

KINGDOM OF BAHRAIN

VAT DEREGISTRATION MANUAL

AUGUST 2023

VERSION 1.0



الجهتاز الوطنى للإيرادات
National Bureau for Revenue

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1. Manual Overview

This manual aims to provide the VAT payers with:

1. The necessary guidance for the deregistration of a VAT payer
2. An overview of voluntary and mandatory deregistration requirements.

This manual is intended to provide general information only and does not represent exhaustive or legally binding guidelines. For additional information, kindly refer to “Guidelines” on the NBR website. VAT payers 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. VAT Deregistration

Deregistration application is submitted by the VAT payer via the deregistration form and must be approved by the NBR. The NBR can choose the effective date of deregistration, after which the VAT payer is no longer liable nor eligible to collect VAT. Deregistration can only be executed successfully once all obligations have been cleared by the VAT payer.

After successful deregistration, the VAT payer will not lose access to their NBR account as they will be obliged to re-register again within 30 days of the annual supplies reaching the mandatory registration threshold. Re-registering will re-activate the filing and payment obligations of the VAT account.

2.1. Deregistration Eligibility Criteria

When should a VAT payer use this function?

There are two different types of deregistration:

- a. **Mandatory:** Where a VAT payer is required to deregister by law.

A **Resident** VAT payer is subject to mandatory deregistration if any of the below criteria is met:

Criteria	Description
Surrender of economic activity	Where a registered VAT payer is no longer the owner of the economic activity (e.g., VAT payer sold the business)
Cessation of economic activity	Where a VAT payer ceases all economic activity permanently (e.g., VAT payer goes bankrupt, the legal entity is liquidated)
Annual supplies less than or equal to BHD 18,750 in the last 12 months and it is not expected to exceed it	Where the value of VATable supplies falls below or equal to BHD 18,750 for 12 consecutive months and the value of these supplies or expenses is not expected to exceed BHD 18,750 in the next 12 months

A **Non-Resident** VAT payer is subject to mandatory deregistration if the below criterion is met:

Criteria	Description
No supplies to non-registered persons	<ul style="list-style-type: none"> Value of standard rated supplies in the Kingdom of Bahrain to persons not registered for VAT is equal to Zero for 12 consecutive months A non-resident VAT payer is not allowed to register for VAT if the supplies are classified as Zero-rated Supplies are made only to registered persons in the Kingdom of Bahrain

- b. **Voluntary:** where a VAT payer may voluntarily deregister but is not mandatory required to do so.

A **Resident** VAT payer is eligible to voluntary deregister if the below criterion is met:

Criteria	Description
Supplies amount equal to BHD 18,750 up to BHD 37,500	<ul style="list-style-type: none"> Value of VATable supplies falls below or equal to BHD 37,500 for 12 consecutive months but remains above BHD 18,750 A voluntarily registered VAT payer must remain registered for 24 months, even if the above criterion is fulfilled

Non-Resident VAT payers are not eligible for voluntary deregistration.

Two additional considerations may impact a VAT payer's eligibility to deregister:

- Group members must leave their VAT group before they can apply for deregistration.
- Voluntary registrants are only allowed to proceed with voluntary deregistration if they have been registered for over 24 months.

3. Deregistration Process

3.1. How can a VAT payer apply for deregistration?

According to Article 34 of the VAT Law, VAT payer should apply to the NBR for deregistration in any of the following cases:

- No longer carries out an economic activity;
- Stops making VATable supplies (Standard rated, Zero rated or exports) over a period of 12 consecutive months;
- If, at the end of any month, the value of the VATable supplies made over the previous 12 month period does not exceed the voluntary registration threshold, and does not anticipate that the value of supplies or expenses will exceed the voluntary registration threshold over the following 12 months period; or
- Any other reason where the VAT payer might be eligible for deregistration where relevant documents shall be submitted.

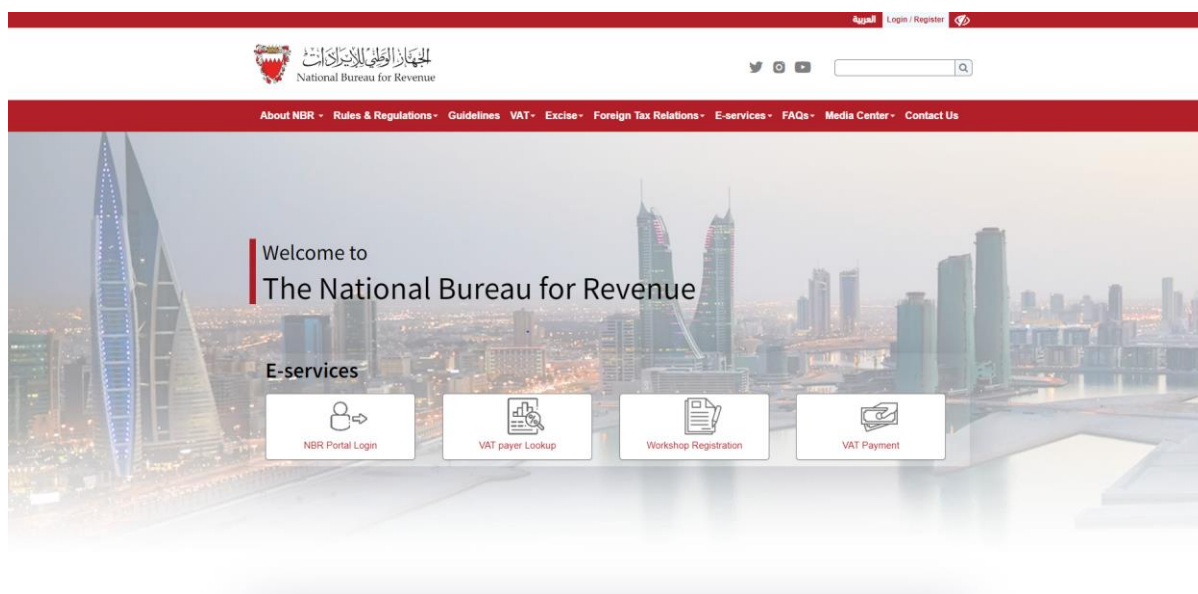
In addition, the applicant may be requested to provide additional information or documentation by the NBR depending on the case of their deregistration.

