2.7, Q 2.8)

Facts

The conditions attached to conducting business in Bahrain do not include an express requirement for minimum adequately qualified employees, physical presences requirements and that management and control should be in Bahrain. Generally there is minimum capital requirements and the minimum number of founders and members of the Board. Apparently there is no express obligation to have a real economic presence.

The only express specific requirements concern banks and financial institutions which are subject to comprehensive regulatory framework of rules and guidance regulating those financial services. Among the others, they should prepare financial statements according to IFRS/IAS and they should be published.

Some of companies are also obliged to file and to keep annual financial statements

No investigations on the carrying out of real economic activities are provided and there are no tax inspector.

Assessment:

The majority of the members of the Panel would propose a tick (“V” – harmful) for this criterion. Conditions attached to the absence of taxation for sectors other than the oil (e.g. requirements for incorporation or operations) do not include any express requirement for real economic activity or substantial economic presence.

One expert of the Panel provided the following assessment:

- The agreed terms of reference for the assessment of jurisdictions under Criterion 2.2 states the following:

A jurisdiction can only be deemed to have failed the assessment under this criterion when 'offshore structures and arrangements attracting profits which do not reflect real economic activity in the jurisdiction' are due to rules or practices, including outside the taxation area, which a jurisdiction can reasonably be asked to amend, or are due to a lack of those rules and requirements needed to be compliant with this test that a jurisdiction can reasonably be asked to introduce.

The introduction of a CIT system or a positive CIT rate is not amongst the actions that a third country jurisdiction can be asked to take in order to be in line with the requirements under this test, since the absence of a corporate tax base or a zero or almost zero level tax rate cannot by itself be deemed as criterion for evaluating a jurisdiction as non-compliant.

- This states that a jurisdiction can only be deemed to have failed the assessment under Criterion 2.2 where reasonable/proportionate actions have been identified that a jurisdiction could take to avoid being listed.

- It remains unclear what exactly we would be asking jurisdictions to amend/introduce in response to their deemed failure under Criterion 3. It might be suggested that a jurisdiction should have a de jure requirement for substance as part of their company law, but it's not clear what that would entail i.e. what the test of substance would be, when that test of substance would be applied, what the implication would be of a company failing that test.

- Those are important questions in being able to test the reasonableness of such a requirement.

- *If we can't demonstrate that such requirements are reasonable, and we can't demonstrate that they are commonly replicated by other countries/Member States, then the failing of a jurisdiction due to the lack of such a requirement would amount to a failing of a jurisdiction on the basis of it not having a CIT regime which is incompatible with the terms of reference. This part of Panel III would therefore propose a question mark ("?") for Criterion 3 until this has been discussed further.*

Criterion 4:

“whether the rules for profit determination in respect of activities within a multinational group of companies departs from internationally accepted principles, notably the rules agreed upon within the OECD”

Relevant questions (Q 2.9, Q 2.10, Q 2.11, Q 2.12)

Bahrain does not apply any specific TP legislation, Companies are taxable on net profit arising in Bahrain. Generally the IFRS/IAS accounting standards apply to all the financial institutes.

However, the panel is not sure, whether it is adequate to ask countries without a CIT-system to set rules for profit determination in respect of activities within a MNE in place or if the commitment to CbCR, which gives relevant information to the other states, should be enough to fulfil criterion 4. Bahrain has not committed to BEPS minimum standard including CbCR by no.

In light of the above we would propose a "?" for criterion 4..

Criterion 5:

“whether the features of the tax system lack transparency, including where legal provisions are relaxed at administrative level in a non-transparent way”

Relevant questions (Q 2.13, Q 2.14, Q 2.15, Q 2.16)

All Bahraini primary legislation is publicly available and in English. Also conditions to register a commercial business are published on the Bahraini Government website.

Possible advance rulings or any other form of preliminary dialogue with Bahraini government authorities for the setting up of business is neither reported nor denied..

All the elements of the legal system which are relevant for benefiting from the advantages at stake are set by the law but there is no certainty that the administrative practices do not involve any administrative discretion. We would therefore propose (“?”) for criterion 5.

