



# Recent Pillar Two Developments in Bahrain

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## In Brief

On July 2, 2025, the National Bureau for Revenue ("NBR") has published the Advance Payment Manual. The manual can be found on the NBR website: [NBR website](#).

The manual provides a clear overview of the Domestic Minimum Top Tax ("DMTT") advance payment process and provides step-by-step guidance to help taxpayers navigate the NBR online portal and accurately complete the required forms.

## Key highlights

### **Advance payment obligations in Bahrain**

The Filing Constituent Entity (CE) of a Multinational Enterprise (MNE) Group in Bahrain is responsible for settling its DMTT liability through quarterly advance payments over the course of the year. However, the administrative manual clarifies that MNE Groups electing to apply specific DMTT relief measures, such as the transitional Country-by-Country Reporting (CbCR) safe harbour, the de minimis exclusion, or the initial phase of international activity exclusion, are not required to declare or remit advance payments as the DMTT liability is deemed to be NIL.

Should the circumstances change such that the MNE Group no longer qualifies for the previously selected DMTT relief, and the Filing CE opts to settle its DMTT liability, it must update its registration details to remove the DMTT relief previously selected.

### ***PwC observations***

It is crucial for the MNE Group to continuously reassess the applicability of any elected DMTT relief measures. If there is a change in circumstances that affects the MNE Group's eligibility such as exceeding thresholds or no longer meeting the criteria for exclusions, the registration must be promptly updated to reflect the revised eligibility status. This ensures accurate reporting and compliance with the administrative requirements set out by NBR.

Furthermore, the MNE Group must ensure that the amount of quarterly advance payments declared and remitted to the NBR is based on reasonable assumptions in line with the requirements outlined in the Bahrain DMTT framework

For completeness, it is important to note that for MNE Groups with a fiscal year ending on December 31, the deadlines for the first and second quarter advance payments are set for on or before August 29, 2025. Adhering to this deadline is crucial to avoid potential penalties or compliance issues.

## Advance payment process

To declare an advance payment, the Filing CE should follow these steps:

- Log in to the NBR online portal using the assigned User ID and password.
- From the main dashboard, **navigate to the "DMTT" section** by clicking the **"DMTT" tab** located on the left-hand side of the screen.
- Select **"DMTT Returns"** from the available options.
- Locate the **"DMTT Advance Payments"** row, then click on the **three dots** under the **"Actions"** column.
- Click on **"New Payment"** to initiate the declaration process.

Please note that if the MNE Group is not required to make an advance payment, this obligation will not be displayed on the Filing CE's tax portal.

## Information required to complete the online form

When declaring an advance payment, the Filing CE must provide the following information:

- Estimation methodology: Indicate whether the prior year method or current year method is being used.
- Amount of quarterly tax liability: Specify the estimated liability in Bahraini Dinar (BHD).

Upon successful submission, a confirmation screen will appear displaying the message "Form submitted successfully" along with a reference number, which should be used for payment purposes.

## Payment process

Advance payment liabilities can be settled through the Kingdom of Bahrain's National Portal (Bahrain.bh) or via Fawateer payment services, using the reference number generated upon submission of the payment form.

## Must-do immediate steps

To comply with the DMTT Law and its Executive Regulations, an MNE Group needs to plan for both quarterly and year-end compliance requirements. It is important to reassess the application of any DMTT relief measures, such as safe harbours or exclusions, on a periodic basis to ensure continued eligibility. Where an MNE Group no longer qualifies for a relief, it must update its registration details accordingly and ensure compliance with the advance payments obligations. payment services, using the reference number generated upon submission of the payment form.

## Contact us

MNE Groups operating in Bahrain should plan ahead and prepare for the upcoming compliance requirements.

Our team is working on readiness, and implementation and compliance support, such as systems and process updates for a variety of businesses in the region in the context of the Pillar Two rules including DMTTs, and will be happy to support you. Please contact us for further assistance.



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