

# Tax evasion

Smuggling luxury watches and illegally claiming VAT leads to jail and fines

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The First High Criminal Court of Appeal upheld the ruling of the court of first instance convicting two appellants, aged 35 and 40, and sentencing them to three years' imprisonment for tax evasion.

It also fined the first defendant BD102,711 and ordered him to repay the evaded tax in the same amount, while the second defendant was fined BD207,044 and ordered to repay an identical amount representing the evaded tax.

The court also sentenced both defendants to three months' imprisonment for violating the cash disclosure system at customs outlets, ordered their permanent deportation from the Kingdom of Bahrain after serving their sentences, and the confiscation of the seized items.

The charges stemmed from their attempt to smuggle four luxury watches concealed in a highly sophisticated manner to avoid detection, with the intent to sell them later.

Investigations revealed that



Image used for illustrative purposes only  
the defendants had carried out 182 value-added tax (VAT) refund transactions amounting to a total of BD309,755, which were unlawfully obtained.

The Tax Evasion Crimes Unit at the Financial Crimes and Money Laundering Prosecution received a report from the National Financial Intelligence Centre, based on a notification from Customs Affairs, regarding the defendants' attempt to remove luxury watches from customs without declaration, after concealing them in a technical manner to evade inspection.

The incident dates back to customs officers' suspicion of the defendants while they were

**The accused attempted to smuggle four luxury watches concealed in a highly sophisticated manner to avoid detection, with the intent to sell them later.**

at Bahrain International Airport.

#### Denial

When asked whether they possessed any funds or items requiring declaration, they denied having any.

However, upon searching

them, officers seized four luxury watches hidden in a sophisticated way to avoid detection.

The unit then initiated its procedures by questioning the arresting customs officers and the investigators, as well as interrogating the defendants, who stated that they were engaged in an economic activity involving the purchase of luxury watches in Bahrain and reselling them in other countries.

The unit contacted the National Bureau for Revenue to determine whether the defendants had conducted any VAT refund operations.

It was found that they had carried out 182 VAT refund transactions amounting to BD309,755, all of which were unlawfully obtained, as the defendants were engaged in commercial activity, placing them outside the scope of eligibility for the tourist VAT refund scheme provided by law.

Accordingly, legal action was initiated against them.

Documents submitted by the National Bureau for Revenue confirmed that the first defendant had obtained 57 VAT refunds amounting to BHD 102,000, while the second defendant had carried out 125 refund transactions totaling BD207,000.

The records also included photographs of the items for which VAT had been refunded and copies of the relevant receipts.

#### Difficulties

According to the statements of the second defendant, he resides in a Gulf country and, due to financial difficulties, sought individuals wishing to sell luxury watches while also looking for buyers, receiving a commission ranging between AED 1,000 and 2,000 per transaction.

He added that he met the first defendant and agreed with him on purchasing the goods, with one of them wearing a watch and placing another in his pocket without declaration by using long clothing to conceal them.

The first defendant admitted having agreed with the second defendant on this arrangement.

## CSB reviews and reorganises 37 government bodies

**Mohammed Darwish**  
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#### Hiring



MP Ali Al Doseri

The Civil Service Bureau (CSB) says it has reviewed and reorganised 37 government bodies since the start of the sixth legislative term, issuing the legal instruments needed to put new organisational charts in place.

In a written reply to MP Ali Al Doseri, the bureau said the work usually starts with proposals from the bodies themselves.

Those plans are drafted around current needs, future staffing demands and strategic goals.

The bureau said it then studies the submissions, checks the detail, and verifies they meet the required organisational rules and standards.

#### Targets

It said the targets for restructuring are picked in two ways: either an entity asks for changes, or the bureau steps in when it sees a need to update a structure to match government direction or strategic work needs.

When an entity is being reorganised, the bureau said it carries out a full review of posts and job titles.

The aim is to improve performance, clarify who does what, and ensure the structure fits newer tasks and areas of work.

This can include creating new posts to cover modern duties and specialisations, so services and institutional goals are better supported.

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On recruitment, the bureau said hiring across government bodies is governed by civil service laws, including in entities that run their staff affairs under special rules.

The Civil Service Law, it said, allows vacancies to be filled through permanent, temporary, part-time or contract employment, with the executive regulations spelling out the controls for each route.

