



KINGDOM OF BAHRAIN

SIMPLIFIED VAT RETURN FORM

REQUEST AND FILING

APRIL 2020

VERSION 1.0



الجهَازُ الْوطَّانيُّ لِلإِتِرَاجِاتِ

National Bureau for Revenue

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1. MANUAL OVERVIEW

This manual aims to provide VAT payers with:

- 1) An overview of the VAT rules and procedures in Bahrain in relation to the process of changing between the two VAT return types – Full and Simplified
- 2) The necessary guidance needed to navigate the National Bureau for Revenue (NBR) online portal and process for VAT payers to change their VAT return type
- 3) The necessary guidance to help VAT payers navigate the NBR online portal and submit a simplified VAT return

This manual is intended to provide general information only and does not represent exhaustive or legally binding guidelines. For additional information, kindly refer to the “VAT Guidelines” on the NBR website using the following link: https://www nbr.gov.bh/vat_guideline. You can also contact NBR’s Contact Centre via email or the VAT hotline, details of which can be found under “Contact us” on the NBR website.



2. CHANGING FILING FORM

2.1. ELIGIBILITY

Starting from 2020, VAT payers who have less than BHD 100,000 in total annual supplies and who are not part of a VAT group may request to use the simplified VAT return. The simplified VAT return can be used by monthly, quarterly, or annually filers granted the above two criteria are met.

2.2. REQUEST PROCESS

By default, every VAT payer has a full VAT return. To confirm your current VAT return type, you can access any active filing obligation which has not yet been submitted. Please access the “VAT Returns” tile on your VAT portal and filter your returns to “Not filed”.

All requests to change VAT return type should be submitted online using the NBR portal. Please refer to the steps below when requesting to change your VAT return type. While all eligible VAT payers will be able to switch to the simplified VAT return, NBR reserves the right to switch any VAT payers back to the full VAT return at any point of time, if deemed necessary.

Submitting the request to change the return type

Access the Login page on the NBR portal using the following link: <https://www.nbr.gov.bh/>. For an optimal experience, please note that the portal should be accessed via Google Chrome.



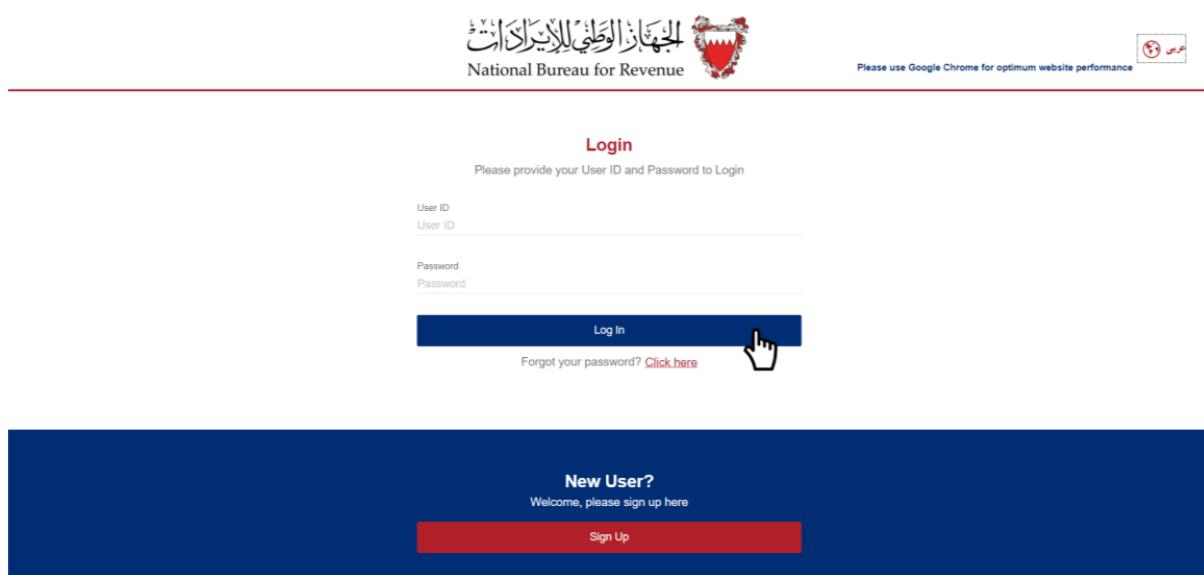
Kingdom of Bahrain has launched VAT in phases starting from January 1st,

About VAT

Value Added Tax (VAT) is an indirect tax charged on selected goods and services bought and sold by businesses.

The GCC countries agreed to implement VAT at a standard rate of 5%. Accordingly, 5% VAT has been launched in Bahrain as of January 1st, 2019 with certain exceptions.

Log in to the portal using the User ID and password of the account for which you would like to change the VAT return type. This is the same User ID and password you use during registration and filing.



Please use Google Chrome for optimum website performance

Login

Please provide your User ID and Password to Login

User ID
User ID

Password
Password

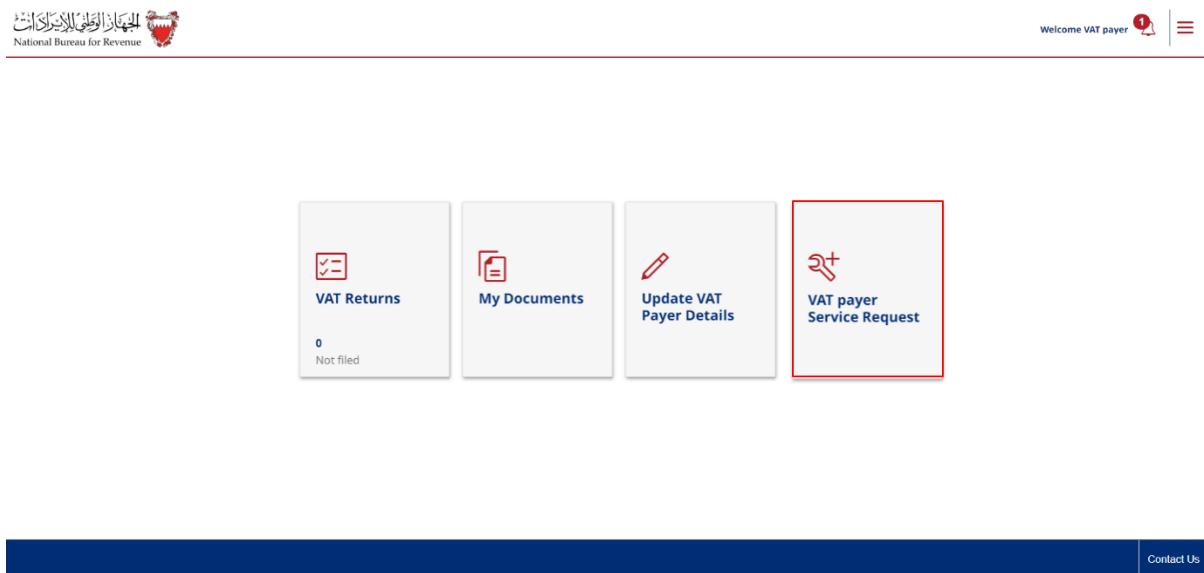
Log In

Forgot your password? [Click here](#)

