

# Suppliers may get VAT relief on unpaid government invoices

Parliament committee reviews change to VAT rules for government contracts

TDI | Manama  
Hasan Barakat

Parliament's Financial and Economic Affairs Committee is studying a proposal that could spare suppliers working with government bodies from paying value-added tax (VAT) on invoices before they receive payment.

The proposal seeks to address a cash flow problem faced by companies required to pay VAT upon invoice issuance, even when payment from a government entity is delayed for months.

Submitted by MP Hassan Ebrahim and four other MPs, the proposal would amend Article 13 of the Value Added Tax Law, which was issued by Decree-Law No. 48 of 2018 and amended by Law No. 33 of 2021.

It would add a provision stating that, for goods and services supplied to government bodies, the date of supply would be treated as the date the supplier actually receives the amount due.

According to the proposal, the current system can leave suppliers paying tax on money that has not yet reached their bank accounts.

MP Hassan Ebrahim said the problem is particularly clear in dealings with government bodies, where invoice payments may take different and sometimes lengthy periods.

He said some payments may be delayed for three to six months,

## Current Situation

- VAT is currently linked to the date of supply/invoice issuance
- Suppliers may have to pay VAT before receiving payment
- Delayed government payments can create cash flow challenges

## Proposed Change

- VAT liability would begin when the supplier receives payment
- Applies to supplies provided to government bodies
- Seeks to reduce financial pressure on businesses

while others may take more than a year in certain cases.

That leaves companies carrying a tax obligation before receiving the cash needed to cover it.

MP Ebrahim said requiring a supplier or service provider to pay VAT before receiving the actual payment negatively affects cash flow.

He said this can limit a company's ability to meet financial

and tax commitments on time, especially when the delay involves large invoices or repeated government contracts.

Under the proposed amendment, the actual date of payment, rather than the invoice issue date, would determine when VAT becomes due on supplies made to government entities.

The MPs behind the proposal said the change would better



**Requiring suppliers to pay VAT before receiving payment creates financial pressure and affects companies' ability to manage their cash flow.**

HASSAN EBRAHIM, MP

ready delivered.

The explanatory memorandum attached to the proposal said the amendment seeks to solve a practical problem facing suppliers and service providers dealing with government bodies.

It said linking VAT liability to actual payment would better reflect the financial reality of businesses waiting to be paid.

## Salman City Residents to Access Event Halls at Symbolic Fees

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Residents of Salman City will access community event halls at symbolic fees as part of a new housing model designed to create integrated residential communities.

Balsam Al Salman, Assistant Undersecretary for Engineering Affairs at the Ministry of Housing and Urban Planning, said the project goes beyond traditional apartment buildings by introducing shared facilities, services and spaces focused on improving residents' quality of life.

The upgraded housing model includes suspended gardens, children's play areas, seating spaces, exercise areas, event halls and commercial facilities designed to meet residents' daily needs.

Al Salman said the event halls will be managed in cooperation with the Housing Bank, which



operates the project, symbolic fees will help support the maintenance and operation of the facilities.

She added that commercial outlets within the residential complex will provide additional services for residents, and their revenues will contribute towards covering maintenance costs.

The project reflects the ministry's approach of developing housing communities based on residents' needs, including feedback gathered through surveys, community studies and public

communication channels. Al Salman said the aim is to create residential environments that provide not only housing, but also spaces that support family life and community interaction.



**We are creating communities, not just buildings, with spaces designed around residents' daily lives.**

BALSAM AL SALMAN, ASSISTANT UNDERSECRETARY FOR ENGINEERING AFFAIRS AT THE MINISTRY



From  
The Court

TDI | Manama  
Rehab Mohammad

## Defendant Sent for Psychiatric Evaluation After Housemaid's Injury

The First High Criminal Court of Appeal ordered that a defendant, previously sentenced to three years in prison by the lower court, be referred to a psychiatrist to determine his mental responsibility for his actions at the time of the incident. The case was adjourned to July 5.

The case involves the defendant being accused of causing a permanent 7% disability to his

housemaid after she suffered a partial amputation of her left ear following an altercation over his mobile phone's location.

During the court hearing, the defendant claimed the housemaid initiated the assault, prompting him to retaliate. He also alleged that she had stolen his mobile phone.

The Public Prosecution charged the defendant with assaulting the victim and causing

injuries described in the forensic medical report, resulting in a 7% permanent disability to the outer part of her left ear, without intent to cause such a severe injury.

According to the victim's testimony, the incident began while she was cleaning the living room when the defendant asked about his phone. She told him he was holding it in his hand, but he looked at her with intense anger, causing her to feel frightened.

## Court Acquits Woman in BD350 Recruitment Case

The Lower Criminal Court acquitted an Asian woman accused of misappropriating BD350 paid for the recruitment of a domestic worker, ruling there was insufficient evidence and reasonable doubt regarding the alleged offence.