3.2. How can a VAT payer complete the deregistration application form?

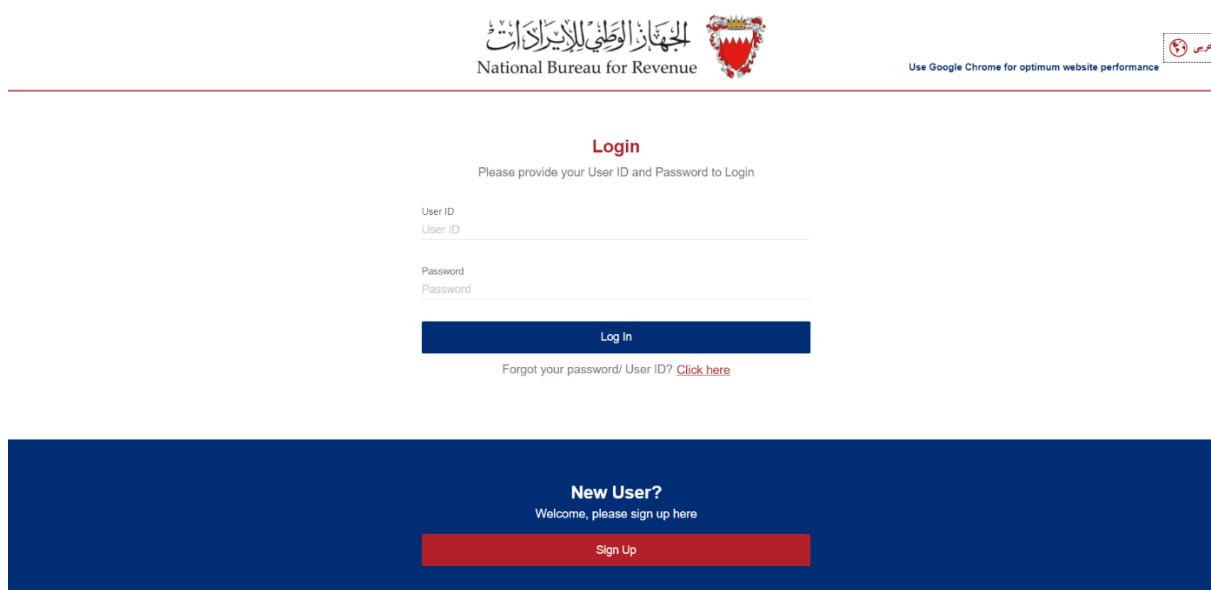
All deregistration application forms should be submitted online using the NBR portal. The VAT payer should refer to the steps below when submitting the form.

VAT payer should access NBR website using the following link: www.nbr.gov.bh.

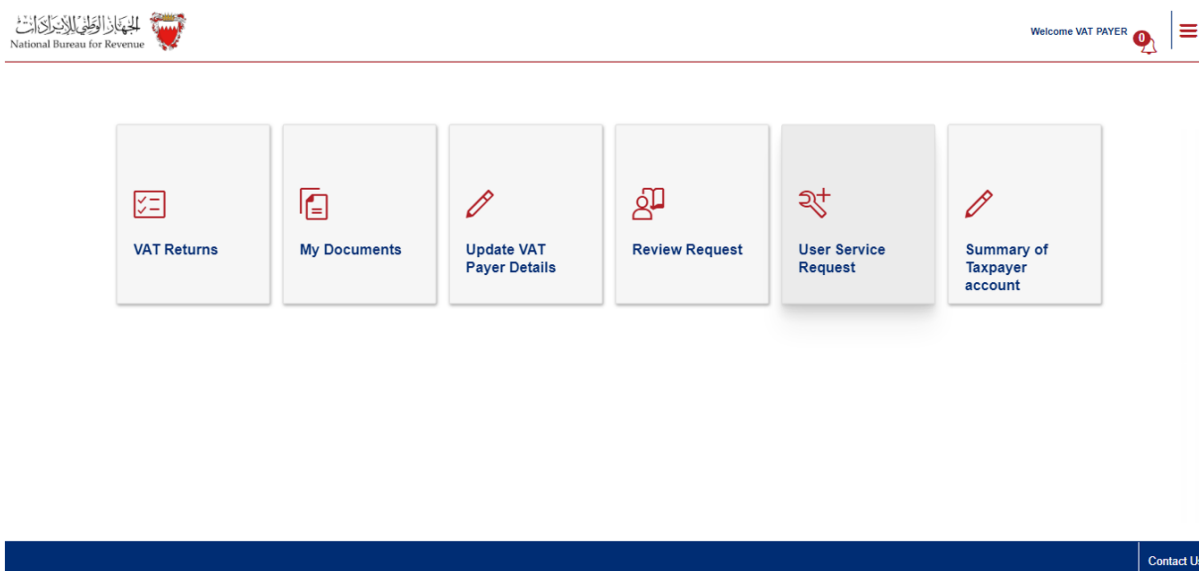
Note: NBR portal should be accessed via Google Chrome for optimal utilization.