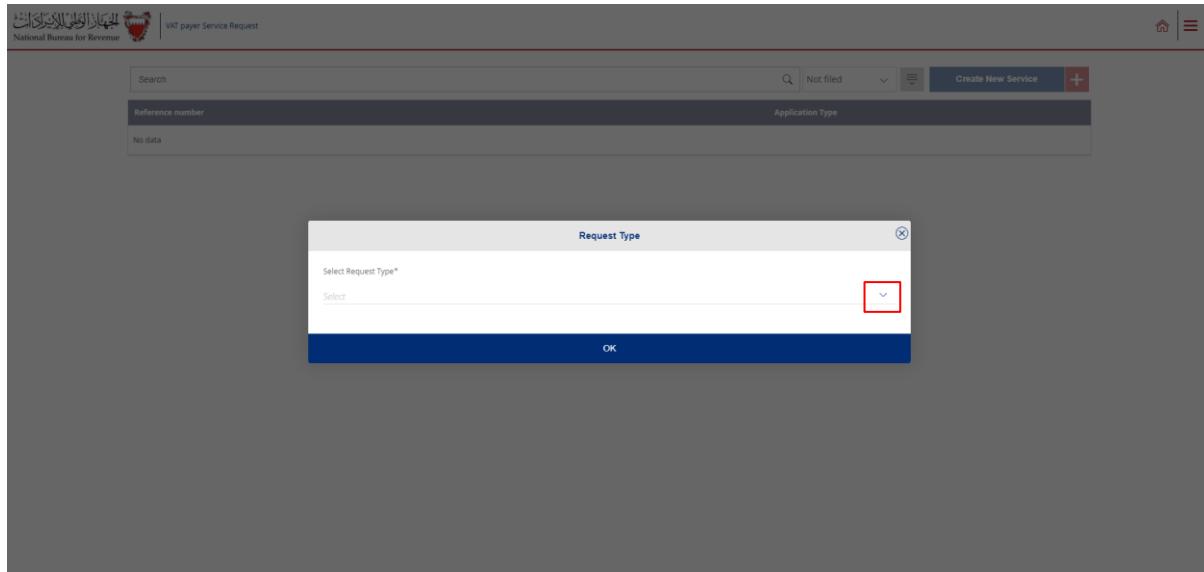
New User?
Welcome, please sign up here

Sign Up

Click on “VAT payer Service Request” tile on the homepage.



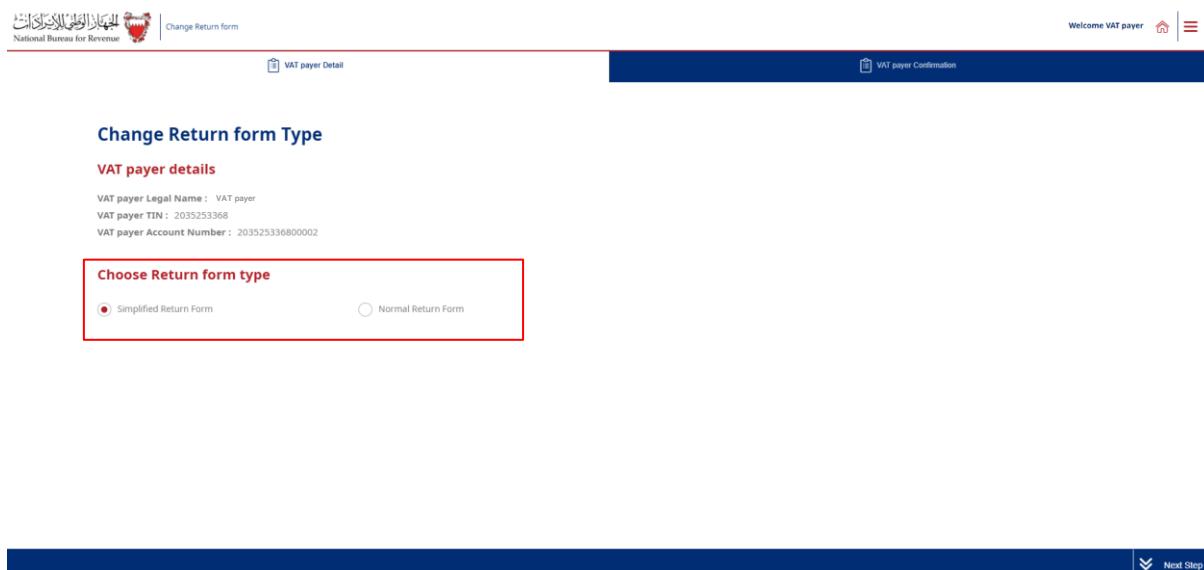
You will be redirected to the service requests page. If you have any open service requests, they will be displayed in this page. Please click on “Create New Service” and select the down arrow in the pop up to access the list of services provided by NBR.



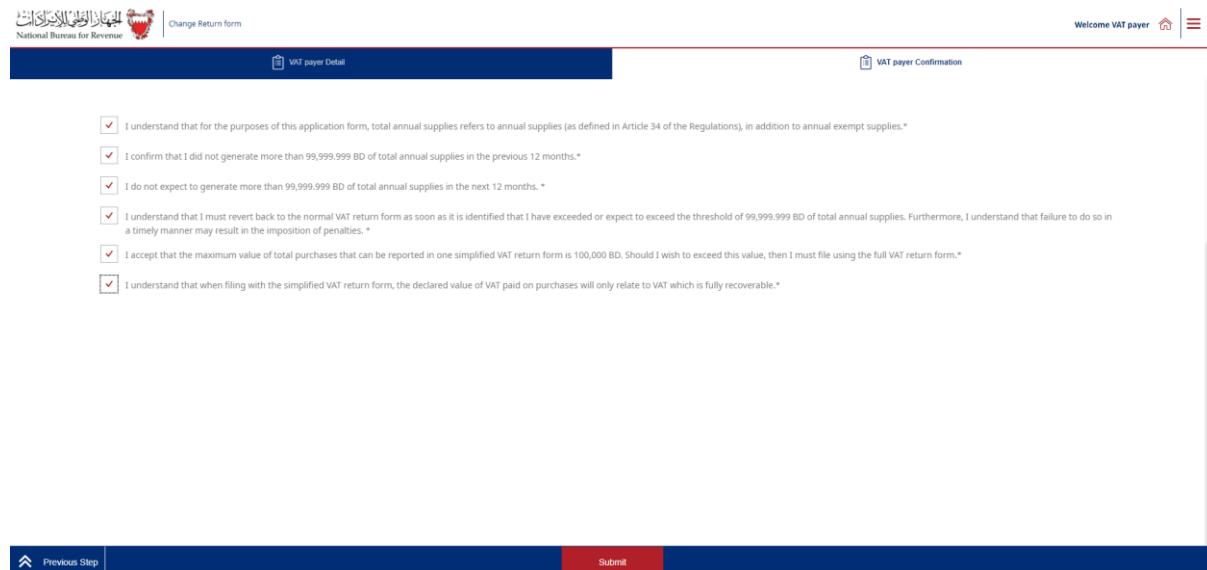
In the drop-down list, please select “Change VAT Return form Type” to access the application that would allow you to change the VAT return type.

You will be redirected to a page similar to the below. Kindly make sure to review your VAT payer details before choosing a preferred VAT return type. If you need to make any adjustments to these details, please proceed to “Update VAT Payer Details” on the homepage of the portal. For further assistance, please contact NBR through one of the contact channels stated on the NBR website.

