

Official Gazette

Issue No.: 3395 – Thursday, 29 November 2018

**Legislative Decree No. (53) of 2018
Concerning the Amendment to Certain Provisions of the Commercial Companies Law Promulgated by
Legislative Decree No. (21) of 2001**

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

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

The Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001, as amended,

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

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

Articles (115), (244 bis), (286 Paragraph "c") and (291) of the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001 shall be replaced with the following:

"Article (115):

The shares shall be nominal and tradable .

Article (244 bis):

Subject to the provisions of the Central Bank of Bahrain and Financial Institutions Law promulgated by Law No. (64) of 2006, the Board of Directors shall forward to the Ministry concerned with commerce affairs, within six months from the end of the financial year, a copy of the balance sheet, profit and loss account, annual report and auditor's report, signed and sealed, in order to verify the Company's compliance with the provisions of the Law, the soundness of its financial position and the extent of its cooperation with the concerned authorities regarding tax compliance at the national or international level.

The Ministry may request any financial statements, documents, reports or other information deemed necessary.

Article (286 Paragraph c):

- c- the Managers shall forward to the Ministry concerned with commerce affairs, within six months from the end of the financial year, a copy of the balance sheet, profit and loss account, annual

report and auditor's report, signed and sealed, in order to verify the Company's compliance with the provisions of the Law, the soundness of its financial position and the extent of its cooperation with the concerned authorities regarding tax compliance at the national or international level.

The Ministry may request any financial statements, documents, reports or other information deemed necessary.

Article (291):

The Company shall have a special commercial name or name derived from its objectives, which shall be followed by "S.P.C".

The Company's head office shall be in the Kingdom of Bahrain and it shall carry out its main activities therein."

Article Two

New Articles shall be added to the Bahrain Commercial Companies Law No. (21) of 2001 and shall be numbered as (351- bis), (351 – Bis 1) and (362 – Bis), as follows:

"Article (351 bis):

Without prejudice to the provisions that require companies to be subject to the provisions and regulations of licensing and control by the concerned authorities in connection with the type of activity, commercial companies subject to the provisions of this Law shall provide the Ministry concerned with commerce affairs with any documents, balance sheets or business results at any time the Ministry so requires.

Article (351 bis 1):

a- The Ministry may conduct an administrative investigation on its own initiative or on the basis of any serious communications or complaints it receives to investigate any violations of the provisions of this Law and may conduct an investigation if it has serious evidence that causes it to believe that the violation is about to occur.

The concerned parties may seek their lawyers during the investigation.

b- The Ministry may request the companies to provide them with all information, clarifications and documents and may delegate any judicial control officers at the Ministry to perform any of their authorized tasks.

Article (362 bis):

a- Without prejudice to civil or criminal liability, the Ministry, when any commercial company's violation of any provision of this Law or decisions issued in implementation thereof or breach of any obligations relating to tax compliance at the national or international level is established, may order the violator by a reasoned decision, to be notified thereto in any manner that the Ministry deems appropriate, to discontinue the violation and eliminate its causes and effects immediately or within

a period of time determined by the Ministry. In case of failure to comply with this decision during this period, the Ministry may issue a sufficiently reasoned decision to:

- 1- Suspend the commercial registration of the company 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.
 - 4- Strike off the commercial registration of the company from the Commercial Register.
- b- In the cases provided for in Clauses (2) and (3) of Paragraph (a) of this Article, when the fine is assessed, it is necessary to take into account the seriousness of the violation, the intransigence shown by the violator, the benefits that he earned and the damage caused to others as a result thereof. The collection of the fine shall be by the prescribed means for the collection of amounts due to the Kingdom.”

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:

On: 20 Rabi' Al-Awwal 1440 H

Corresponding to: 28 November 2018