The court found that the case did not clearly establish the nature of the agreement between the two parties or whether the money was transferred as entrusted funds or as payment for a service.

Defence lawyer Abdulaziz Al Mousa argued that the elements of the alleged breach of trust were not proven, stating that the payment represented full possession of the amount rather than temporary custody. He also argued that the dispute was civil in nature and related to a service agreement.

The complainant claimed he paid the defendant BD350 through BenefitPay to arrange the recruitment of a domestic worker but alleged she failed to provide the worker or return

the amount.

However, the court noted that the complaint was based on unclear statements and did not specify whether the payment was a service fee or an amount held for a specific purpose.

The court stated that no written agreement or documents were presented to prove an agency arrangement. It concluded that the evidence was insufficient to establish a criminal offence and ruled to acquit the defendant of all charges.



الشركة البحرينية للترفيه العائلي ش.م.ب.  
BAHRAIN FAMILY LEISURE COMPANY B.S.C.

## Invitation to the Ordinary General Meeting of the Company's Shareholders of Bahrain Family Leisure Company B.S.C., CR 32196 (the Company)

The Board of Directors of Bahrain Family Leisure Company B.S.C., CR 32196-1, cordially invites the shareholders to attend the Ordinary General Assembly Meeting to be held on **Sunday, 12 July 2026 at 11:00 AM** at the Gulf Hotel (Awal-2), Kingdom of Bahrain.

If the quorum for the meeting is not met, the second meeting will be held on **Sunday, 19 July 2026** at the same venue and time. If the quorum is still not met, a third meeting will be held on **Sunday, 26 July 2026** at the same time and venue.

The agenda below will be discussed to take appropriate decisions:

### Agenda of Ordinary General Meeting

1. To read out and approve the minutes of previous Ordinary General Meeting held on 30 March 2026.
2. To elect two (2) members of the Board of Directors for a three-year term (2026-2029) commencing from the date of their appointment, while noting that the remaining five (5) members shall be appointed by the Company's major shareholders, so that the total number of Board members remains **seven (7)**.
3. To authorize **Abdul Haseeb Muhammad Daud**, a Pakistani national holding ID Card No. 831401729, to act on behalf of the Company in completing all necessary procedures to implement and register the above resolution with the Ministry of Industry and Commerce, and any other relevant authorities in the Kingdom of Bahrain, including submitting applications, obtaining approvals and following up with the concerned authorities.
4. Any other matters that may arise as per Article 207 of the Commercial Companies' Law.

**Abdul Lateef Khalid Alaujan**  
Chairman of the Board

### Important Notes to Shareholders:

- You can obtain a copy of the proxy card on the Group's website ([www.bflc.com.bh](http://www.bflc.com.bh)).
- Any shareholder whose name is registered in the company's shareholders' register as of the meeting date has the right to attend the meeting in person or appoint a proxy in writing to attend and vote on their behalf, provided that the proxy is not the Chairman of the Board, a Board member or an employee of the Company.
- The proxy shall be in accordance with the provisions of Article (203) of the Commercial Companies Law, which states: "Every shareholder, regardless of the number of shares they hold, has the right to attend the General Assembly and shall have a number of votes equal to the number of shares they own. Any condition or resolution that contradicts this shall be considered null and void. A shareholder may appoint another person, whether a shareholder or not, to attend on their behalf, provided that the proxy is neither the Chairman, a member of the Board of Directors, nor an employee of the company. However, this does not affect the right to appoint first-degree relatives as proxies, provided that the proxy is granted through a special written authorization prepared by the company for this purpose. Minors and persons lacking legal capacity shall be represented by their legal guardians. The company must prepare special cards indicating the number of shares owned by the shareholder and the shares they represent on behalf of other shareholders. Proxy authorizations and proof of representation must be submitted to the company at least 24 hours before the General Assembly meeting. No member may participate in voting for themselves or on behalf of another in matters where they have a direct personal interest or in cases of an existing dispute between them and the company."
- In the case the shareholder is a company, the proxy attending the meeting must present an authorization letter from the shareholder granting them the authority to act as a proxy of that shareholder. Such authorization must be in writing, issued by the authorized signatory of the company, stamped with the company's seal, and submitted before the deadline for depositing the proxy.
- The proxy form must be deposited at least 24 hours prior to the date of the meeting at Zamil Tower, Office No. 74, 7th Floor, PO Box 514, Manama - Kingdom of Bahrain - Tel: 17215080 - Fax 17212055 or e-mail: [muralikrishnan.k@kfintech.com](mailto:muralikrishnan.k@kfintech.com) and/or [hani.alshaikh@kfintech.com](mailto:hani.alshaikh@kfintech.com) with confirmation of receipt before the deadline. Proxies submitted after the deadline will not be valid for the meeting.
- For inquiries, please contact the Public Relations and Investor Relations Department at 17215050.