

**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,

Decree no. (1) of 1961 concerning the Establishment of the Commercial Register, as amended,

The Civil and Commercial Procedures Act promulgated by Legislative Decree no. (12) of 1971, as amended,

The Penal Code promulgated by Legislative Decree no. (15) of 1976, as amended,

The Trusteeship of Funds Law promulgated by Legislative Decree no. (7) of 1986,

The Law of Commerce promulgated by Legislative Decree no. (7) of 1987, as amended,

The Bankruptcy and Composition Law promulgated by Legislative Decree no. (11) of 1987,

Legislative Decree no. (10) of 1992 concerning the Commercial Agency, as amended,

The Commercial Companies Law promulgated by Legislative Decree no. (21) of 2001, amended by Law no. (50) of 2014,

Legislative Decree no. (28) of 2002 concerning Electronic Transactions, as amended,

The Criminal Procedures Law promulgated by Legislative Decree no. (46) of 2002, as amended,

The Central Bank of Bahrain and Financial Institutions Law promulgated by Law no. (64) of 2006,

And Law no. (18) of 2012 concerning Trade Names,

And according to the presentation of the Prime Minister,

And upon the approval of the Cabinet,

**Have promulgated the following Decree:**

**Article (1)  
Definitions**

In the application of the provisions of this Law, the following words and expressions shall have the meanings assigned thereto, unless the context requires otherwise:

**Ministry:** the Ministry concerned with commerce affairs.

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**Concerned Directorate:** the directorate concerned with the registration of the traders who are subject to this Law.

**Trader:** any natural person or corporate licensed to practice a commercial activity as per the provisions of this Law.

**Commercial Register:** a register in which the traders subject to the provisions of this Law are registered by any legally approved means.

**Commercial Activity:** the activity specified in Section One of Chapter One of the Law of Commerce.

**Competent Bodies:** the bodies concerned with the issuance of commercial licenses for commercial activities.

## **Article (2)** **The Persons subject to** **the Provisions of this Law**

Any person practices a Commercial Activity shall be subject to the provisions of this Law, particularly the following:

- 1- The companies subject to the provisions of the Commercial Companies Law, except for joint ventures.
- 2- The civil companies which take one of the commercial companies forms.
- 3- Companies whose incorporation is contributed by the governments of the states, and to which the government of the Kingdom contributes and which commence a Commercial Activity in the Kingdom of Bahrain on their own.
- 4- Natural persons practicing a professional activity in the form of a commercial company.
- 5- Companies established by law or by virtue of a law or decree to practice a Commercial Activity.
- 6- The branches, offices and agencies of foreign companies.
- 7- Commercial sole proprietorships.

## **Article (3)** **Establishment of a Commercial Register**

A Commercial Register, in which the names of the Traders subject to the provisions of this Law are registered, shall be prepared at the Concerned Directorate, and shall include the information stipulated in this Law or determined by the Implementing Regulation.

## **Article (4)** **Registration in the Commercial Register**

Each Trader practicing a Commercial Activity shall be registered in the Commercial Register, along with all the information determined by the Implementing Regulation and other laws, and any changes made to such information.

**Article (5)**  
**Application for Registration**  
**in the Commercial Register**

- a- The registration applicant shall file their application for the registration in the Commercial Register to the Concerned Directorate including the following information:
  - 1- Name of registration applicant and a proof of their identity and address.
  - 2- The trade name under which the registration applicant wishes to practice the Commercial Activity, if any, or the trademark, if any.
  - 3- The legal form under which the registration applicant wishes to practice the activity.
  - 4- The type of the activity the registration applicant wishes to practice.
  - 5- The amount of share capital, if any.
  - 6- Address of the place of business, if any.
  - 7- Names of authorized signatories.
  - 8- Any other documents or information stipulated in the Implementing Regulation or other laws.
- b- Subject to the provisions of Article (7) of this Law, the Implementing Regulation shall regulate the circumstances and controls where the registration in the Commercial Register is allowed prior to the completion of all the documents and information stipulated in paragraph (a) of this Article.

**Article (6)**  
**Obtaining the Approval**  
**of the Competent Bodies**

The Concerned Directorate shall obtain the approval of the Competent Bodies for practicing the activity which the registration applicant wishes to practice, if required. The Trader shall be granted a certificate for their registration in the Commercial Register, after the payment of the set fee.

**Article (7)**  
**Granting the Certificate of**  
**Registration in the Commercial Register**

The Concerned Directorate shall grant the registration applicant a certificate of the applicant's registration in the Commercial Register prior to obtaining the required licenses from the Competent Bodies for practicing the activity, provided that such certificate states that the applicant has not obtained such licenses. In such case, the registration applicant may not practice the Commercial Activity unless after obtaining the required licenses from the Competent Bodies, submitting the same to the Concerned Directorate and obtaining a certificate for the registration in the Commercial Register, stating the type of the licensed Commercial Activity.

