**Disclaimer: The official version of the law and any amendments thereto is published in Arabic in the Official Gazette. This version of the law, including amendments thereto, is provided for guidance and easy reference purposes. The Legislation & Legal Opinion Commission does not accept any liability for any discrepancy between this version and the official version as published in the Official Gazette and / or any inaccuracy or errors in the translation.**

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**Law No. (37) of 2011 ratifying the Protocol amending the Convention Between the Government of the Kingdom of Bahrain and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.**

We, Salman bin Hamad Al Khalifa Acting King of the Kingdom of Bahrain.

Having reviewed the Constitution,

The Decree law No. (32) of 1999 ratifying the Convention Between the Government of the Kingdom of Bahrain and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.

And the Protocol amending the Convention Between the Government of the Kingdom of Bahrain and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed in Manama on 14 October 2010.

The Shura Council and the Council of Representatives have approved the following law which we have ratified and enacted:

**Article one**

The Protocol amending the Convention Between the Government of the Kingdom of Bahrain and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed in Manama on 14 October 2010 and attached to this law, has been ratified.

**Article two**

The Prime Minister and Ministers– each within his jurisdiction– shall implement the provisions of this law and it shall come into force on the day following its publication in the Official Gazette

**Acting King of the Kingdom of Bahrain.**

**Salman bin Hamad Al Khalifa**

Issued at Riffa Palace:

On 16 Muharram 1433 A.H

Corresponding to: 11 December 2011

**Protocol amending the Convention Between the Government of the Kingdom of Bahrain and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, Signed at Kuala Lumpur on 14 June 1999,**

Desiring to amend the Convention between the two Governments for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at Kuala Lumpur on 14 June 1999 hereinafter referred to as “the Convention”,

Have agreed as follows:

**Article (1)**

That as of 14 February 2002, the State of Bahrain became known as the Kingdom of Bahrain.

**Article (2)**

The following new Article shall be inserted after Article (27) (Mutual Agreement Procedure)

**Article (27) bis**

**Exchange Of Information**

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for implementing the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, their political sub-units or their local authorities, insofar as the taxation there under is not contrary to the Convention, and in particular, to prevent fraud and to facilitate the administration of legal provisions against tax evasion. The exchange of information is not restricted by Articles (1) and (2)of this Convention.

2. Any information received under Clause (1) of this Article by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies)concerned with the assessment or collection of taxes refered to in Clause (1) of this Article or the execution or initiation of the lawsuit in respect of this tax or the determination of appeals in relation thereto,. Such persons or authorities shall use the information only for such purposes. The information may be disclosed in public court proceedings or in judicial decisions.

3. In no case shall the provisions of paragraphs (1) and (2) be construed so as to impose on a Contracting State the obligation:

A. to carry out administrative measures at variance with the laws and administrative practices in that other Contracting State.

B. to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting Party.

C. to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (public order)

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph (3) but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph (3) of this Article be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

**Article (3)**

1. Each of the Contracting States shall notify the other through diplomatic channels, the completion of the procedures required by its law for bringing into force of this Protocol which shall form an integral part of the Convention. This Protocol shall enter into force on the date of the later of these notifications, and its provisions shall have effect thirty days after the date of the later notification.

2. This Protocol shall cease to be effective at such time as the Convention ceases to be effective in accordance with Article (30) of the Convention.

In witness whereof the undersigned being duly authorised thereto by their Governments have signed the Protocol.

Done in duplicate at Manama on this 14th day of October 2010, in the Arabic, Malay, and English languages, all texts being equally authentic. In the event of any divergence of interpretation and the application of this Protocol, between any of the texts, the English text shall prevail.

For the Government of the kingdom of Bahrain For the Government of Malaysia