

Excise Tax Guide

Complete guide to excise tax in Bahrain. Rates, registration requirements, filing obligations, and strategies for tobacco, energy drinks, and soft drink businesses.

- [Home](#)
- [About](#)
- [Services](#)
- [Industries](#)
- [Team](#)
- [Insights](#)

EXCISE TAX GUIDE

Understanding Bahrain's excise tax — rates, registration, filing, and compliance for manufacturers, importers, and distributors.

EXCISE TAX RATES IN BAHRAIN

TOBACCO PRODUCTS

Cigarettes, cigars, pipe tobacco, roll-your-own, e-cigarettes, shisha, and all heated tobacco products.

ENERGY DRINKS

Any beverage marketed as an energy drink containing stimulant substances such as caffeine, taurine, ginseng, or guarana.

SOFT DRINKS

Carbonated drinks, concentrates, powders, gels, and extracts intended for use as beverages. Excludes pure fruit juices.

EXCISE TAX MECHANICS

?? WHEN IS EXCISE TAX DUE?

Excise tax is due at the earliest of: production of excisable goods in Bahrain, import into Bahrain, release from an excise tax warehouse, or stockpiling. The tax is calculated on the retail selling price (or a price-based equivalent set by NBR).

◆ WHO MUST REGISTER?

- Manufacturers of excisable goods in Bahrain
- Importers of excisable goods
- Operators of excise tax warehouses
- Stockpilers of excisable goods (above designated thresholds)

FILING & PAYMENT

Excise tax returns are filed monthly via the NBR portal, due by the last day of the month following the tax period. Payment is due on the same date as the return filing deadline.

PENALTIES

Late registration: Up to BHD 10,000

Late filing: BHD 500 per return + 2% of tax due per month

Late payment: 2% of outstanding tax per month (capped at 100%)

Tax evasion: Triple the tax due + criminal prosecution

EXCISE TAX & VAT INTERACTION

VAT at 10% is charged on top of the excise-inclusive price. This means the effective tax burden on excisable goods is significantly higher than either tax alone.

Example: Pack of cigarettes (base price BHD 1.00)

Base: BHD 1.00 + Excise (100%): BHD 1.00 = BHD 2.00

+ VAT (10% on BHD 2.00): BHD 0.20

Consumer pays: BHD 2.20 (effective rate: 120%)

From registration to compliance and strategic planning — we've got you covered.

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