Once you have reviewed your information and selected a VAT return type, please click on “Next Step”.



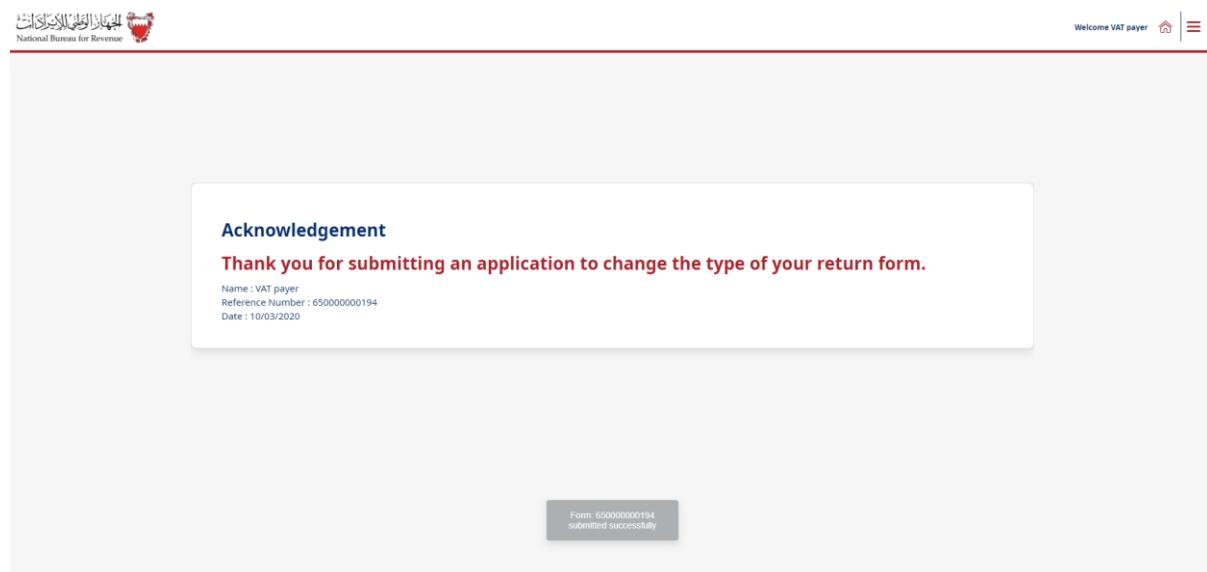
If you are not eligible to apply for a simplified VAT return, you will be notified via a pop-up message. If you are eligible to apply, you will be redirected to the following page where you must agree to and acknowledge all the statements.



The screenshot shows a web page titled "VAT payer Detail". At the top, there is a header with the National Bureau for Revenue logo and a "Change Return form" link. On the right side of the header, there are links for "Welcome VAT payer", a home icon, and a menu icon. Below the header, there is a section with several checkboxes for VAT application terms. At the bottom of the page, there are "Previous Step" and "Submit" buttons.

- I understand that for the purposes of this application form, total annual supplies refers to annual supplies (as defined in Article 34 of the Regulations), in addition to annual exempt supplies.*
- I confirm that I did not generate more than 99,999,999 BD of total annual supplies in the previous 12 months.*
- I do not expect to generate more than 99,999,999 BD of total annual supplies in the next 12 months.*
- I understand that I must revert back to the normal VAT return form as soon as it is identified that I have exceeded or expect to exceed the threshold of 99,999,999 BD of total annual supplies. Furthermore, I understand that failure to do so in a timely manner may result in the imposition of penalties.*
- I accept that the maximum value of total purchases that can be reported in one simplified VAT return form is 100,000 BD. Should I wish to exceed this value, then I must file using the full VAT return form.*
- I understand that when filing with the simplified VAT return form, the declared value of VAT paid on purchases will only relate to VAT which is fully recoverable.*

Once you have submitted your request, you will see a confirmation page stating that your request was successfully submitted.



The screenshot shows a web page titled "VAT payer Confirmation". At the top, there is a header with the National Bureau for Revenue logo and a "Welcome VAT payer" link. On the right side of the header, there are links for a home icon and a menu icon. Below the header, there is a central box containing an "Acknowledgement" section. The acknowledgement message reads: "Thank you for submitting an application to change the type of your return form." Below the message, there is small text: "Name : VAT payer", "Reference Number : 650000000194", and "Date : 10/03/2020". At the bottom of the page, there is a message: "Form: 650000000194 submitted successfully".

Successful submission of the request

Once your request to use the simplified VAT return has been submitted, you should expect to receive a notification to your registered e-mail and phone number as well as a letter titled "Successful application to use the simplified VAT return form" under "My Documents" tile on the NBR portal.

Once successfully submitted, the request will be implemented and all current and future VAT returns which have not been yet filed will be switched to the simplified VAT return. Kindly note

that VAT returns which have already been filed will remain unchanged and will still be displayed and can be amended using the full VAT return.

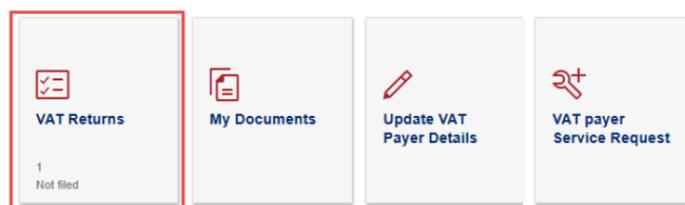


3. SIMPLIFIED FILING PROCESS

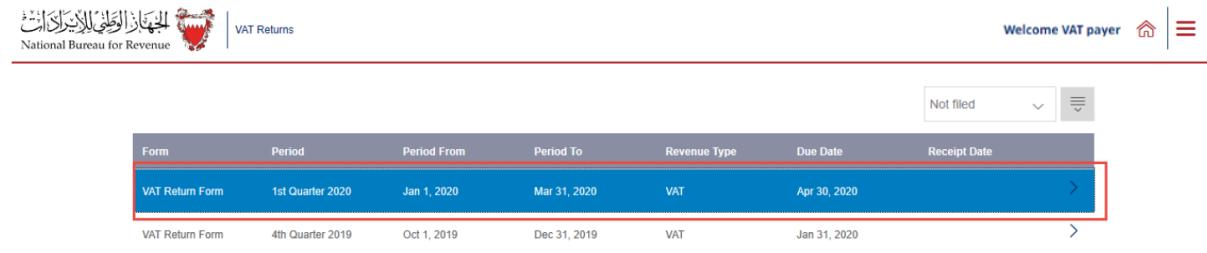
Accessing the VAT return form

To file your VAT obligations, access the Login page on the NBR website using the following link: <https://www.nbr.gov.bh/>. Then log in to the portal using your designated User ID and Password (used during registration).

Proceed to access your outstanding filing obligations by clicking on “VAT Returns” on the homepage. The number displayed at the bottom of this push button (i.e. “1 not filed”) represents your outstanding filing obligations to be submitted to date.