Unofficial Translation

Ministerial Order No. (106) of 2018

Concerning Economic Substance Requirements in the Kingdom of Bahrain

The Minister of Industry Commerce and Tourism having perused Legislative Decree No. 27 of 2015 as amended concerning Commercial Registration

And according to the presentation of the Undersecretary of Commerce Affairs

Has resolved the following:

Article 1

The purpose of this Order is to enhance economic substance requirements in the Kingdom of Bahrain and clarify the requirements for any Traders carrying out the following types of Relevant Activities in or through Bahrain: distribution and service centre activities headquarters activities, holding company activities, leasing activities (other than those activities undertaken by licensees of the Central Bank of Bahrain), shipping activities and intellectual property activities in Bahrain.

Article 2

Traders carrying out any of the types of Relevant Activities set out in Article 1 herein must:

- (a) be directed and managed in Bahrain as follows:
 - (i) there must be meetings of the Board of Directors, managers or partners held in Bahrain at adequate frequencies given the level of decision making required;
 - (ii) during these meetings, there must be a quorum of the Board of Directors, managers or partners physically present in Bahrain;

- (iii) strategic decisions of the Trader must be set out at meetings of the Board of Directors, managers or partners and the minutes of the meeting must reflect those decisions;
 - (iv) all records (including minutes of meetings) of the Trader must be readily available in Bahrain;
 - (v) the Board of Directors, managers or partners, as a whole, must have the necessary knowledge and expertise to discharge their duties.
- (b) undertake their Core Income Generating Activities (CIGAs) in Bahrain (either by them or third party service providers);
 - (c) have an adequate level of qualified full-time employees resident in Bahrain, or adequate level of expenditure on outsourcing to third party service providers, whose activities, employees, expenditure and premises are in Bahrain and are proportionate to the activities of the Trader;
 - (d) have an adequate level of annual operating expenditure incurred in Bahrain, or adequate level of expenditure on outsourcing to third party service providers whose activities, employees, expenditure and premises are in Bahrain and are proportionate to the activities of the Trader;
 - (e) have adequate physical offices and/or premises in Bahrain, or adequate level of expenditure on outsourcing to third party service providers in Bahrain, for the activities of the Trader;
 - (f) establish an adequate set of internal policies and controls for their operation, compliance, corporate governance and risk management, these policies to be regularly reviewed to ensure that they remain appropriate, relevant and prudent;
 - (g) maintain adequate and proper records and books of accounts in Bahrain, such records and books of account to meet International Financial Reporting Standards (IFRS), and contain *inter alia* the following information:

- (i) type of business;
 - (ii) amount and type of gross income; and
 - (iii) amount and type of expenses and assets.
- (h) clearly indicate their name and commercial registration number on their letterhead, stationery and other documents, websites and social media platforms;
- (i) obtain the prior approval of the Ministry for:
- (i) the establishment of an office outside Bahrain;
 - (ii) change of shareholders; and
 - (iii) appointment of directors.

For the purposes of paragraphs (c), (d) and (e) of this Article, Traders may elect to outsource a Relevant Activity to third party service providers, provided that:

- (i) the Trader is able to demonstrate adequate supervision of the outsourced activity;
- (ii) the outsourced activity is conducted in Bahrain; and
- (iii) the economic substance of service providers will not be counted multiple times by multiple Traders when evidencing their own substance in Bahrain.

Article 3

For the purpose of this Ministerial Order, CIGA consists of those principal functions that drive the business value (rather than exclusively or mostly administrative support activities) and includes:

- (a) for *Distribution and Service Centre activities* - transporting and storing goods; managing stocks and taking orders; and providing consulting or other administrative services;
- (b) for *Headquarters' activities* - taking relevant management decisions, incurring expenses on behalf of group entities, co-ordinating group activities