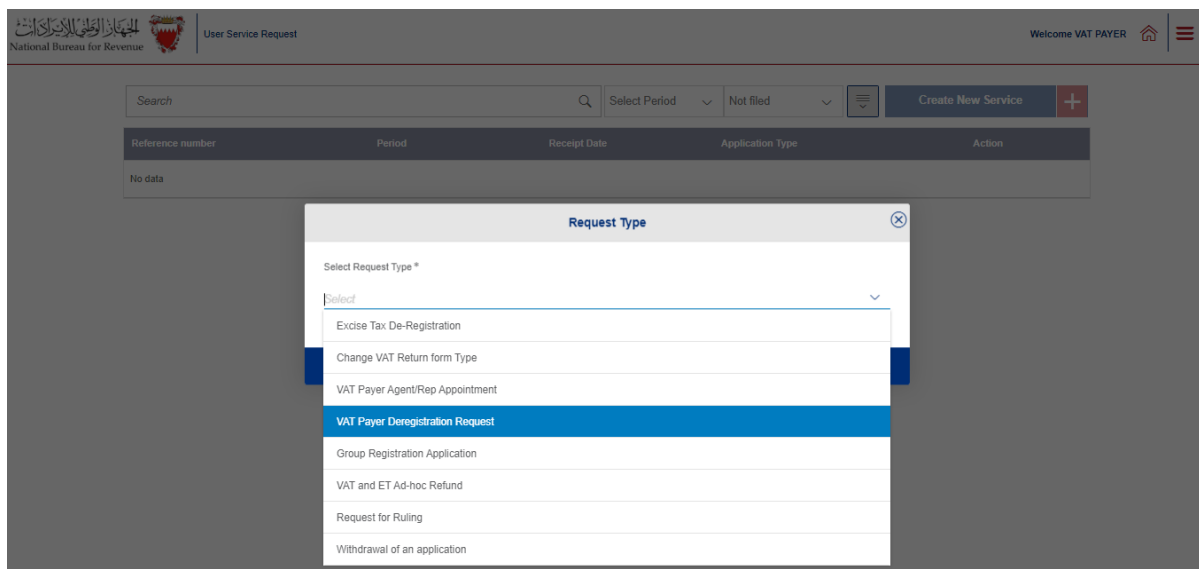
VAT payer should log in to the NBR portal using the User ID and password (used during registration).



VAT payer should click on “User Service Request” on the homepage to access the deregistration request.

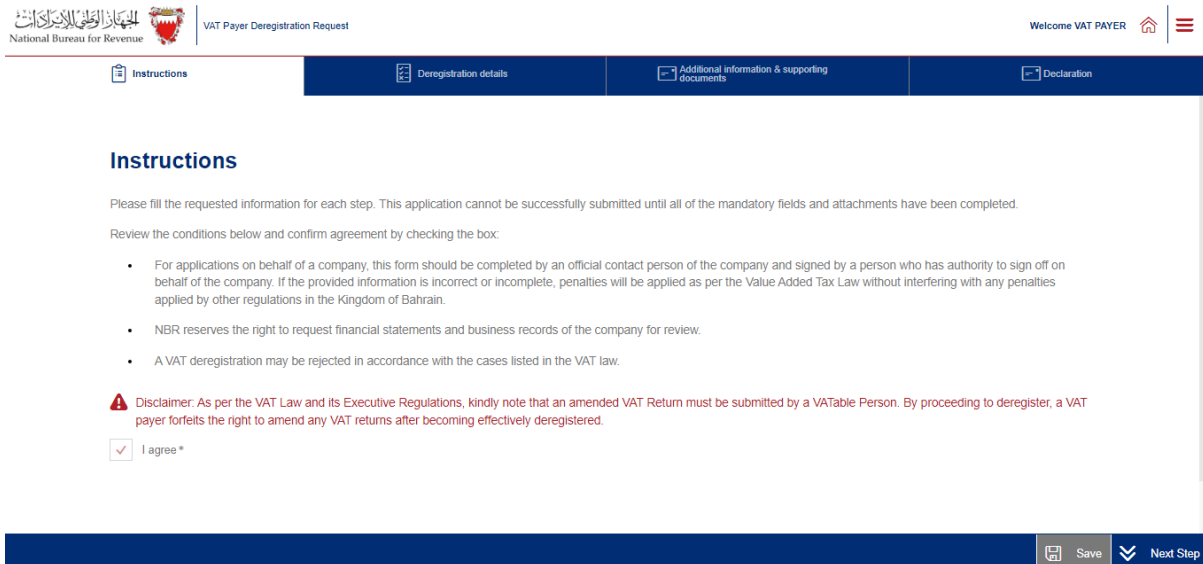


VAT payer should click on “Create New Service” on the top right corner of the screen and then select “VAT Payer Deregistration Request” from the drop-down menu.



After reviewing the conditions of submitting the deregistration request, VAT payer will be redirected to the instructions page to review and confirm the instructions; only then the VAT payer can move forward to the next step.

Kindly note that the VAT payer should click on the “Save” button at the bottom right corner to proceed and save the progress.



Instructions

Please fill the requested information for each step. This application cannot be successfully submitted until all of the mandatory fields and attachments have been completed.