**Article (8)**  
**Obtaining Licenses**

Any person registered in the Commercial Register shall be committed to obtaining the licenses required for practicing the Commercial Activity from the Competent Bodies within the time period specified in the Implementing Regulation, unless the delay is due to reasons beyond that person's control.

**Article (9)**  
**Omission of Registration**  
**due to Failure to Obtain Licenses**

Should the term referred to in Article (8) of this Law expire without obtaining the licenses required for practicing the Commercial Activity, the registration in the Commercial Register shall be omitted and the registration applicant shall be notified of such omission, and the omission shall be published on the Ministry's website.

**Article (10)**  
**Registration of Commercial Sole Proprietorships**

Commercial sole proprietorships shall not be registered in the Commercial Register unless for Bahraini nationals, provided that such nationals have reached the age of 18, without prejudice to the provisions of the laws and agreements applicable in the Kingdom.

**Article (11)**  
**Indicating Changes and Amendments made to**  
**the Information of the Registration in the Commercial Register**

Any person registered in the Commercial Register shall request, after the approval of the Concerned Directorate, the indication of any change or amendment made to the information of registration within thirty days from the date when the incident requiring such indication took place, and such incident shall be subject to the same procedures of registration in the Commercial Register.

The Concerned Directorate may, of its own accord, indicate any change or amendment made to the information of registration in accordance with the circumstances and procedures determined by the Implementing Regulation. In such case, the Trader shall be notified, within thirty days from such indication, of the changes or amendments made to the Trader's registration in the Commercial Register.

**Article (12)**  
**Renewal of Registration in the Commercial Register**

Subject to the provisions of Paragraph (c) of Article (28) of this Law, the renewal of the registration in the Commercial Register shall be according to the procedures and controls stipulated in the Implementing Regulation.

**Article (13)**  
**Omission of Registration due to**  
**Failure to Renew or Suspension of Activity**

Should the Trader fail to renew their registration in the Commercial Register within the set period of time, or should the Trader suspend their Commercial Activity for a consecutive period exceeding one calendar year without an acceptable excuse, the Concerned Directorate shall, of its own accord, omit

the registration administratively and notify the Trader of such omission, and the omission shall be published on the Ministry's website.

The Concerned Directorate may, at the request of the Trader, return the registration after the payment of the set fee plus a financial fine for each one-month delay as of the date of omission.

**Article (14)**  
**Electronic Application for**  
**Registration in the Commercial Register**

The application for registration in the Commercial Register, as well as for the change or amendment of any of its information or for the renewal of it, may be electronic, as specified in the Implementing Regulation.

**Article (15)**  
**Stating Registration Number and**  
**Showing Registration Certificate**

The Implementing Regulation shall determine the circumstances where the Traders subject to the provisions of this Law shall state their number of registration in the Commercial Register in their business and transactions with third parties, and show their certificate of registration in the Commercial Register inside the place of business.

**Article (16)**  
**Cases of Removing the**  
**Registration in the Commercial Register**

The Trader, the heirs thereof or the liquidators, as the case may be, shall request, according to the determined circumstances, the removal of the registration from the Commercial Register in the following cases:

- 1- Should the Trader leave their business or the country for good, unless they appoint a managing director who shall undertake the management of their Commercial Activity, or should the Trader die, unless their heirs request the continuity of the Commercial Activity, without prejudice to the provisions of any other law and provided that the Trader's heirs meet the requirements of practicing such activity.
- 2- The completion of the liquidation of the company.

The application shall be filed within three months from the date when the incident requiring the removal took place. Should the concerned party fail to submit the removal application on time, the Concerned Directorate shall have the right, after verifying the incident requiring such removal, to remove the registration of its own accord and notify the Competent Bodies of such removal.

**Article (17)**  
**Obtaining a Copy of the**  
**Information of Registration**

Each concerned party may request the Concerned Directorate to provide them with a copy of the information of the registration in the Commercial Register according to the provisions of the Implementing Regulation, after the payment of the set fees in this regard.