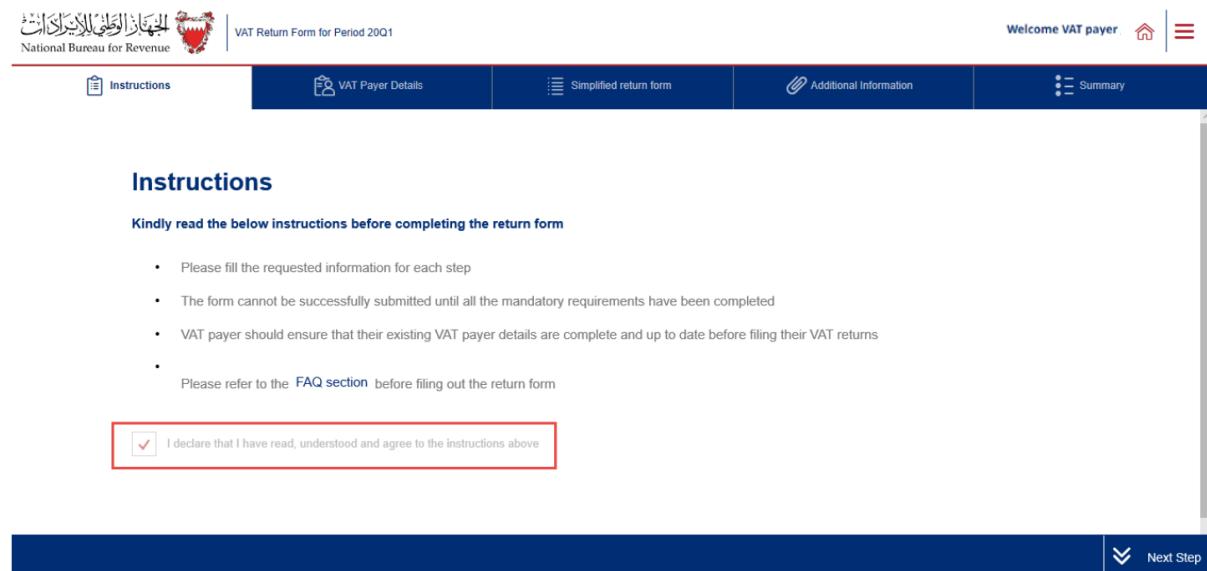
Filter your “VAT Return Forms” by selecting “Not Filed” from the drop-down menu at the top right corner of the screen. To file the return, select the appropriate VAT return form from the list of outstanding filing obligations.



Form	Period	Period From	Period To	Revenue Type	Due Date	Receipt Date
VAT Return Form	1st Quarter 2020	Jan 1, 2020	Mar 31, 2020	VAT	Apr 30, 2020	>
VAT Return Form	4th Quarter 2019	Oct 1, 2019	Dec 31, 2019	VAT	Jan 31, 2020	>

Filing in the VAT return form

After reviewing the conditions of submitting your VAT return, you must confirm that you agree with the instructions; only then you can move forward with the form. Please remember to save your progress by clicking the “Save Draft” button at the bottom right corner.



Instructions

Kindly read the below instructions before completing the return form

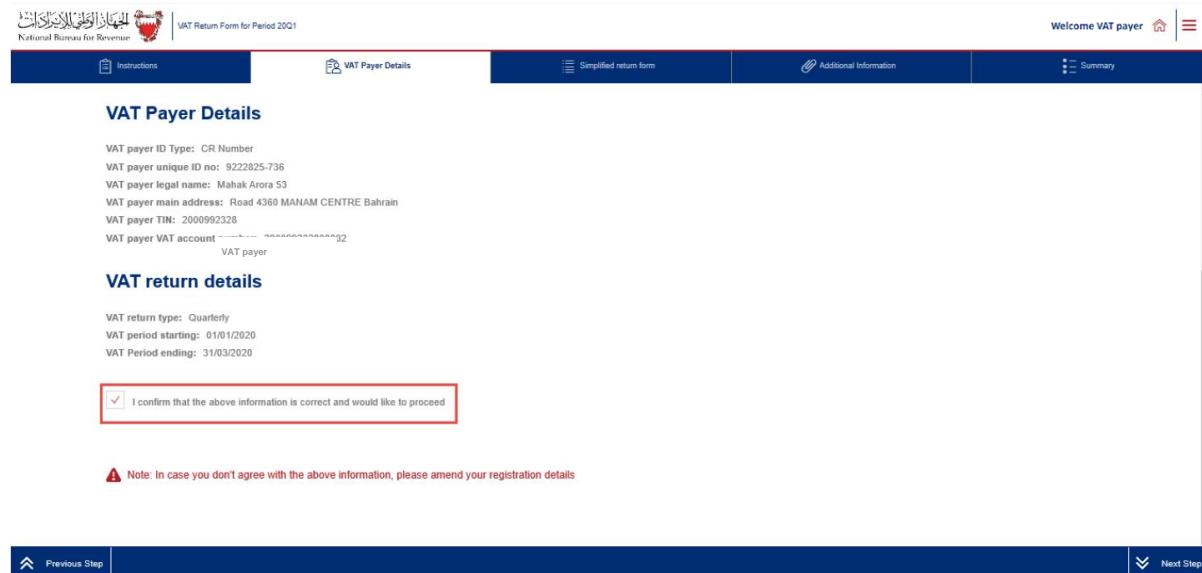
- Please fill the requested information for each step
- The form cannot be successfully submitted until all the mandatory requirements have been completed
- VAT payer should ensure that their existing VAT payer details are complete and up to date before filing their VAT returns
- Please refer to the [FAQ section](#) before filing out the return form

I declare that I have read, understood and agree to the instructions above

Next Step

SIMPLIFIED FILING PROCESS

You should then review and, where necessary, amend your VAT payer and return details before continuing with the form. If you need to make any adjustments to these details, please proceed to “Update VAT Payer Details” on the homepage of the portal. For further assistance, please contact NBR through one of the contact channels stated on the NBR website



VAT Payer Details

VAT payer ID Type: CR Number
 VAT payer unique ID no: 9222825-736
 VAT payer legal name: Mahak Arora 53
 VAT payer main address: Road 4360 MANAM CENTRE Bahrain
 VAT payer TIN: 2009992328
 VAT payer VAT account: 22
 VAT payer VAT account: VAT payer

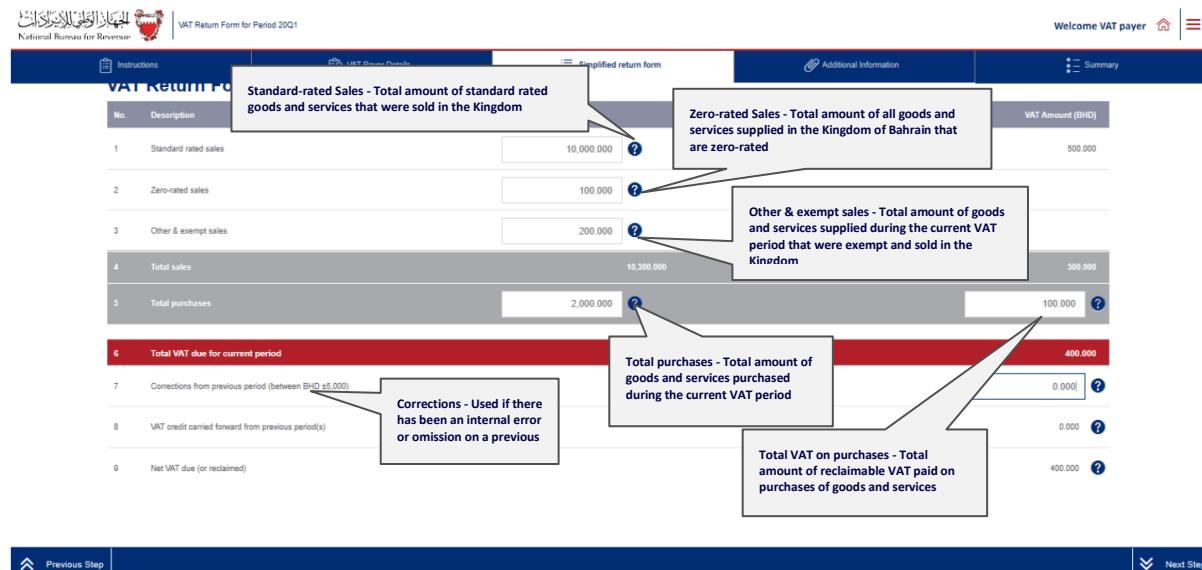
VAT return details

VAT return type: Quarterly
 VAT period starting: 01/01/2020
 VAT Period ending: 31/03/2020

