

Official Gazette

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Legislative Decree No. (52) of 2018

Concerning the Amendment to Certain Provisions of Legislative Decree No. (27) of 2015 Concerning the Commercial Register

We, Hamad Bin Isa Al Khalifa, King of the Kingdom of Bahrain,

Having pursued the Constitution, particularly article (38) thereof,

And The Central Bank of Bahrain and Financial Institutions Law promulgated by Law No. (64) of 2006, as amended,

And Legislative Decree No. (27) of 2015 concerning the Commercial Register,

And according to the presentation of the Prime Minister,

And upon the approval of the Cabinet of Ministers,

Have promulgated the following legislative decree:

Article One

Clauses (1), (2) and (3) of Paragraph (a) of Article (20) as well as the preamble of Article (27) of Legislative Decree No. (27) of 2015 concerning the Commercial Register shall be replaced with the following:

“Article (20), Paragraph (a), Clauses (1), (2) and (3):

- 1- Suspend the commercial registration for a period not exceeding six months.
- 2- Impose an administrative fine to be calculated on a daily basis to compel the violator to discontinue the violation and eliminate its causes or effects, not exceeding BD 1,000 per day when committing the violation for the first time and BD 2,000 per day in case of any other violation within three years from the date of issuing a decision against him for the previous violation. In all cases, the sum of the fine shall not exceed fifty thousand Bahraini Dinars.
- 3- Impose an administrative fine not exceeding one hundred thousand Bahraini Dinars.”

“Preamble of Article (27):

Without prejudice to any more severe penalty provided for in another law, a penalty of imprisonment for a period not exceeding one year and a fine of not less than one thousand Bahraini Dinars and not more than one hundred thousand Bahraini Dinars or either of these two penalties shall be imposed on each of the following:”

Article Two

New articles numbered (18 bis) and (18 bis 1) shall be added to Legislative Decree No. (27) of 2015 concerning the Commercial Register as follows:

“Article (18 bis):

- a- The Minister shall, after coordination with the Ministry of Finance, determine the criteria, conditions and rules for specifying the ultimate beneficiary in accordance with best practices and standards related to improvement of the international tax compliance, anti-money-laundering and counter-financing of terrorism. The provisions of the Central Bank of Bahrain and Financial Institutions Law promulgated by Law No. (64) of 2006 and the decisions and directives issued in implementation thereof shall apply to the criteria, controls and rules for specifying the ultimate beneficiary in relation to the persons licensed by the Central Bank of Bahrain.
- b- The trader shall submit a declaration to the Ministry specifying the ultimate beneficiary when applying for new registration and upon renewal of the Commercial Register.
- c- The person who has been registered in the Commercial Register shall provide the Ministry with any changes to the details relating to the ultimate beneficiary during the period specified by the Minister.
- d- The concerned department shall record the details of the ultimate beneficiary or any changes thereto in the Commercial Register.
- e- Without prejudice to the provisions of Article (19) of this Law, the Ministry may, in the event that any person registered in the Commercial Register refrains from specifying the ultimate beneficiary or provides incorrect information, take any of the actions provided for in Article (20) of this Law.

Article (18 bis 1):

- a- The Minister shall issue the necessary orders to ensure that the trader is obliged to implement any obligations undertaken by the Kingdom under international conventions and treaties, which will enhance tax compliance, combating tax avoidance and evasion, anti-money-laundering and counter-financing of terrorism, to ensure verification of the real economic substance of the trader’s activities in the Kingdom, including but not limited to the verification that the profits and returns are generated from the trader's practice of its real economic activities in the Kingdom. In doing so, the Minister may obligate the trader to submit any reports or documents and keep them for the same period legally prescribed for keeping commercial books.
- b- Without prejudice to the provisions of Article (19) of this Law, the Ministry may, when the trader violates the decision issued in accordance with the provisions of Paragraph (a) of this Article, take any of the actions provided for in the provisions of Article (20) of this Law.”

Article Three

The Prime Minister and Ministers, within their competence and capacity, shall implement the regulations of this Law. This Law shall come into force on the day following its publication in the Official Gazette.

King of the Kingdom of Bahrain

Hamad Bin Isa Al Khalifa

Prime Minister

Khalifa Bin Salman Al Khalifa

Issued in Riffa Palace:

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