Deputy Ian Gorst
Minister for External Relations

BY EMAIL

5 February 2026

Dear Minister,

Agreement between the Government of Jersey and the Government of the Kingdom of Bahrain: Elimination of double taxation (taxes on income) and prevention of tax evasion/ avoidance (P.17/2026)

Thank you for your Officers for providing a written briefing to the Panel early on last year regarding the Agreement between the Government of Jersey and the Government of the Kingdom of Bahrain: Elimination of double taxation (taxes on income) and prevention of tax evasion/ avoidance (P.17/2026). Following its examination of the Agreement, the Panel has identified several questions which it wishes to raise and are set out below:

1. Can you provide the Panel with an overview and aim of the Agreement with Bahrain?

2. Could you outline for the Panel the rationale behind the need for a double taxation agreement with Bahrain?

3. Can you advise the Panel if the Agreement is the same as other double taxation agreements that Jersey has entered into with other jurisdictions?

4. The Agreement refers to the negotiation and conclusion of bilateral agreements is identified as a priority activity in the Common Policy for External Relations. Could you outline how this particular DTA aligns with the economic and strategic objectives set out in that policy?

5. Could you provide further detail on the negotiation process, including any substantive areas where Jersey sought specific changes, and any issues that required compromise between the Parties?

6. Could you set out which OECD minimum standards are incorporated into the Agreement and how their inclusion strengthens Jersey's international tax position?

7. Could you update the Panel on the status of Bahrain's domestic approval process and anticipated timelines?

According to the government website regarding Double Taxation Agreements (DTAs)

About Double Taxation Agreements (DTAs)

Double taxation treaties are agreements between two countries that are designed to:

- help determine the tax residency status of a person or a company
- protect against the risk of double taxation where the same income is taxable in two countries
- provide certainty of treatment for cross-border trade and investment

DTAs protect Jersey's taxing rights and guard against attempts to avoid or evade tax.

They also allow Jersey to exchange information with the tax authorities of other countries.

a) Could you explain to the Panel how this Agreement will determine tax residency and what practical criteria will be applied when assessing an individual's or company's residency status?

b) Could you clarify for the Panel the specific mechanisms within this Agreement that will ensure individuals and companies are not taxed twice on the same income?

c) Could you outline how this Agreement will provide certainty for businesses and investors engaged in cross-border activities, and what benefits this certainty is expected to deliver for Jersey?

d) Could you describe the provisions within this Agreement that safeguard Jersey's taxing rights and prevent tax avoidance or evasion?

e) Could you detail how information exchange between Jersey and Bahrain will operate under this Agreement, including any safeguards or governance arrangements?

8. Minister, who do you deem will be the main beneficiaries of this agreement and what is the expected outcome?

9. What are the economic benefits of this double tax agreement and how will this be monitored or measured?

10. Minister, there are general concerns in the International Community around the state of Human Rights in Bahrain. What consideration has been given to this in the construction of this double tax agreement?

We would be grateful if you could respond no later than 12 February 2026 in line with the 5 working days approved for responses between Scrutiny Panels and Ministers.

We look forward to hearing from you.

Yours sincerely,

Deputy Montfort Tadier

Chair

Economic and International Affairs Scrutiny Panel