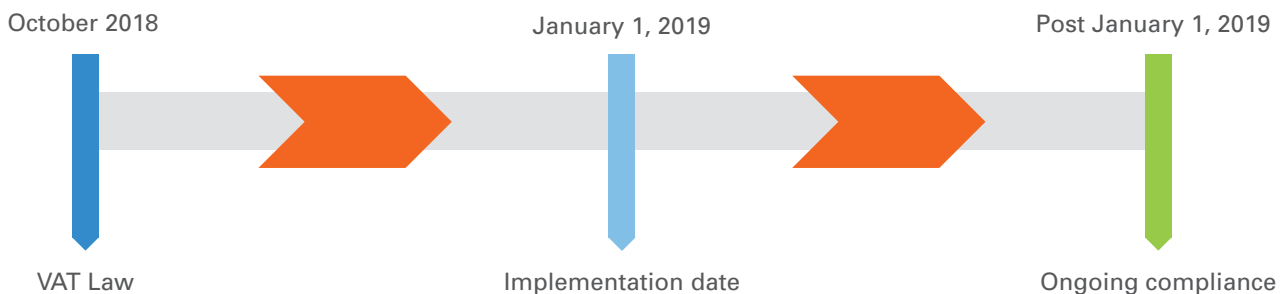


The Kingdom of Bahrain (Bahrain) published its Value Added Tax (VAT) Law under Royal Decree No' 48 of 2018. The VAT law will be implemented from January 1, 2019 on businesses having annual turnover of approximately BHD 37,500 or more. While the Bahrain VAT Law provides for more zero-rated items and exemptions compared with the VAT Laws in Saudi Arabia and the United Arab Emirates, it also provides for more stiffer penalties including heavy fines and imprisonment.

SRCO's Indirect Tax team of professionals have real hands-on experience in various international VAT regimes. We can use this experience to help you identify and manage your VAT risks and compliance costs.



## VAT OBJECTIVES

Compliance with the VAT Law requires businesses to update or change their resources, processes, systems, practices, contracts, etc. to reduce the risk of non-compliance and penalties. Ideally, every business would like to meet the following VAT objectives:

- VAT should NOT become a cost to the business;
- Minimal disruption to business operations;
- Full compliance with VAT Law and Regulations;
- Adequate accounting systems, books and records; and
- Minimal risk of penalties.

## OUR SERVICES

We are ready to assist in meeting the VAT objectives. We offer the following services to support businesses in implementation of VAT Law and Regulations:

- Assistance in implementation of VAT Law and Regulations;
- Ongoing VAT advisory;
- VAT registration;
- VAT return preparation, review and filing;
- Review of accounting books and records to support VAT filings;
- Assistance in maintaining adequate accounting books and records;
- Assistance in VAT audits and assessments; and
- Assistance in VAT objections and appeals.

## INTERNATIONAL PERSPECTIVE

VAT is approximately 7% of Gross Domestic Product for the 34 countries of the Organization for Economic Co-operation and Development, representing a major source of revenue for governments globally. VAT systems is now active in nearly 160 countries.

VAT is applicable to sale price of goods and services at every stage of the supply chain. An entity records and reports to the government for the VAT due on its revenues and it usually claims credit for VAT incurred on taxable materials and indirect expenses. All business above a monetary threshold have to pay VAT and keep accurate records to ensure that they receive credits for the VAT paid at different points of the supply chain - from production to the final good/service sold.

## OUR TEAM



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Naveed, our Managing Partner in the Bahrain office, is a Chartered Accountant with 35 years of experience in providing tax consulting and compliance services. Prior to establishing SRCO office in Bahrain, Naveed was a senior tax partner in Ernst & Young, MENA Region, where he worked for over 25 years and retired in 2018. Naveed was head of Tax and Zakat services in Al Khobar office of EY Saudi Arabia from 2002 to 2016. He also worked in Schlumberger Oilfield Services for eight years dealing with the tax regimes in over 40 countries of Middle East, Europe, and Africa. While working at EY and Schlumberger, Naveed has attained a wealth of tax experience in a variety of businesses, both in the public and private sectors. Naveed currently leads our VAT practice in Bahrain, focusing specifically on VAT implementation and compliance for small and medium sized business enterprises.



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Noora, our Director in Bahrain office, is an associate member of the Association of Chartered Certified Accountants (ACCA), UK, and a holder of a bachelor's degree in accounting from the University of Bahrain. She has over 10 years of experience in auditing and assurance, accounting, advisory and risk management services. Her experience includes working with KPMG Bahrain for over eight years, where she gained extensive assurance and accounting experience in financial and banking, oil and gas, insurance, telecommunication and governmental sectors. Noora has also worked for two years in a financial institution where she obtained valuable experience in risk management, compliance and financial due diligence. In this role, she worked closely with the regulator (CBB) and the lawyers. Noora is currently an active member of our VAT practice in Bahrain, focusing specifically on VAT implementation and compliance for small and medium sized business enterprises. Noora is also responsible for dealing with various VAT related matters with the concerned authority in the Ministry of Finance.



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