- (c) for *Holding Company activities* - those activities that are associated with the income that the holding companies earn (such as interest, rents, and royalties). Traders which purely hold equities will need to confirm they meet all applicable commercial law requirements, have an adequate level of qualified full-time employees resident in Bahrain, have adequate physical offices and/or premises in Bahrain to hold and manage equity participations. Where holding companies also conduct other relevant activities they will additionally be subject to the requirements associated with that activity;
- (d) for *Leasing Activities* - identifying or acquiring assets to be leased, setting the terms and duration of acquiring assets to be leased, monitoring and revising agreements, managing any risk;
- (e) for *Shipping activities* - managing the crew (including hiring, paying and overseeing crew members), hauling and maintaining ships, overseeing and tracking deliveries, determining what goods to order and when to deliver them, organising and overseeing voyages.
- (f) for *Intellectual Property activities* – if the intangible asset is:
- (i) *a patent* – research and development activities;
 - (ii) *a brand, trademark and customer data* – branding, marketing and distribution activities;
 - (iii) *any other intangible assets*:
 - taking strategic decisions and managing (as well as bearing) the principal risks relating to the development and subsequent exploitation of the intangible asset; or
 - taking strategic decisions and managing (as well as bearing) the principal risks relating to the third-party acquisition and subsequent exploitation of the intangible asset; or
 - carrying on the underlying trading activities through which the intangible assets are exploited and which lead to the generation of revenue from third-parties.

Article 4

For Intellectual Property activities, where intellectual property rights were acquired through a related party or obtained through the funding of overseas research and development activities such as under a cost-sharing agreement and are licensed to foreign related parties or monetised through activities performed by foreign related parties there will be a rebuttable presumption that the Trader does not have an economic substance in Bahrain.

Article 5

Traders may rebut the presumption referred to in Article 4 herein by providing the following information to the Ministry as proof that, in addition or alternatively to research and development, branding and distribution activities, there was, and historically has been, a high degree of control over the development, exploitation, maintenance, enhancement and protection of the intangible asset, which is, and historically has been, exercised by full time highly skilled employees that permanently reside and perform their core activities in Bahrain:

- (a) Detailed business plans which allow to clearly ascertain the commercial rationale of holding IP assets in Bahrain;
- (b) Employee information including level of experience, type of contracts, qualifications, duration of employment;
- (c) Concrete evidence that decision making is taking place within Bahrain;

Article 6

Traders carrying out the types of Relevant Activities set out in Article 1 herein must notify the Ministry within 30 days of the following matters:

- (a) resignation of directors and officers responsible for managing the Traders;
- (b) any change of information with regard to the place of business or office in Bahrain; and
- (c) any changes to the constituent documents and business plans of the Traders.

Article 7

Traders carrying out the types of Relevant Activities set out in Article 1 herein must:

- (a) appoint an approved external auditor to undertake an audit in respect of its accounts and business operations;
- (b) name the immediate and ultimate parent company, and ultimate beneficial owner of the Trader, together with their jurisdiction of tax residence; and
- (c) provide such additional statistics and information as may be required by the Ministry from time to time.

Article 8

Traders carrying out the types of Relevant Activities set out in Article 1 herein must, upon applying for a new commercial registration or upon renewing their commercial registration, file a Report to the Ministry submitting documentation showing that the Trader has complied with the requirements set out in Articles 2, 7 and, where applicable, Article 5 herein.

Article 9

- (a) If any Trader is found to be in breach of any of the provisions of this Order, the Ministry will issue a written warning notice to the Trader to remedy the breach within 30 days.
- (b) If the Trader referred to in paragraph (a) herein continues to be in breach of this order, the Ministry may take one of the following administrative enforcement measures:
 - (i) suspend the Commercial Registration of the Trader;
 - (ii) impose a daily administrative fine. Such fine shall not exceed Bahrain Dinars One Thousand (BD 1,000) per day when the breach is committed for the first time, and Bahrain Dinars Two Thousand (BD 2,000) per day if the Trader in breach commits any other breach within three years from the date when a decision was issued against the Trader in relation to the previous breach. In all cases, the sum of the administrative fine may not exceed Bahrain Dinars Fifty Thousand (BD 50,000);

(iii) impose a total administrative fine not exceeding Bahrain Dinars One Hundred Thousand (BD 100,000), and

(iv) strike the Trader from the Commercial Register.

