

VAT Penalty Risk Checklist - Bahrain Edition

VAT Registration & Setup

- ☐ We have verified that our taxable turnover exceeded BHD 37,500 and registered for VAT on time.
- ☐ We submitted our VAT registration to the NBR within the legal 60-day window.
- ☐ We received our VAT Certificate and have our TRN displayed on all tax invoices.

VAT Returns & Deadlines

- ☐ We file our VAT returns on or before the NBR due dates (monthly/quarterly).
- ☐ We never submitted a return late or missed a filing period.
- ☐ We maintain a return preparation calendar or automated reminder system.

Invoices & Documentation

- ☐ All outgoing invoices are VAT-compliant (TRN, invoice number, date, taxable value, VAT amount).
- ☐ We retain copies of all sales and purchase invoices for the last 5 years.
- ☐ We use software or an ERP system that automatically includes required VAT elements.

Input VAT Claims

- ☐ We only claim VAT on eligible business expenses with proper documentation.
- ☐ We do not claim VAT on personal use, entertainment, or non-business costs.
- ☐ We keep supporting documentation for all input VAT (e.g., tax invoices, import declarations).

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Transaction Treatment

- ☐ We apply the correct VAT rates to every sale (standard, zero-rated, exempt).
- ☐ We correctly account for reverse charge on foreign supplier invoices.
- ☐ We record intra-GCC and export transactions in line with Bahrain VAT rules.

Staff Training & Internal Controls

- ☐ Our finance team has been formally trained on Bahrain's VAT laws.
- ☐ We have internal controls for reviewing returns before submission.
- ☐ We conduct periodic compliance reviews or internal audits.

Past Notices or Penalties

- ☐ We have never received a VAT fine or warning from the NBR.
- ☐ If we were penalized before, we appealed or resolved the issue correctly.
- ☐ We have a record of all past correspondence with the NBR regarding VAT.