Review the conditions below and confirm agreement by checking the box:

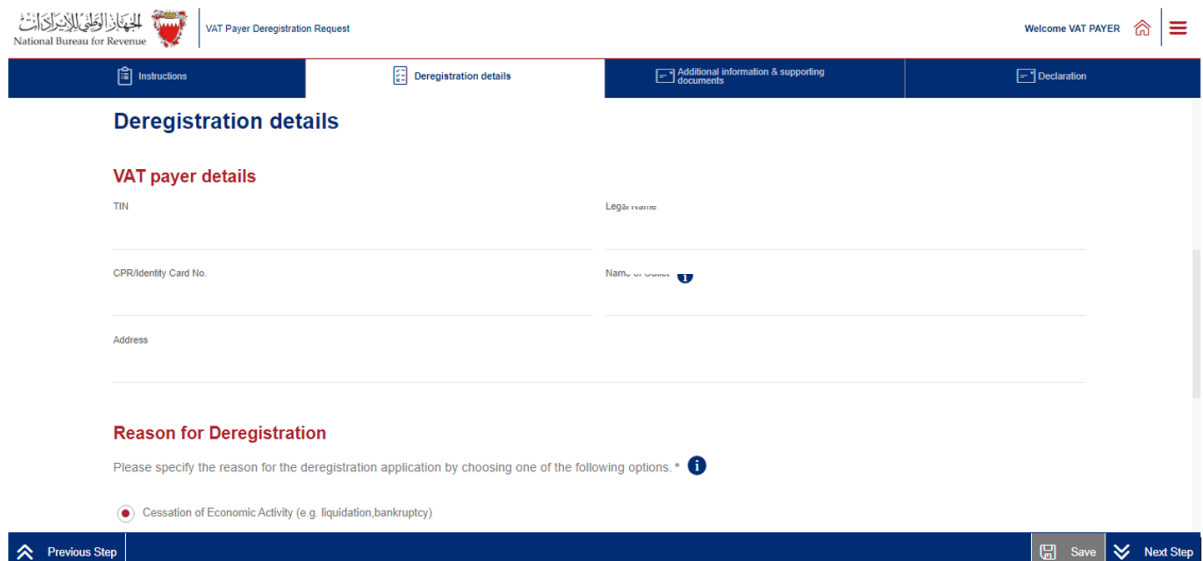
- For applications on behalf of a company, this form should be completed by an official contact person of the company and signed by a person who has authority to sign off on behalf of the company. If the provided information is incorrect or incomplete, penalties will be applied as per the Value Added Tax Law without interfering with any penalties applied by other regulations in the Kingdom of Bahrain.
- NBR reserves the right to request financial statements and business records of the company for review.
- A VAT deregistration may be rejected in accordance with the cases listed in the VAT law.

⚠ Disclaimer: As per the VAT Law and its Executive Regulations, kindly note that an amended VAT Return must be submitted by a VATable Person. By proceeding to deregister, a VAT payer forfeits the right to amend any VAT returns after becoming effectively deregistered.

I agree *

Save Next Step

In the deregistration details section, the reason for VAT deregistration should be selected.



Deregistration details

VAT payer details

TIN Legal name

CPR/Identity Card No. Name

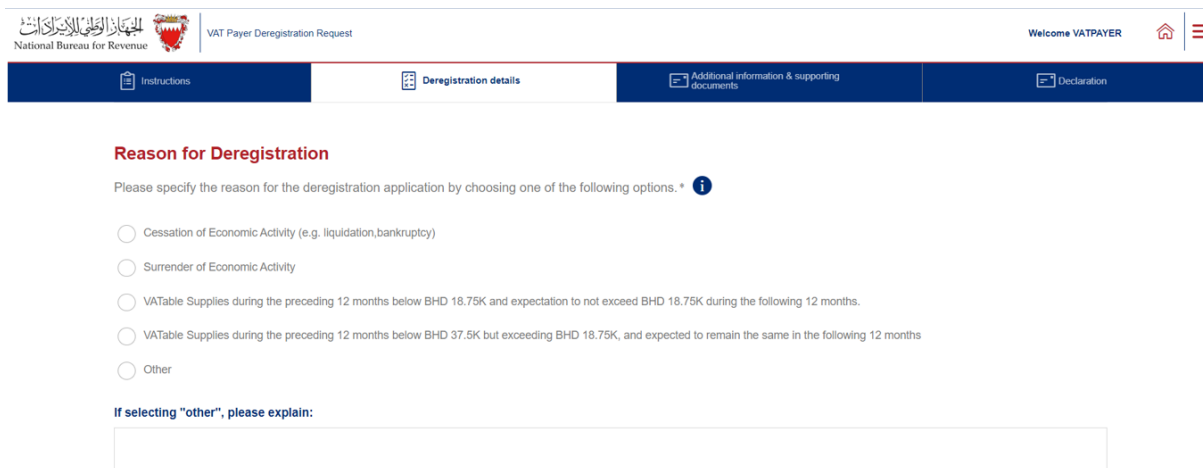
Address

Reason for Deregistration

Please specify the reason for the deregistration application by choosing one of the following options. * i

Cessation of Economic Activity (e.g. liquidation, bankruptcy)

