

Tax alert | TARC hears first VAT appeals

Kingdom of Bahrain | 10 March 2020



Bahrain's tax appeals review committee (TARC) - appointed under decision 8 of 2019 - has sat for the first time, giving tax-payers the opportunity to appeal against NBR decisions. The committee – headed by Salman Essa Falafel and including Yousef AbdulHussain Khalaf, Dr Malallah Jaffar Al Hammadi, Elham Ali Hasan, Dr Ahmed Ebrahim Mohammed Al Balushi and Hiyam Mohammed Al Awadhi – must make its recommendation within 30 days of the date of submission. Taxpayers can appeal TARC decisions within 60 days of an appeal being rejected. The TARC represents the final level of appeal before entering Bahrain's judicial system.

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Takeaways:

- Tax appeals are serious issues. We strongly suggest clients nominate an Arabic-speaking key decision maker to attend the committee – proceedings tend to be in Arabic and the TARC may prefer to hear from the key decision-maker, rather than a consultant.
- Written submissions to the TARC should also be in Arabic.
- TARC is scheduling a number of appeals at the same time. An appeal scheduled for 2pm may not be heard until after 3:30. Applicants are being heard in alphabetical order. Some hearings take significantly longer than others.
- Consider working with your consultant to brainstorm any questions you might be asked and developing a script which sets out your argument concisely.
- Ensure your appeal submission is detailed and includes all the arguments you wish to put forward to be considered by the appeal committee.
- Prepare well in advance for the hearing.
- List key issues from the appeal submission and any additional points you specifically wish to bring to the attention of the appeal committee.

Practical recommendations:

- Consider seconding an Arabic-speaking consultant to your team for the appeal who has an in-depth understanding of both the VAT issue to be discussed and your business. The TARC may or may not wish to ask questions – but clients must be prepared to discuss intricate details if asked to do so.

Disclaimer: This information in this document is based on our understanding of the TARC process and our interpretation of Decision 8 of 2019 appointing the TARC. It is provided for information purposes only. Any omissions or errors are inadvertent. This document should not be relied upon in making any decisions. Seek professional advice from a tax advisor before making any decisions relating to your particular circumstances.