I confirm that the above information is correct and would like to proceed

Note: In case you don't agree with the above information, please amend your registration details

Next, please file the “VAT Return Form” section using the appropriate amounts applicable to the return period. For additional guidance, click on the tooltips (question marks) and a hover box will appear to further explain the line items. Note that the VAT amount is automatically calculated in some fields based on the classification highlighted in the tooltips. If the VAT treatment of these values does not match those in your accounting books, please revise your classifications and / or consult with your VAT advisor.



No.	Description	VAT Amount (BHD)
1	Standard rated sales	500.000
2	Zero-rated sales	100.000
3	Other & exempt sales	200.000
4	Total sales	10,300.000
5	Total purchases	100.000
6	Total VAT due for current period	400.000
7	Corrections from previous period (between BHD ±5,000)	0.000
8	VAT credit carried forward from previous period(s)	0.000
9	Net VAT due (or reclaimed)	400.000

Standard-rated Sales - Total amount of standard rated goods and services that were sold in the Kingdom

Zero-rated Sales - Total amount of all goods and services supplied in the Kingdom of Bahrain that are zero-rated

Other & exempt sales - Total amount of goods and services supplied during the current VAT period that were exempt and sold in the Kingdom

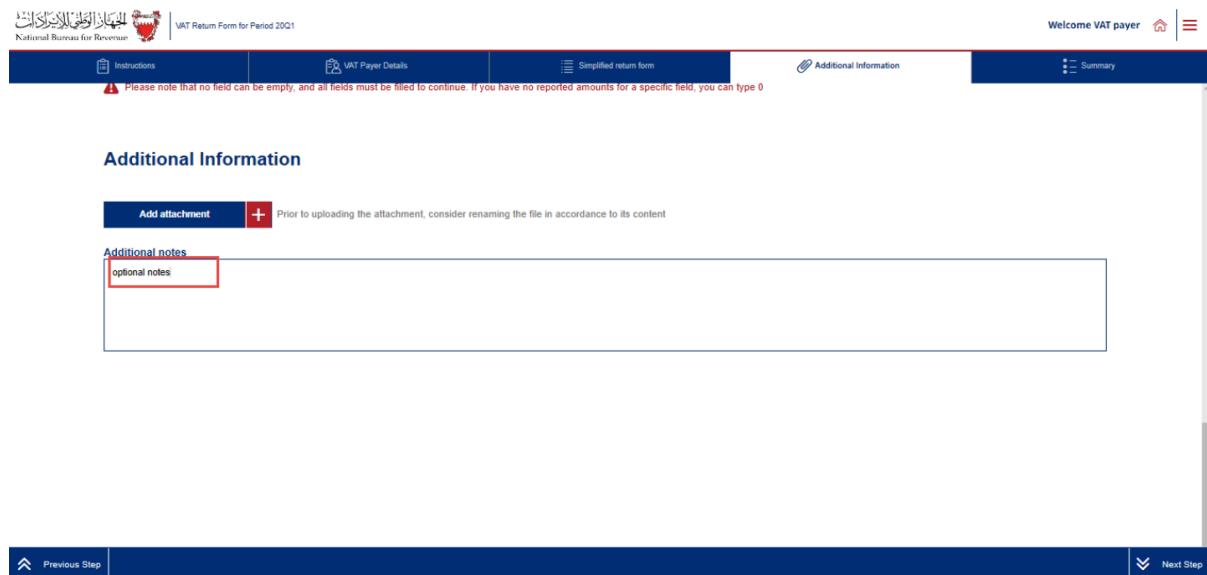
Total purchases - Total amount of goods and services purchased during the current VAT period

Total VAT on purchases - Total amount of reclaimable VAT paid on purchases of goods and services

Corrections - Used if there has been an internal error or omission on a previous

Please refer to the FAQs on <https://www nbr.gov.bh/faq> or refer to Section 9 of the Return Filing Manual for additional information regarding the VAT return. Also, if needed, kindly contact NBR's Contact Centre.

After filing your VAT return, you will be redirected to the “Additional Information” section (optional). Here you can submit supplementary information (e.g. invoices, payment information or customs declarations) to NBR. If deemed necessary, NBR reserves the right to request additional information. Note that if you are submitting a modification of your VAT return, you may be required to upload relevant documents.



Additional Information

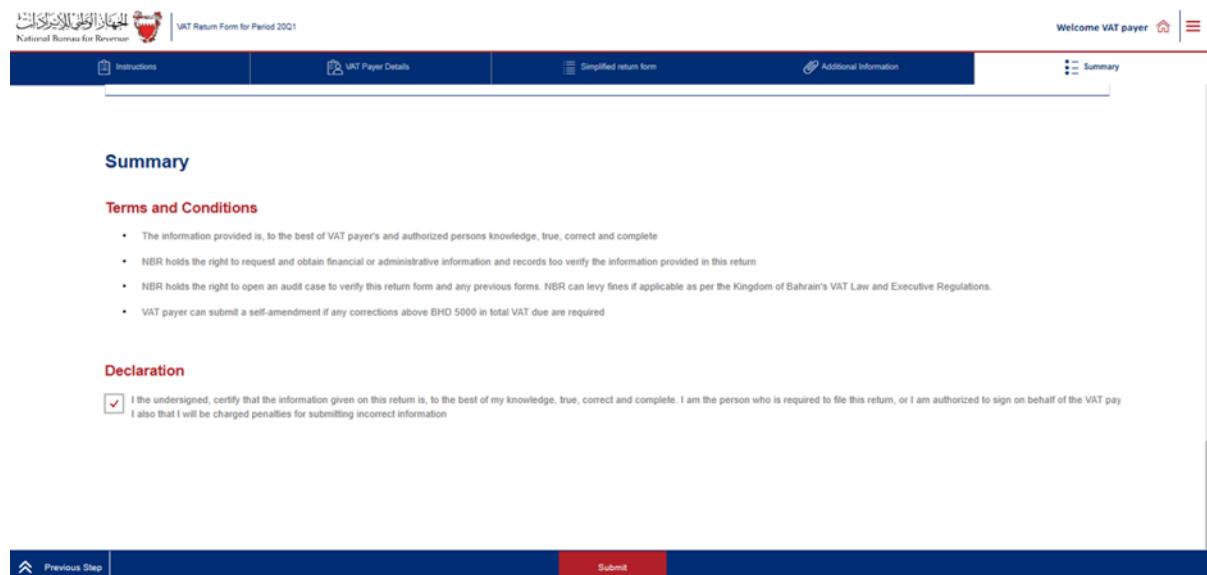
Add attachment + Prior to uploading the attachment, consider renaming the file in accordance to its content

Additional notes
optional notes

Previous Step | Next Step

Submitting the simplified VAT return form

Once the return form is completed and you have agreed on the declaration, you will be able to review and submit your form. Note that if your draft form is not submitted within 45 days, it will be automatically erased from the portal.



