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Company formation in Bahrain

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Company formation in Bahrain



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Coat of arms

Common form	WLL (with limited liability) company [1]
Registry	Ministry of Industry and Commerce (Sijilat) [1]
Minimum capital	No statutory minimum for most activities [1]
Directors	1 manager [1]
Local director	Not required; 100% foreign ownership is allowed for most activities [1]
Corporate tax	0% for most companies; 15% domestic minimum top-up tax for large multinational groups [2]
VAT / sales tax	10% [2]
Typical timeline	Usually 1–3 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Bahraini dinar (BHD)

In short: To set up a company in Bahrain, most founders form a WLL, registered with the Ministry of Industry and Commerce (Sijilat). [1] Minimum capital: no statutory minimum for most activities. Corporate tax: 0% for most companies; 15% domestic minimum top-up tax for large multinational groups. Registration: usually 1–3 weeks (as of November 2026).

Companies in **Bahrain** register online through **Sijilat**, the Ministry of Industry and Commerce's portal. Most activities allow 100% foreign ownership, and there is no corporate income tax outside the oil sector, apart from a 15% minimum tax for large multinational groups.

Business structures

Most founders in Bahrain form a WLL, registered with the Ministry of Industry and Commerce (Sijilat). [1] Other forms are listed below.

- **WLL** – limited liability company
- **Single person company (SPC)** – one owner
- **BSC** – joint-stock company
- **Branch of a foreign company** – registered with the ministry

Requirements

Minimum share capital in Bahrain (2026): no statutory minimum for most activities. Directors required: 1 manager. Local resident director: not required; 100% foreign ownership is allowed for most activities. [1]

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum for most activities.
- Directors: 1 manager.
- Local residency: not required; 100% foreign ownership is allowed for most activities.
- A registered office address in Bahrain.
- Articles of association; standard templates are often available.
- Beneficial owners reported to the ultimate beneficial owner register.

Registration process

Typical time to register a company in Bahrain (2026): usually 1–3 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.

2. Prepare and sign the articles of association.
3. File the registration with the Ministry of Industry and Commerce (Sijilat).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the National Bureau for Revenue (NBR).

Taxation

The corporate tax rate in Bahrain in 2026 is 0% for most companies; 15% domestic minimum top-up tax for large multinational groups. [2] **Standard VAT or sales tax: 10%.** [2]

Tax	Rate and notes
Corporate income tax	0% for most companies; 15% domestic minimum top-up tax for large multinational groups
VAT / indirect tax	10%
Withholding tax on dividends to non-resident companies	0%

Ongoing compliance

Annual compliance in Bahrain: Companies renew their commercial registration each year, file audited accounts where required, and file VAT returns with the NBR. [1]

Double tax treaties

Bahrain has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
0%	0%	0%

Bahrain has no withholding taxes.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Bahrain lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Bahrain?

Typical registration time in Bahrain: usually 1–3 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Bahrain?

Minimum share capital in Bahrain: no statutory minimum for most activities (as of November 2026).

What is the corporate tax rate in Bahrain in 2026?

The corporate tax rate in Bahrain in 2026 is 0% for most companies; 15% domestic minimum top-up tax for large multinational groups. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Bahrain?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Bahrain: not required; 100% foreign ownership is allowed for most activities.

What withholding tax applies to dividends paid from Bahrain?

Bahrain charges no withholding tax on dividends paid to non-resident companies under domestic law. See the Double tax treaties section.

Official registries and resources

- Ministry of Industry and Commerce (Sijilat)

- National Bureau for Revenue (NBR)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Georgia
- Company formation in the United Arab Emirates
- Company formation in Armenia
- Company formation in Saudi Arabia
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Official National Bureau for Revenue (NBR) . Government of Bahrain. Accessed November 2026.
3. Bahrain: Corporate – Taxes on corporate income (reviewed 26 July 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
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