Previous Step Save Next Step



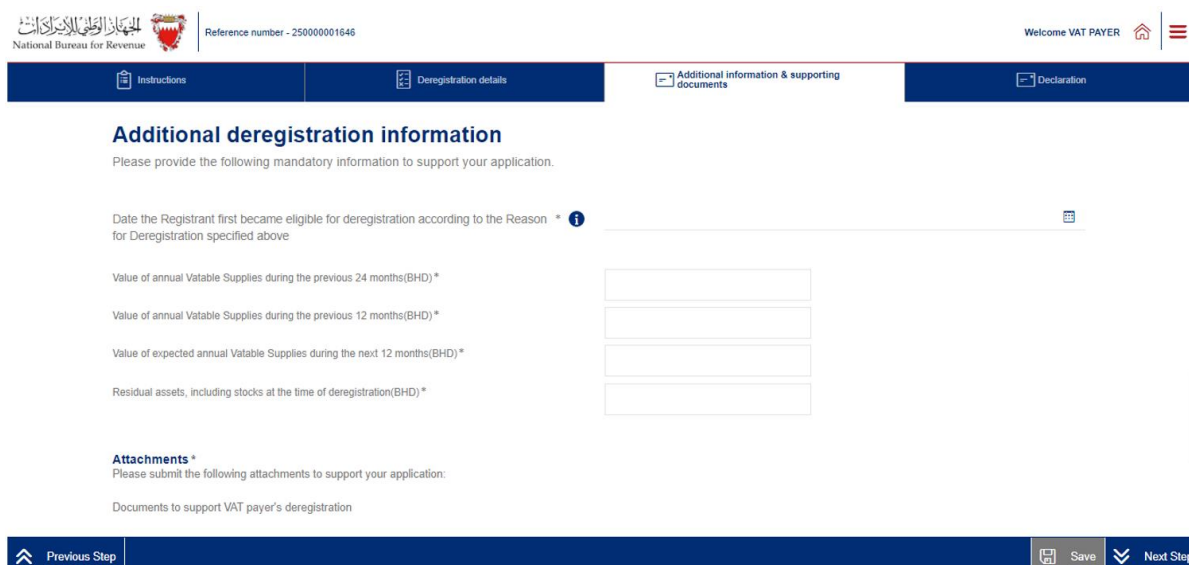
Reason for Deregistration

Please specify the reason for the deregistration application by choosing one of the following options. * i

- Cessation of Economic Activity (e.g. liquidation, bankruptcy)
- Surrender of Economic Activity
- VATable Supplies during the preceding 12 months below BHD 18.75K and expectation to not exceed BHD 18.75K during the following 12 months.
- VATable Supplies during the preceding 12 months below BHD 37.5K but exceeding BHD 18.75K, and expected to remain the same in the following 12 months
- Other

If selecting "other", please explain:

In the additional and supporting documents section > the value of supplies should be entered.



Additional deregistration information

Please provide the following mandatory information to support your application.

Date the Registrant first became eligible for deregistration according to the Reason * i 📅

for Deregistration specified above

Value of annual Vatable Supplies during the previous 24 months(BHD) *

Value of annual Vatable Supplies during the previous 12 months(BHD) *

Value of expected annual Vatable Supplies during the next 12 months(BHD) *

Residual assets, including stocks at the time of deregistration(BHD) *

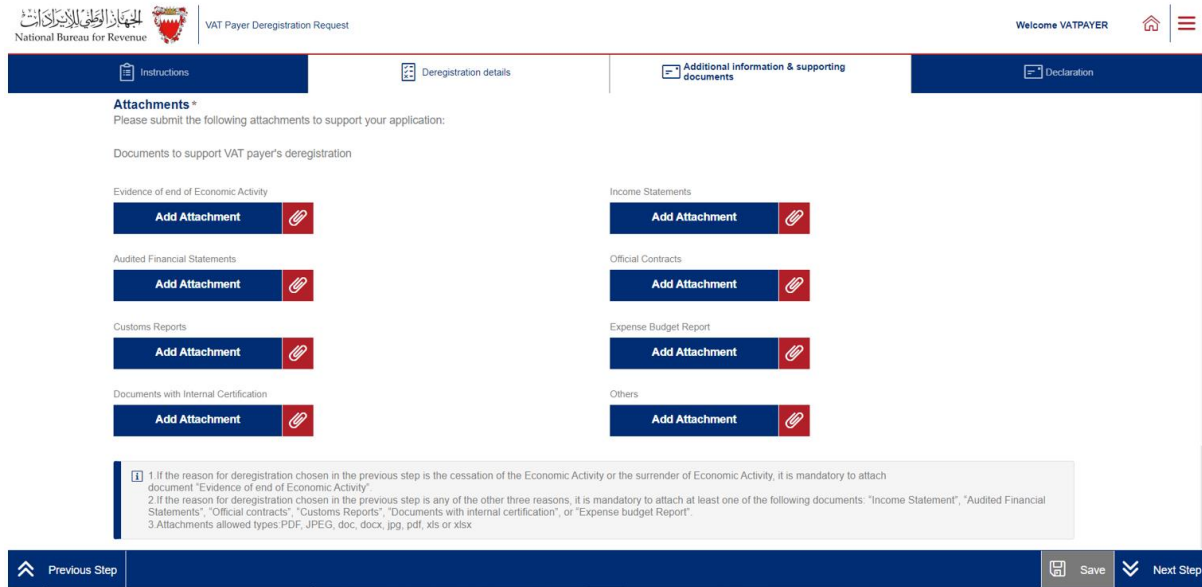
Attachments *

Please submit the following attachments to support your application:

Documents to support VAT payer's deregistration

In the additional and supporting documents section > the following documents should be attached, including but not limited to:

- Income statement for the last 12 months
- Income statement for the last 24 months
- Projected income statement for the next 12 months showing both supplies and expenses
- Residual assets document
- Copy of the latest CR or other equivalent identification
- Surrender forms in case of "Transfer of Ownership"
- Any other supporting document related to the reason of deregistration



Attachments*
Please submit the following attachments to support your application:

Documents to support VAT payer's deregistration

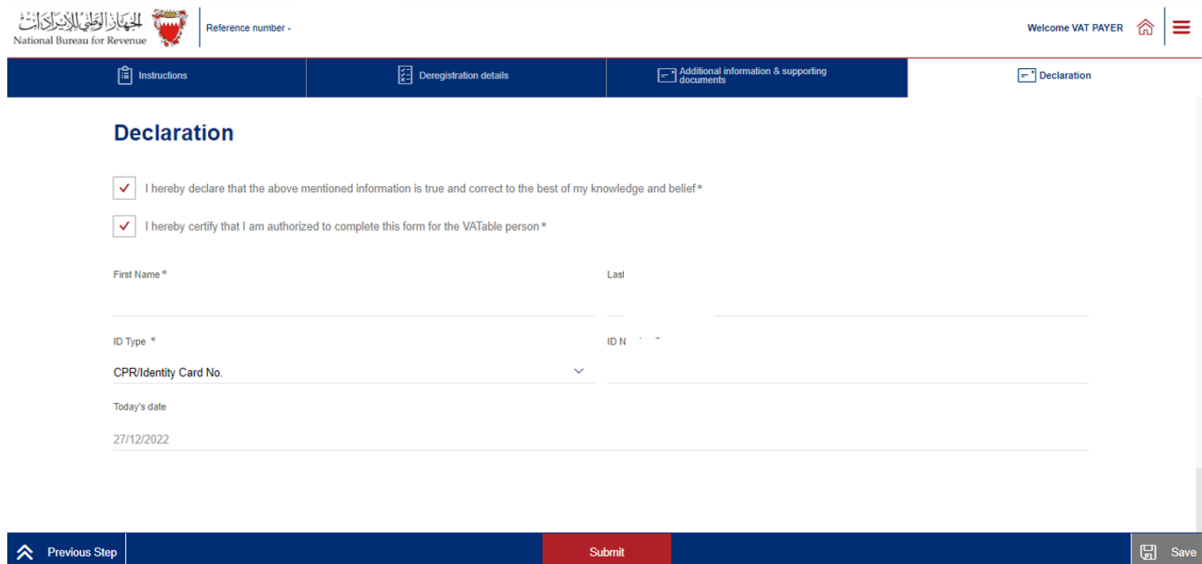
Evidence of end of Economic Activity Add Attachment	Income Statements Add Attachment
Audited Financial Statements Add Attachment	Official Contracts Add Attachment
Customs Reports Add Attachment	Expense Budget Report Add Attachment
Documents with Internal Certification Add Attachment	Others Add Attachment

1. If the reason for deregistration chosen in the previous step is the cessation of the Economic Activity or the surrender of Economic Activity, it is mandatory to attach document "Evidence of end of Economic Activity".
2. If the reason for deregistration chosen in the previous step is any of the other three reasons, it is mandatory to attach at least one of the following documents: "Income Statement", "Audited Financial Statements", "Official contracts", "Customs Reports", "Documents with internal certification", or "Expense budget Report".
3. Attachments allowed types PDF, JPEG, doc, docx, jpg, pdf, xls or xlsx

Navigation: [Previous Step](#) | [Save](#) | [Next Step](#)

Note: Additional documentation may be requested by the NBR depending on each deregistration case.

Next, VAT payer will be redirected to the Declaration page:



Declaration

I hereby declare that the above mentioned information is true and correct to the best of my knowledge and belief *

I hereby certify that I am authorized to complete this form for the VATable person *

First Name * _____ Last _____

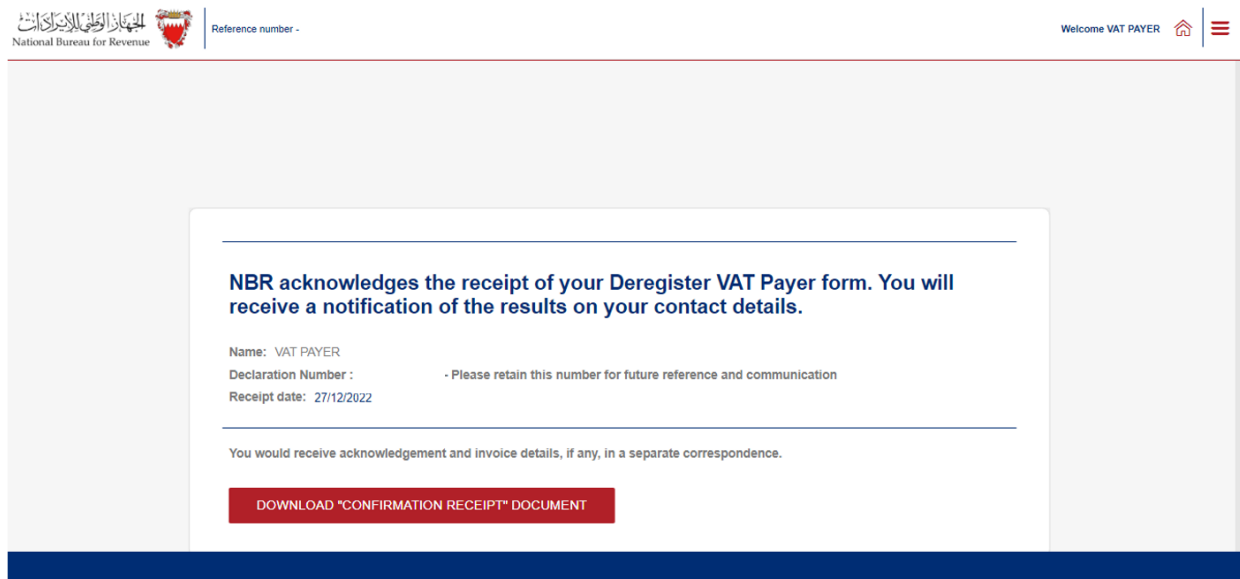
ID Type * _____ ID N _____

CPR/Identity Card No. _____

Today's date
27/12/2022

Navigation: [Previous Step](#) | [Submit](#) | [Save](#)

Once the VAT payer clicks on "Submit" the following screen will appear:



After NBR has processed and approved the deregistration application, the VAT payer should receive an SMS and an email confirmation of the successful approval of the deregistration application. A deregistration approval letter will be issued only upon clearing all VAT payer obligations with NBR in terms of VAT due payments or VAT refund amounts.