Summary

Terms and Conditions

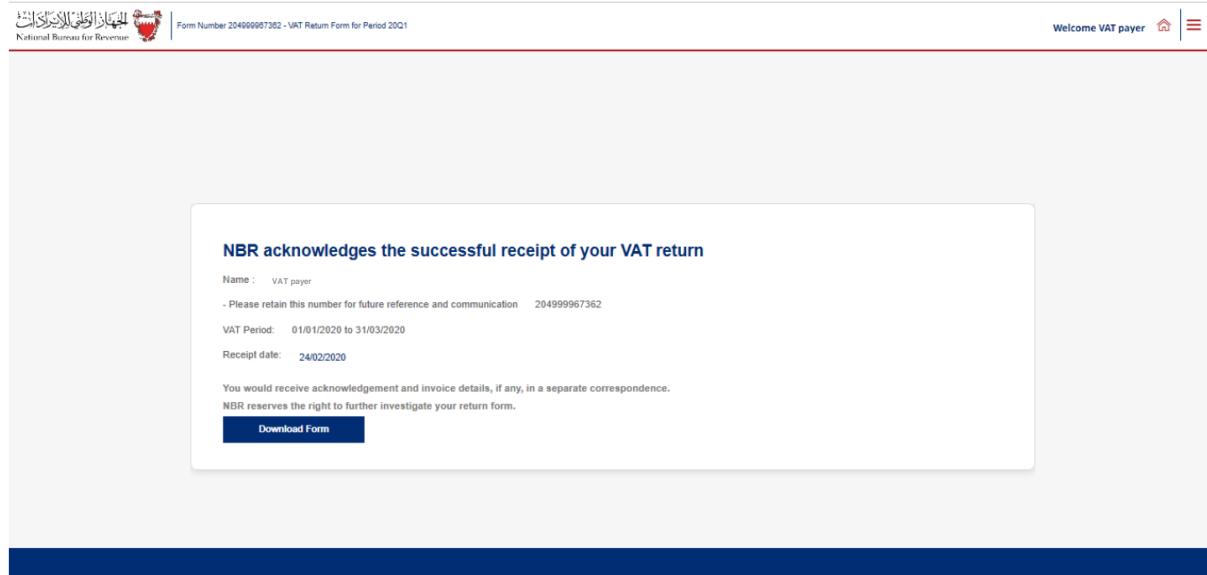
- The information provided is, to the best of VAT payer's and authorized persons knowledge, true, correct and complete
- NBR holds the right to request and obtain financial or administrative information and records to verify the information provided in this return
- NBR holds the right to open an audit case to verify this return form and any previous forms. NBR can levy fines if applicable as per the Kingdom of Bahrain's VAT Law and Executive Regulations.
- VAT payer can submit a self-amendment if any corrections above BHD 5000 in total VAT due are required

Declaration

I the undersigned, certify that the information given on this return is, to the best of my knowledge, true, correct and complete. I am the person who is required to file this return, or I am authorized to sign on behalf of the VAT pay
I also that I will be charged penalties for submitting incorrect information

Previous Step | Submit

Once the form is submitted, you will be redirected to a page confirming the successful submission of your form. There you can view your submission and access your “Confirmation receipt”, an acknowledgement letter of successful submission. Similar to when filing the full return form, you should also expect to receive an SMS and email confirming your submission.



The screenshot shows a confirmation message from the National Bureau for Revenue (NBR) regarding a VAT return submission. The message is as follows:

NBR acknowledges the successful receipt of your VAT return

Name : VAT payer

- Please retain this number for future reference and communication 204999967362

VAT Period: 01/01/2020 to 31/03/2020

Receipt date: 24/02/2020

You would receive acknowledgement and invoice details, if any, in a separate correspondence.
NBR reserves the right to further investigate your return form.

[Download Form](#)

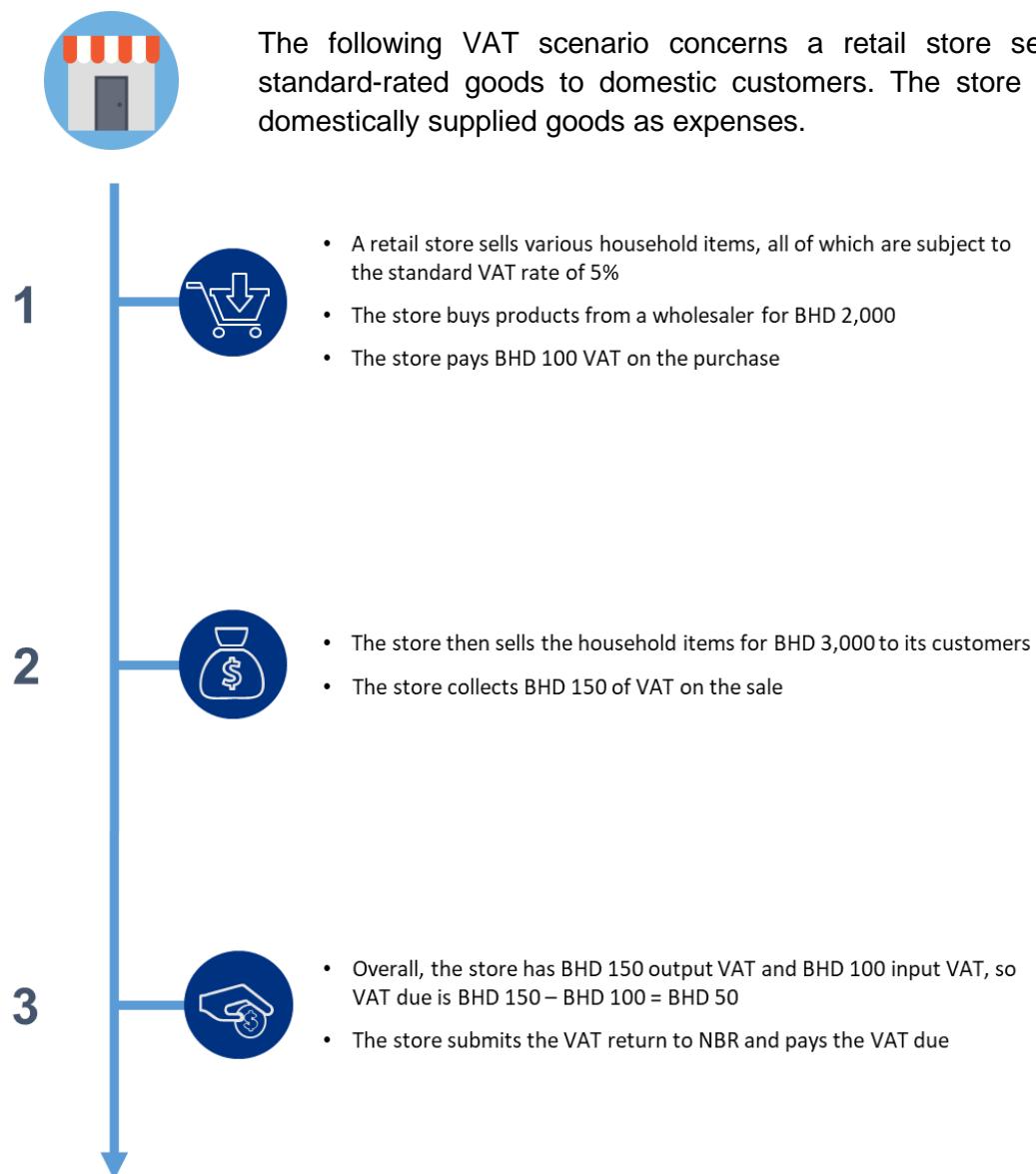
If your Total VAT due + corrections from previous period is positive, then you are in an overall debit position. Please refer to section 6 of this manual for additional information. Kindly note that if you have filed a debit return you should also receive a bill with a breakdown of your liability.