**Article (18)**  
**Judicial Judgments and**  
**Indication in the Commercial Register**

The Clerk of the Court which issues the judgements mentioned hereinafter against any Trader shall send a copy of the judgement to the Concerned Directorate within fifteen days from its issuance date in order to indicate the same in the Commercial Register:

- 1- Judgements of declaration or cancellation of bankruptcy, as well as the judgements issued for the determination or amendment of the date when the payment of debts shall be ceased.
- 2- Judgements of rehabilitation.
- 3- The judgements and decisions issued in relation to imposing enjoinder upon the Trader, appointing trustees or agents to act on behalf of the absent or dismissing the same or terminating enjoinder.
- 4- Judgements of dissociation of partners or dismissal of managers.
- 5- Judgements of dissolution and liquidation of companies, or the nullity thereof, and the appointment or dismissal of liquidators.
- 6- Judgements issued in relation to divorce, marital separation or financial segregation, in case the patrimony of the spouses is united.
- 7- Judgements of imposing receivership or seizure upon the place of business.

An order shall be issued by the Minister, in agreement with the Minister concerned with justice affairs, in relation to the other judgements which are issued against Traders, related to commerce affairs and notified to the Concerned Directorate, as well as the determination of the rules, controls and procedures related to notifying the Clerk of the Court referred to in the preceding paragraph.

**Article (19)**  
**Administrative Investigation**

- a- The Ministry shall have the right to conduct an administrative investigation, of its own accord or upon serious notices or complaints it receives, to verify the existence of any breach of the provisions of this Law. The Ministry shall also have the right to conduct an investigation if it has serious evidence which causes it to believe that the breach is about to take place.
- b- The Ministry may request Traders to provide all the information, explanations and documents, and shall have the right to, for the purpose of performing its work, assign any of the judicial officers referred to in Article (26) of this Law to carry out any of the tasks they are authorized to perform.

- c- The Implementing Regulation shall regulate the procedures of investigation, the dates that shall be met, the rules of notifying the Traders who are subject to the provisions of this Law of the breaches attributable to them and the rules of giving equal opportunity for all the parties concerned with the investigation to defend their interests, including holding sessions for hearing from and discussing with the concerned parties and the witnesses thereof and enabling them to present their opinions, arguments and evidence, whether orally or in writing.

The concerned parties shall have the right to resort to their attorneys in all the sessions and procedures of investigation.

## **Article (20)**

### **Measures which may be taken upon Breach**

- a- Without prejudice to the provision of Article (19) of this Law, when the breach is proven, the Concerned Directorate shall order the party in breach, under a substantiated decision notified to the party in breach by a registered letter with acknowledgement of receipt, to stop the breach and eliminate the reasons and effects thereof immediately or within the time period determined by the Ministry. Should the party in breach do not comply with the same within such period of time, the Concerned Directorate shall have the right to issue an adequately substantiated decision of one of the following measures:
  - 1- Suspension of registration in the Commercial Register for a period not exceeding three months.
  - 2- Imposing an administrative fine to be calculated on a daily basis in order to urge the party in breach to stop the breach and eliminate the reasons and effects thereof. Such fine shall not exceed One Thousand Bahraini Dinars per day when the breach is committed for the first time, and Two Thousand Bahraini Dinars per day if the party in breach commits any other breach within three years from the date when a decision was issued against such party in relation to the previous breach. In all cases, the sum of the fine may not exceed Twenty Thousand Bahraini Dinars.
  - 3- Imposing a total administrative fine not exceeding Twenty Thousand Bahraini Dinars.
  - 4- Omission of the registration in the Commercial Register in case the breach is related to such registration.
- b- In both cases stipulated in Clauses (2) and (3) of Paragraph (a) of this Article, the seriousness of the breach, the insistence of the party in breach, the benefits acquired by the party in breach and the damage occurred to third parties as a result of the breach shall be taken into account upon the estimation of the fine. The collection of the fine shall be by the methods determined for the collection of the amounts due to the state.
- c- The Ministry may publish a statement of the breach proved to have been committed by the party in breach by the means and way determined by the decision in conformity with the seriousness of the breach, provided that such publication does not take place unless after the lapse of thirty days from the Ministry's decision issued to indicate that the breach has been proved, without having such decision appealed, or the issuance of a conclusive judgement that the breach has taken place, as the case may be.
- d- Should the investigation conducted by the Ministry result in the existence of a criminal offence, the papers shall be referred to the Public Prosecution.

**Article (21)**  
**Execution by Administrative**  
**Way and Forced Execution**

The Ministry shall have the right to execute by administrative way and resort to forced execution when necessary in order to stop the breach of the provisions of this Law. In such case, the party in breach shall bear all the expenses incurred by the Ministry.

Before resorting to forced execution, the party in breach shall be given time to eliminate the breach optionally.

**Article (22)**  
**Cases of Omission of Registration**  
**and Closure of Places of Business**

The Concerned Directorate shall have the right to omit the registration or close the places of business, as the case may be, in the following cases:

- 1- Upon a final judgement or a decision issued by a judicial body.
- 2- Breaching the provisions of this Law or the orders promulgated in implementation thereof, and non-abidance by the elimination of the breach within the time period set by the Ministry.
- 3- Non-fulfillment of one of the registration conditions.