## Court orders fitness centre to pay Bahraini BD2,000 in unpaid wages

**Mohammed Darwish**  
TDT | Manama

1 per cent for each further month of delay, up to a cap of 12 per cent a year, and continues until payment is made.

A Bahraini fitness trainer has been awarded BD2,000 in unpaid wages after the High Labour Court ordered a fitness centre to settle her arrears, pay escalating interest for late payment and cover court costs and legal fees.

The court ruled that interest is to be calculated at 6 per cent a year on any wage delayed for up to six months from its due date.

After that, the rate rises by

The case was brought through lawyer Alaa Adel, who said her client worked for the centre on a rate of BD5 per training hour.

She told the court that wages went unpaid over a two-year period, leaving the centre owing BD2,000.

Her lawyer said the trainer issued a formal notice seeking payment and gave the centre time to settle.

## Humanitarian action



The Interior Ministry Undersecretary for Nationality, Passports and Residence Affairs (NPR), His Excellency Shaikh Hisham bin Abdulrahman Al Khalifa, honoured passport personnel Abdulrahman Badr Al Saeed at the King Fahd Causeway, in recognition of his humanitarian action that contributed to saving the life of a citizen who suffered a sudden health emergency while driving. The honouring ceremony was attended by the Director of Ports, Colonel Fawaz Al Jiran, The NPR Undersecretary praised the officer's swift response and judgement.

### Silah Gulf B.S.C. (c) - IPO Summary of Supplementary Prospectus

For further details, please refer to the Prospectus and Supplementary Prospectus



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Silah Gulf B.S.C.(c) announces the extension of the subscription period for its Initial Public Offering (IPO) which commenced on 29 December 2025, following the Central Bank of Bahrain approval.

The subscription period will now close on Monday, 26 January 2026. All other terms and conditions of the IPO remain unchanged, and all related agreements, including the Lead Manager Agreement, the Underwriting Agreement, and the Receiving Bank Agreement, shall remain in full force and effect. Accordingly, the revised IPO timetable is as follows:

Offering Period	Monday 29 December 2025 to Monday 26 January 2026
Opening Date of the Offering Period	Monday 29 December 2025
Closing Date of the Offering Period	Monday 26 January 2026
Final date to receive Application Funds from Professional Applicants who have not, by agreement with the Lead Manager in its sole discretion, previously paid their Application Funds	Tuesday 27 January 2026
Results of Applications and Allotment basis announcement date	Wednesday 28 January 2026
CBB Approval on Allotment Statement and Shareholders List	Thursday 29 January 2026
Allotment Date	Sunday 1 February 2026
Distribution of Refunds Date	Wednesday 4 February 2026
Signing of Listing Agreement with licensed exchange	Thursday 5 February 2026
Commencement of Trading Date	Tuesday 10 February 2026
Constitutive General Assembly	Tuesday 17 February 2026

Details of the revised IPO timetable are set out in the Supplementary Prospectus dated 19 January 2026, which should be read in conjunction with the Prospectus dated 18 December 2025. Investors may continue to submit their applications electronically through the eIPO portal at [eipo.bahrainbourse.com](http://eipo.bahrainbourse.com), or in person at the following participating branches of the Bank of Bahrain and Kuwait (BBK): Main Branch, Souq Al Baraha Branch, Exhibition Financial Mall Branch, and Atrium Mall Branch.

Potential investors are encouraged to carefully review the IPO Prospectus and the Supplementary Prospectus for further information on the offering and the associated risks. The Prospectus and the Supplementary Prospectus are available electronically at [www.silah.bh](http://www.silah.bh) and [www.sicobank.com](http://www.sicobank.com). Printed copies of the Prospectus and application form are also available at all participating BBK branches.

**Directors' Declaration**  
THE DIRECTORS OF THE COMPANY ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.

For and On Behalf of the Board of Directors of Silah Gulf B.S.C.(c):

Mohamed Al Qaed, Chairman  
Date: 19 January 2026

*[Signature]*

Lead Manager, Listing Agent, Liquidity Provider and Price Stabiliser	Receiving Bank and Underwriter	Financial and Tax Due Diligence Advisor
<b>SICO</b> شبو	<b>BBK</b>	<b>pwc</b>
Legal Advisors	Listing Exchange	
<b>HRA</b> HISSEY HAMMAM & ASSOCIATES	U.S. Securities and Exchange Commission Bahrain Bourse	
Allotment Agent and Registrar	Auditor	<b>EY</b>
<b>bc</b> BahrainClear		