If your Total VAT due + corrections from previous period is negative, then you are in an overall credit position. Please refer to section 7 of this manual for additional information. If you have excess credit from a previous period, and that credit was used to offset your filed debit (in full or in part), you should also expect to receive an offsetting letter under “My documents” on the portal.

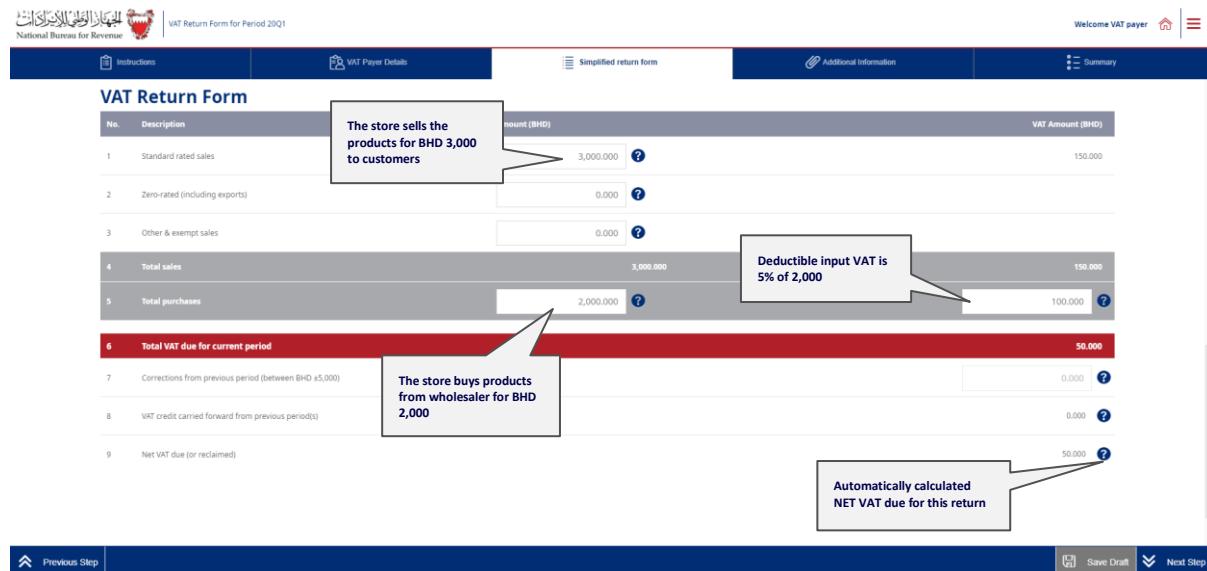
4. SIMPLIFIED FILING SCENARIO EXAMPLES

Please refer to the following examples for a better understanding of how purchase and sale values can be recorded in the simplified VAT return.

4.1. Example 1: A retail store



The below image shows how the store would complete the simplified VAT return form on the NBR portal:



The screenshot shows the VAT Return Form for Period 20Q1. The form is divided into several sections: Instructions, VAT Payer Details, Simplified return form, Additional Information, and Summary.

Simplified return form:

No.	Description	Amount (BHD)	VAT Amount (BHD)
1	Standard rated sales	3,000.000	150.000
2	Zero-rated (including exports)	0.000	0.000
3	Other & exempt sales	0.000	0.000
4	Total sales	3,000.000	150.000
5	Total purchases	2,000.000	100.000
6	Total VAT due for current period		50.000
7	Corrections from previous period (between BHD ±5,000)		0.000
8	VAT credit carried forward from previous period(s)		0.000
9	Net VAT due (or reclaimed)		50.000

Annotations:

- The store sells the products for BHD 3,000 to customers** (points to row 1)
- Deductible input VAT is 5% of 2,000** (points to row 5)
- The store buys products from wholesaler for BHD 2,000** (points to row 5)
- Automatically calculated NET VAT due for this return** (points to row 6)

4.2. Example 2: A wholesale retail company

The following VAT scenario concerns a wholesale retail company which sells goods to domestic customers and has only domestically supplied goods as expenses. The company also has an adjustment resulting in an increase of sales from a previous period, as well as a correction due to an internal error.



1



- During the VAT period, the company buys BHD 50,000 worth of standard-rated goods from various domestic suppliers
- A total of BHD 2,500 VAT is paid

2



- In the same VAT period, the company sells BHD 100,000 to various small domestic stores
- During the previous period, the company received a deposit of BHD 20,000 from one store
- In this period, the wholesale retailer receives payment of 80,000 BD (the outstanding liability)
- VAT of BHD 4,000 is collected on its domestic sales in the current period

3



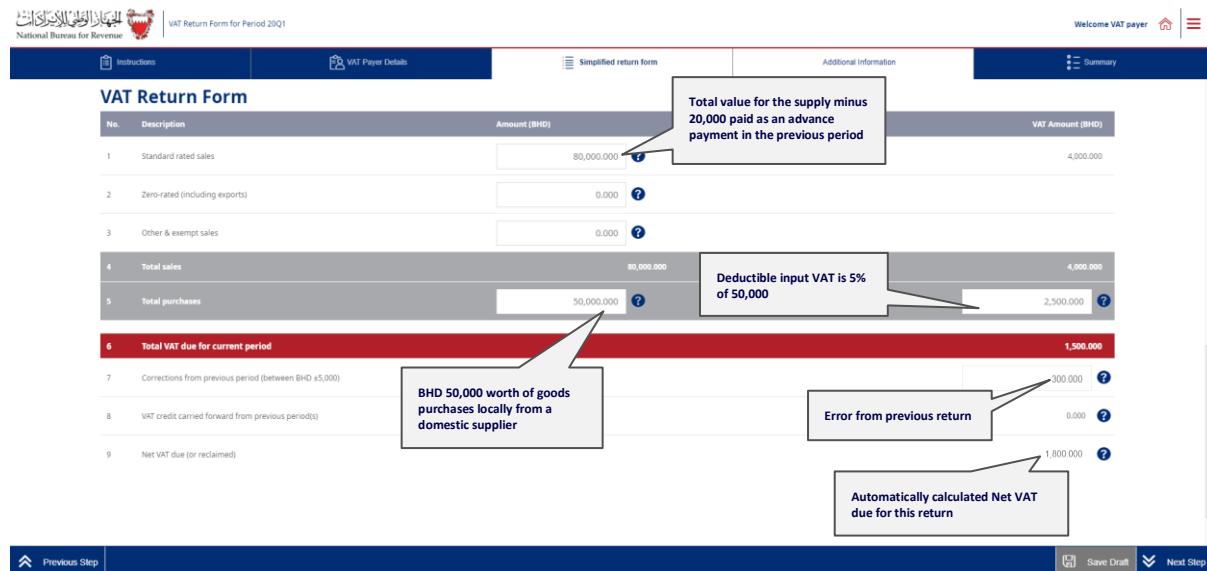
- The company made an error in a previous VAT return, causing them to underpay BHD 300 of VAT

