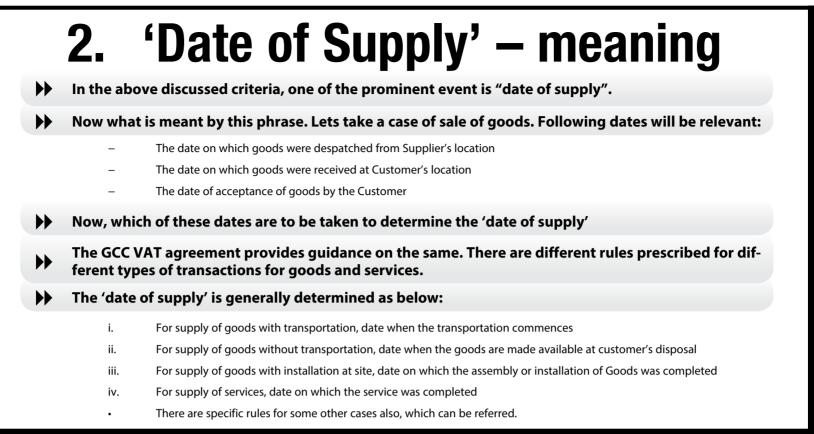
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## 3. Tax Due Date for transitional transactions

✤ Assuming VAT comes into Bahrain w.e.f. 1st October' 18 ('go-live date'). There will be many transactions for which one or more events (supply / invoicing / payment) would happen prior to the go-live date.

>> The issue arises whether the normal rules for "Tax due date" will apply for these Transitional cases.

▶ If the same rules apply, then if any of the event (supply / invoicing / payment) happens prior to the go-live date then no tax (VAT) will apply on these transactions.

Tax expert.

However, the GCC VAT agreement has advocated special rules for these cases. The rule is that if the supply of goods or services (completion of full or part of services) happened post go-live date then irrespective whether payment received or invoice raised prior to go-live date, VAT will apply on these transactions (or part thereof) which happens post go-live date.

>> The same can be summarised and understood with the help of the following example:

Invoice	Payment	Supply / Delivery	Tax impact
Before / After	Before / After	Before	No VAT applicable
Before	Before	After	VAT applicable
Before	After	After	VAT applicable
After	Before	After	VAT applicable
After	After	After	VAT applicable
Hence for transitional cases, the only focus has to be the date of supply.			

(This is **part 9 of a multi-part series** presented by award-winning VAT Experts Dhruva Advisors, Bahrain) This series is only for educational purposes. To receive advice for specific business scenario, please consult the author or any other

Further, we will be happy to receive your feedback/ comments/ suggestions. You can write to the author at gaurav.khurana@adruvaadvisors.com)