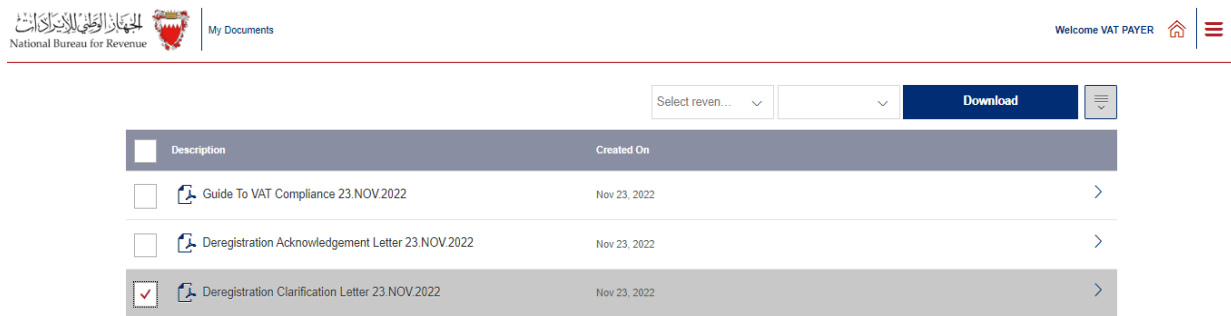
Reference Num 250000001640 : الرقم المرجعي




Date of Letter : 24/10/2022 : تاريخ الرسالة


 الجهاز الوطني للإيرادات
 National Bureau for Revenue

Acknowledgment of successful submission of deregistration request		
تأكيد نجاح تقديم طلب إلغاء التسجيل		
VAT payer name:	VAT Payer	اسم الخاضع للقيمة المضافة:
VAT payer address:	Flat/Shop No. 1, Building 3, Road/ Street 4444, Manama, Block 2, Bahrain	عنوان الشخص الخاضع للقيمة المضافة:
Other Identification Number:	7236271128	رقم تعريفى آخر:
Dear VAT Payer,		
Your application for deregistration with reference number 250000001640 has been successfully submitted.		
We are currently reviewing your application and will get back to you shortly .		
Kindly note that a requirement for deregistration approval is having submitted all due VAT returns,		
عزيزي VAT Payer ،		
تم تقديم طلب إلغاء التسجيل ذي الرقم المرجعي 250000001640 بنجاح. نقوم حالياً بمراجعة طلبك وسوف نعاود الاتصال بك قريباً.		
يرجى العلم أنه للموافقة على إلغاء التسجيل، يجب التأكد من سداد كافة إقرارات القيمة المضافة المستحقة وسداد كافة المستحقات أو الاستردادات المطلوبة.		
For further information, please contact the National Bureau for Revenue on 80008001.		
This document is extracted from the automated system and does not need to be signed.		
لمزيد من المعلومات ، يرجى الاتصال بالجهاز الوطني للإيرادات على 80008001.		
يتم استخراج هذه الوثيقة من النظام الآلي ولا تحتاج للتوقيع.		
Disclaimer: As per the VAT Law and its Executive Regulations, kindly note that an amended VAT Return must be submitted by a VATable Person. By proceeding to deregister, a VAT payer forfeits the right to amend any VAT returns after becoming effectively deregistered.		
إخلاء مسؤولية: وفقاً لقانون القبة المضافة ولائحته التنفيذية، يرجى العلم أنه يجب على الخاضع للقيمة المضافة القيام بتعديل إقرار القبة المضافة. وعند إلغاء التسجيل، يفقد الخاضع للقيمة المضافة حقه في تعديل أية إقرارات بعد إتمام تسجيله فعلياً.		

All related documents can be accessed by clicking “My Documents” on the home page of the NBR.



<input type="checkbox"/>	Description	Created On
<input type="checkbox"/>	 Guide To VAT Compliance 23.NOV.2022	Nov 23, 2022
<input type="checkbox"/>	 Deregistration Acknowledgement Letter 23.NOV.2022	Nov 23, 2022
<input checked="" type="checkbox"/>	 Deregistration Clarification Letter 23.NOV.2022	Nov 23, 2022

In case the deregistration application has been rejected for additional required information, VAT payer should review the comments, attach the required additional documents and amend the entered data if the request requires that for a successful Deregistration application.

Note: The VAT payer can modify the application and resubmit it within the following 30 calendar days.



Reference Num : 250000001644 : الرقم المرجعي

Date of letter : 23/11/2022 : تاريخ الرسالة

**Additional information required****طلب معلومات إضافية**

VAT payer name: VAT PAYER : اسم الخاضع للقيمة المضافة :

VAT payer address: Flat/Shop No. 100, Building 300, Road/Street 400, Test Town, Block 200, Bahrain : عنوان الشخص الخاضع للقيمة المضافة:

CPR/Identity Card No.: 252442440 : رقم البطاقة السكانية/ الهوية:

Dear VAT PAYER,

Additional information is requested to make a decision on your application with reference number 250000001644. The following additional information is required from you:

عزيزي VAT PAYER.

