

National Bureau for Revenue Launches Advance Payment Form for Domestic Minimum Top-up Tax

The NBR has officially launched an **online form** for the advance payment of **Domestic Minimum Top-up Tax (“DMTT”)** through its digital portal, pursuant to Decree-Law No. (11) of 2024. This follows the issuance of the **Advance Payment Manual - Version 1.0 (July 2025)** and an updated **DMTT Administrative Guide** dated 2 July 2025, which together provide operational and procedural clarity for **Filing Constituent Entities (“Filing CEs”)** within in-scope **Multinational Enterprise (“MNE”) Groups**, i.e., those with consolidated annual revenues of **EUR 750 million or more**.

Key Features of the Advance Payment Manual

The Advance Payment Manual outlines the mode, manner, procedures and timelines for estimating and remitting advance DMTT liabilities. While the NBR portal now facilitates the submission of advance payment forms and remittances, there is **no contemporaneous requirement to submit detailed computations, supporting schedules, or financial data** at the time of filing.

Importantly, where a Filing CE has made a **valid election** at the time of registration, such as the, **Transitional Safe Harbour Exclusion, De Minimis Exclusion, or Exclusion for the Initial Phase of International Activity**, the entity is **not required to declare or settle any advance DMTT payments** for the applicable fiscal year.

However, where a Filing CE **does not qualify for any of the above exclusions** but is in a tax loss

position or otherwise has no DMTT liability, the entity is still **required to complete and submit the advance payment form**, explicitly stating **‘zero’ as the quarterly tax liability**.

Documentation Requirements

Although the form submission does not require attachments, **Filing CEs are obligated to retain supporting documentation** in line with the DMTT Executive Regulations (“ER”). Specifically, entities must maintain:

- ▶ A clearly articulated estimation methodology (based on the prior fiscal year or current year-to-date figures),
- ▶ All financial data and assumptions underpinning the calculations,
- ▶ Internal records substantiating the determination of any advance tax payment amount (including zero amounts).

Such documentation must be **maintained in a readily accessible format** and be available for submission to the NBR upon request.

Recommended Actions for In-Scope MNE Groups

To ensure timely and accurate compliance with the DMTT advance payment regime, in-scope MNE Groups should:

- ▶ **Review DMTT registration elections** to determine eligibility for applicable exclusions;

- ▶ **Assess whether advance payment obligations apply** in light of group's financial position and exclusions claimed;
- ▶ **Establish and document a defensible estimation methodology**, inclusive of relevant assumptions and financial data;
- ▶ **Submit the advance payment form via the NBR portal**, even where no payment is due;
- ▶ **Implement sound internal governance frameworks** to support compliance, documentation, and future audits;
- ▶ **Ensure timely remittance of Advance DMTT payments** before the statutory deadline. For the transitional year, the Executive Regulations prescribe a due date of 60 days from the end of the second quarter, which falls on 29 August 2025. However, as 29 August 2025 falls on a Friday (a non-working day in Bahrain), the effective due date is extended to 31 August 2025, as currently reflected on the NBR portal. Taxpayers are strongly advised to initiate payment by no later than 28 August 2025 to mitigate any risk of delay due to bank processing timelines; and
- ▶ **Exercise due care in selecting the estimation methodology**, whether based on the prior fiscal year or the current year-to-date figures. While the Advance Payment Manual does not

prescribe a preferred approach, the methodology selected must be applied consistently for the entire fiscal year and **cannot be modified or revoked** for subsequent quarterly payments.

The updated **Administrative Guide** provides additional clarity on procedural aspects and contains **illustrative examples** to assist with advance payment computations and compliance obligations.

How We Can Assist

Our International Tax and Pillar Two Advisory Team provides comprehensive support across all phases of DMTT implementation, including:

- ▶ DMTT registration and eligibility analysis,
- ▶ Exclusion and safe harbour strategy,
- ▶ Estimation and impact modelling,
- ▶ Permanent Establishment (PE) analysis, and
- ▶ End-to-end compliance documentation and filings.

Please contact us for tailored advisory solutions aligned with your group's global tax and compliance strategy.

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