(c) The Ministry may refer the breach to the Public Prosecution if after an Administrative Investigation it believes the breach constitutes a criminal offence.

(d) Without prejudice to any more severe penalty provided for in any law, a penalty of imprisonment for a term not exceeding one year and/or to a fine not less than Bahrain Dinars One Thousand (BD 1,000) and not exceeding Bahrain Dinars One Hundred Thousand (BD 100,000) shall be imposed on anyone who contravenes the provisions of Article 27 of Legislative Decree No. 27 of 2015 concerning Commercial Registration.

Article 10

This Order shall come into effect:

(a) on the 1st of January 2019 for:

(i) traders applying for new commercial registrations;

(ii) existing Traders with respect to new Relevant Activities or acquiring new Intellectual Property assets; and

(b) on the 1st of July 2019 for any other existing Traders.

Article 11

This Order shall be implemented by the Undersecretary of Commerce Affairs, and shall be effective as of the date of its issue and shall be published in the Official Gazette.

Minister of Industry, Commerce & Tourism

Zayed R. Alzayani

Issued on: Rabi' Al-Thani 1440 H

Corresponding: 23 December 2018

MINISTER'S OFFICE

Government of Bahrain
Internal Spontaneous Exchange of Information (SEOI) Procedure
(Economic Substance Requirements)

- Ministry of Industry, Commerce & Tourism (MOICT) must provide to the Bahrain Competent Authority (BCA) within 90 days:
 - Reports it receives in relation to Traders covered by Article 5 of Ministerial Order No. (106) of 2018 Concerning Economic Substance Requirements in the Kingdom of Bahrain; and
 - Reports of Traders, carrying on any of the Relevant Activities as set out in Ministerial Order No. (106) of 2018 Concerning Economic Substance Requirements in the Kingdom of Bahrain, which are in breach of their economic substance requirements.
- Central Bank of Bahrain (CBB) must provide to the BCA within 90 days Reports of CBB Licensees, carrying on any of the Relevant Activities as set out in Article 3(2) of CBB Directive No. OG/499/2018 dated 22nd November 2018 Concerning Economic Substance Requirements for certain Financial Institutions in the Kingdom of Bahrain, which are in breach of their economic substance requirements.
- All Reports must be sent by encrypted e-mail to the BCA Head at CompetentAuthority@mof.gov.bh and marked as follows:

"This Information is Furnished under the Provisions of a Tax Treaty and its Use and Disclosure are Governed by the Provisions of such Treaty".
- MOICT/CBB must keep a record of all Reports sent to BCA.
- Upon receiving a Report, it will be stamped confidential by BCA and entered into the SEOI log sheet. BCA will acknowledge receipt of any Reports within 7 days by e-mail to either MOICT at EOI@moic.gov.bh or CBB at eoic@cbb.gov.bh, respectively.

- Once BCA has received any Reports it will carry out an assessment, within 30 days of receiving the Report, to confirm if such Reports should be spontaneously exchanged with relevant Jurisdictions, where the immediate parent entity, ultimate parent entity or beneficial owner is tax resident, in accordance with the provisions of the Convention on Mutual Administrative Assistance in Tax Matters (MAC) or qualifying bilateral tax treaty.
- During this assessment period BCA may request further information from either MOICT or CBB which must be provided within 14 days.
- If BCA considers that the information should be spontaneously exchanged, it will immediately send such information to the relevant competent authority of the relevant Jurisdictions, where immediate parent entity, ultimate parent entity or beneficial owner is tax resident, by which ever means agreed with that competent authority and in accordance with the OECD EOI Work Manual.
- BCA will inform MOICT/CBB within 14 days of the outcome of its assessment by e-mail either to MOICT at EOI@moic.gov.bh or CBB at eoicbb@cbh.gov.bh, respectively.
- All SEOIs will be marked as follows:
"This Information is Furnished under the Provisions of a Tax Treaty and its Use and Disclosure are Governed by the Provisions of such Treaty".
- At no time, will MOICT/CBB inform Traders or CBB Licensees concerned that any Reports or other information has been sent to BCA or spontaneously exchanged.