نفيدك بحاجة الجهاز الوطني للإيرادات إلى معلومات إضافية لاتخاذ قرار بشأن طلبك ذي الرقم المرجعي 250000001644. يرجى تزويدنا بالمعلومات التالية:

SUBMITTED DOCUMENTS ARE INCORRECT TYPE OF DOCUMENTS
 SUBMITTED DOCUMENTS ARE ILLEGIBLE
 SUBMITTED DOCUMENTS DO NOT SUPPORT THE INFORMATION PROVIDED IN THE APPLICATION FORM
 DUPLICATE APPLICATION REQUEST

Note: You can modify your application and resubmit or object within the following 30 calendar days.

ملاحظة: يمكنك تعديل طلبك وإعادة إرساله أو الاعتراض خلال الثلاثين يوماً التالية.

For further information, please contact the National Bureau for Revenue on 80008001
 This document is extracted from the automated system and does not need to be signed.

لمزيد من المعلومات، يرجى الاتصال بالجهاز الوطني للإيرادات على 80008001
 هذه الوثيقة مستخرجة من النظام الآلي ولا تحتاج لتوقيع.



Reference Num: 250000001640 : الرقم المرجعي

Date of Letter : 24/10/2022 : تاريخ الرسالة

**Successful VAT deregistration****نجاح إلغاء التسجيل في القيمة المضافة**

VAT payer name: VAT Payer : اسم الخاضع للقيمة المضافة:

VAT payer address: Flat/Shop No. 1, Building 3, Road/Street 4444, Manama, Block 2, Bahrain : عنوان الشخص الخاضع للقيمة المضافة:

Other Identification Number: 7236271128 : رقم تعريف آخر:

Dear VAT Payer,

You have successfully been deregistered as a VAT payer with VAT number 210017621300002. The effective date of deregistration is 25/10/2022. Kindly save this letter for your records.

عزيزي VAT Payer،

لقد تم إلغاء تسجيلكم كخاضع للقيمة المضافة برقم قيمة مضافة 210017621300002. تاريخ تفعيل إلغاء التسجيل هو 25/10/2022 . يرجى الاحتفاظ بهذا الخطاب في سجلاتكم.

For further information, please contact the National Bureau for Revenue on 80008001.
This document is extracted from the automated system and does not need to be signed.

لمزيد من المعلومات ، يرجى الاتصال بالجهاز الوطني للإيرادات على 80008001.
يتم استخراج هذه الوثيقة من النظام الآلي ولا تحتاج للتوقيع.

Disclaimer: As per the VAT Law and its Executive Regulations, kindly note that an amended VAT Return must be submitted by a VATable Person. By proceeding to deregister, a VAT payer forfeits the right to amend any VAT returns after becoming effectively deregistered.

إحلاء مسؤولية: وفقاً لقانون القيمة المضافة ولائحته التنفيذية، يرجى العلم أنه يجب على الخاضع للقيمة المضافة القيام بتعديل إقرار القيمة المضافة. وعند إلغاء التسجيل، يفقد الخاضع للقيمة المضافة حقه في تعديل أية إقرارات بعد إتمام تسجيله فعلياً.



Reference Num: 250000001640 : الرقم المرجعي

Date of Letter : 24/10/2022 : تاريخ الرسالة



Request to clear all obligations prior to deregistration

طلب تصفية جميع الالتزامات قبل إلغاء التسجيل

VAT payer name: VAT Payer اسم الخاضع للقيمة المضافة:
VAT payer address: Flat/Shop No. 1, Building 3, Road/Street 4444, Manama, Block 2, Bahrain عنوان الشخص الخاضع للقيمة المضافة:
Other Identification Number: 7236271128 رقم تعريفي آخر:

Dear VAT Payer,

Your deregistration application has been successfully processed with the effective deregistration date of 25/10/2022. Please kindly note that your VAT period has been shortened for deregistration purposes and you must refrain from collecting VAT from 25/10/2022.

Nevertheless, you cannot be deregistered until you have submitted all due VAT returns, fulfilled all due payments or requested refunds. You are given until 31/01/2023 to clear such obligations.

We kindly request you to fulfill such requirements.

عزيزي VAT Payer

لقد تم معالجة طلبك لإلغاء التسجيل في القيمة المضافة بتاريخ نفاذ 25/10/2022. يرجى العلم أنه قد تم تقليص فترة القيمة المضافة الخاصة بكم لأغراض إلغاء التسجيل وعليكم التوقف عن تحصيل القيمة المضافة بداية من 25/10/2022. إلا أنه لا يمكنك إلغاء التسجيل حتى تقديم كافة إقرارات القيمة المضافة المستحقة وسداد كافة المستحقات أو الاسترداد المطلوب. لديكم مهلة حتى 31/01/2023 للوفاء بتلك الالتزامات. يرجى منكم الوفاء بتلك المتطلبات.

For further information, please contact the National Bureau for Revenue on 80008001.

This document is extracted from the automated system and does not need to be signed..

لمزيد من المعلومات، يرجى الاتصال بـ الجهاز الوطني للإيرادات على 80008001. يتم استخراج هذه الوثيقة من النظام الآلي ولا تحتاج للتوقيع.

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4. Settling Outstanding Liabilities

How does a VAT payer settle or claim the outstanding obligation?

To proceed with the deregistration application, a VAT payer should settle any outstanding liabilities (if applicable) whether they are in a debit/payable position or credit/refund position.

For more details, VAT payer should refer to the VAT return filing manual (Section 6 and 7) published on NBR website.

5. Deregistration Application Status

To be approved	Once the deregistration request is submitted by the VATable person
In review	After NBR has requested for additional information
To be approved	Once the VATable person has submitted the additional information
Processable	Once NBR approves (initial approval) the deregistration application and there are VAT outstanding obligations
Processed	Once NBR approves the deregistration application and there are no outstanding obligations. Where the VATable person has made payment of all VAT returns and any penalties for a pre-approved application