4



- The company has a BHD 4,000 output VAT and BHD 2,500 input VAT, so total VAT due is BHD 1,500
- The company submits the VAT return and pays the VAT due

The below image shows how the wholesale retail company would complete the simplified VAT return form on the NBR portal:



The screenshot shows the VAT Return Form for Period 20Q1. The form is divided into sections: Instructions, VAT Payer Details, Simplified return form, Additional Information, and Summary.

Simplified return form:

No.	Description	Amount (BHD)	VAT Amount (BHD)
1	Standard rated sales	80,000.000	4,000.000
2	Zero-rated (including exports)	0.000	?
3	Other & exempt sales	0.000	?
4	Total sales	80,000.000	4,000.000
5	Total purchases	50,000.000	2,500.000
6	Total VAT due for current period		1,500.000
7	Corrections from previous period (between BHD ±5,000)		300.000
8	VAT credit carried forward from previous period(s)	0.000	?
9	Net VAT due (or reclaimed)		1,800.000

Annotations:

- Total value for the supply minus 20,000 paid as an advance payment in the previous period** (points to row 1)
- Deductible input VAT is 5% of 50,000** (points to row 5)
- BHD 50,000 worth of goods purchases locally from a domestic supplier** (points to row 5)
- Error from previous return** (points to row 7)
- Automatically calculated Net VAT due for this return** (points to row 9)

5. FREQUENTLY ASKED QUESTIONS (FAQs)

Who is eligible to change the full VAT return type to a simplified VAT return?

VAT payers who meet the following conditions can request to change to simplified VAT filing:

- VAT payer must not be registered for VAT purposes as a VAT group
- Annual supplies made by the VAT payer should be below BHD 100,000

The simplified VAT return can be used by monthly, quarterly, or annually filers subject to meeting the above two criteria. Please note that changing to simplified filing is not a mandatory requirement set by NBR.

How do I apply for simplified VAT return filing?

All requests to change VAT return type form should be submitted online using the NBR portal. Please refer to the steps below when requesting to change your filing form type:

- Log in to the portal using the User ID and password of the account for which you would like to change the filing form type. This is the same User ID and password you use during registration and filing.
- Click on “VAT payer Service Request” tile on the homepage.
- You will be redirected to the service requests page. If you have any open service requests, they will be displayed in this page. Please click on “Create New Service” and select the down arrow in the pop up to access the list of services provided by NBR.
- In the drop-down list, please select “Change VAT Return form Type” to access the change return form type application.
- Kindly make sure to review your VAT payer details before choosing a preferred return form type. If you need to make any adjustments to these details, please proceed to “Update VAT Payer Details” on the homepage of the portal. For further assistance, please contact NBR through one of the contact channels stated on the NBR website. Once you have reviewed your information and selected a return type, please click on “Next Step”.
- If you are not eligible to apply for a simplified VAT return, you will be notified via a pop-up message. If you are eligible to apply, you will be redirected to the next page where you must agree to and acknowledge all the statements.
- Once you have submitted your request, you should expect to see a confirmation page stating that your request was successfully submitted.

Please note: While all eligible VAT payers will be able to switch to the simplified VAT return, NBR reserves the right to switch back any VAT payers to the full VAT return at any point of time.

After successful processing of the request, when will the simplified VAT return filing be effective?

After the application has been successfully submitted, you should expect to receive a notification on your registered e-mail and phone number as well as a letter titled “Successful application to use the simplified VAT return form” under “My Documents” on the NBR portal.

Once successfully submitted, the request will be implemented and all current and future VAT returns which have not been yet filed will be switched to the simplified VAT return. Kindly note that VAT returns which have already been filed will remain unchanged and will still be displayed and/or amended using the full form.

What is the deadline to submit a request to change to simplified VAT return filing in 2020?

There is no deadline to choose simplified VAT return filing. As long as you meet the conditions, you can opt for simplified VAT return filing anytime on the NBR portal.

Can I switch back to the full VAT return form after choosing the simplified VAT return form?

You can switch back to the full VAT return form at any point of time, should you choose so. You are also allowed to switch again to simplified VAT return form at later stage, however there shall be a waiting period of one year from the previous change.

How do I file a simplified VAT return?

The overall process to file your VAT obligations using the simplified VAT return is similar to the process of filing the full VAT return. Please refer to section 3 of this guide for further details and guidance.

How do I report adjustments on the simplified VAT return?

There is no specific column for reporting adjustments on the simplified VAT return. Instead, all fields on the simplified VAT return should be reported net of adjustment. For example, if a VAT

payer has 10,000 BHD of standard-rated sales in 2020 Q1 and needs to make an adjustment of 2,000 BHD to their 2019 Q4 VAT return, then the VAT payer should report 8,000 BHD of standard-rated sales in 2020 Q1 when using the simplified VAT return. This differs from the full VAT return, where the VAT payer would need to report 10,000 BHD of standard-rated sales and 2,000 BHD of adjustments to standard-rated sales in separate fields. Kindly note that NBR reserves the right to validate VAT filings and could ask VAT payers for a detailed record demonstrating both the gross amounts and the adjustments made.

How do I report zero-rated and / or exempt purchases on the simplified VAT return?

Zero-rated and exempt purchases should be included within the field 'Total purchases'. Note that only deductible VAT related to your standard rated purchases and imports will be reported in the VAT field.

How do I account for apportionment on the simplified VAT return?

There is no specific column for apportionment on the simplified VAT return. Instead, the VAT payer should only report deductible VAT paid on the field for 'VAT amount' on purchases.

For example, a VAT payer made 10,000 BHD of purchases in 2020 Q1, on which the VAT payer paid 500 BHD of VAT. Of this VAT 300 BHD was deductible. The VAT payer would report 10,000 BHD in the field for 'Total purchases' and 300 BHD in the field 'VAT amount' on purchases if using the simplified VAT return. Kindly note that NBR reserves the right to validate VAT filings and could ask VAT payers for a detailed record demonstrating the apportionment calculation made.

How do I report standard-rated sales to a domestic purchaser who applies the domestic reverse charge mechanism?

Standard-rated sales made to a domestic purchaser who has the right granted by NBR (supported by a valid certificate) to apply the Domestic Reverse Charge Mechanism should be reported in the field 'Other & exempt sales'. Kindly note that NBR reserves the right to validate VAT filings and could ask VAT payers for a detailed record demonstrating these sales.

How do I report exports on the simplified VAT return?

Exports should be reported in the field 'Zero-rated (including exports)'.

Kindly note that NBR reserves the right to validate VAT filings and could ask VAT payers for a detailed record demonstrating the value of their exports.