The Concerned Directorate shall notify the party whose registration will be omitted as per Clause (2) or (3) of this Article within a minimum of seven days, in accordance with the procedures determined by the Implementing Regulation.

**Article (23)**  
**Creation of a List of the**  
**Names of the Parties in Breach**

The Concerned Directorate may create a list in which the names of the parties breaching this Law and the regulations thereof and the laws and regulations of relative Competent Bodies shall be included, along with the addresses which were exploited in breach of the provisions of this Law and the adopted regulations, in order to demand such parties to fulfill the requirements that ensure the non-reoccurrence of the breach in the way determined by the Implementing Regulation.

**Article (24)**  
**Regulation of the Procedures of**  
**Omitting, Erasing and Returning a Registration**



The Implementing Regulation shall regulate the procedures and controls of omitting and erasing the registration from the Commercial Register and the procedures and conditions of returning the registration to the Commercial Register.

**Article (25)**  
**Collection, Analysis and Publication of**  
**the Information of the Commercial Register**

- a- The Ministry shall publish the information determined by the Implementing Regulation on its website.
- b- The Ministry shall undertake the collection and analysis of the information and data registered in the Commercial Register, so that the Ministry forms a main source of accurate information, data and statistics in relation to all commercial sectors in the Kingdom. The Ministry shall also update such information, data and statistics on a continuous and regular basis in a way that reflects the actual reality of the commercial sectors in the Kingdom.

**Article (26)**  
**Judicial Enforcement**

The employees assigned by an order from the Minister concerned with justice affairs in agreement with the Minister shall have the capacity of judicial enforcement in the implementation of the provisions of this Law, for the crimes which fall within the scope of their competencies and are related to the duties of their employment. They shall also have the right to enter relative places of business and close the same precautionarily, prepare reports on the breaches and execute the required minutes. Should the place of practicing the Commercial Activity be a property prepared for residents, a permit shall be obtained from the Public Prosecution.

**Article (27)**  
**Penalties**

Without prejudice to any more severe penalty provided for by any other law, any person commits the following shall be sentenced to imprisonment for a term not exceeding one year and to a fine not less than One Thousand Bahraini Dinars and not exceeding Five Thousand Bahraini Dinars, or to either penalty:

- 1- Deliberately presenting invalid information to be included in the Commercial Register, whether such information is related to the registration, renewal, indication or omission. The court shall issue an order for the correction of such information as per the conditions and dates it determines.
- 2- Using false registration number "Commercial Register" in that person's correspondence or prints related to their business.
- 3- Practicing a Commercial Activity without obtaining a license from the Competent Bodies.

The Minister, or the person he delegates, may, before referring the party in breach to the criminal trial, decide to conciliate regarding such breaches, as well as the breaches stipulated in Clause (2) of Article

(22) of this Law, after having the party in breach paid the conciliation amounts determined by an order from the Minister.

#### **Article (28)**

##### **Fees and Categories of the Financial Fine for Delay**

- a- Annual fees shall be imposed on the registration in the Commercial Register. Such fees shall be determined by an order from the Minister upon the approval of the Cabinet.
- b- Subject to the provisions of the laws regulating the fees of practicing certain activities, annual fees shall be imposed on practicing any Commercial Activity. The categories of such fees shall be determined by an order from the Minister upon the approval of the Cabinet.
- c- The categories of the financial fine for delay in the renewal of the registration in the Commercial Register shall be determined by an order from the Minister upon the approval of the Cabinet.
- d- The registration and the license for practicing the Commercial Activity may be renewed for more than one year after the payment of the set fees, without prejudice to the provisions of the applicable laws.

#### **Article (29)**

##### **Promulgation of Implementing Regulation and Orders**

The Minister shall issue the Implementing Regulation and Orders required for the implementation of the provisions of this Law.

Until such regulation and orders are issued, the regulation and orders applicable upon the issuance of this Law shall continue to be applicable in a way that does not contradict with the provisions of this Law.

#### **Article (30)**

##### **Nullity**

Decree no. (1) of 1961 concerning the Establishment of the Commercial Register and any stipulation contrary to the provisions of this Law shall be deemed null and void.

#### **Article (31)**

##### **Enforceability**

This Law shall be implemented by the Prime Minister and Ministers, each in his respective capacity, and shall be effective as of the day following the date of 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 at Riffa Palace

On: 23 Dhu Al Hijjah 1436 H

Corresponding to: 7 October 2015