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**Legislative Decree No. (29) of 1975**

**Approving the Trade and Economic Convention between**

 **the Government of the State of Bahrain and the Government of the Republic of Iraq**

We, Isa bin Salman Al Khalifa, Emir of the State of Bahrain.

Having reviewed the Constitution,

And Emiri Order No. (4) of 1975,

And upon the submission of the Minister of Foreign Affairs,

And after the approval of the Cabinet,

Hereby Decree the following Law

-Article One-

The Trade and Economic Convention between the Government of the State of Bahrain and the Government of the Republic of Iraq, signed in the city of Baghdad on 29 Shawwal 1395 AH, corresponding to 3 November 1975, attached to this Law, has been approved.

-Article Two-

The Ministers—each within their jurisdiction—shall implement this Law, and it shall come into force from the date of its publication in the Official Gazette.

Emir of the State of Bahrain

Isa bin Salman Al Khalifa

Issued at Riffa Palace

On 14 Dhu al-Qi'dah 1395 AH

Corresponding to 16 November 1975

Agreement on Economic, Trade, and Technical Cooperation between the Government of the State of Bahrain and the Government of the Republic of Iraq

The Government of the State of Bahrain and the Government of the Republic of Iraq, inspired by the spirit of cooperation stemming from the belief of the two brotherly peoples in Bahrain and Iraq in the fraternity that binds them, and desiring to develop trade and economic relations between them, have agreed as follows:

Article One

The governments of both countries shall allow the import and export of agricultural, animal, industrial products, and natural resources directly exported and imported between the two countries.

Article Two

Agricultural, animal, industrial products, and natural resources originating from either contracting country shall be fully exempt from customs duties when imported by the other country, as stipulated in the schedules prepared by the joint committee in accordance with Article Eleven of this Agreement.

Article Three

For the purposes of this Agreement, an industrial product shall be considered of Iraqi or Bahraini origin if the cost of locally sourced raw materials, local labour, and other local production costs involved in its manufacture amounts to not less than 40%. Goods exported from free zones in either contracting country and sent to the other party shall not benefit from customs exemption and shall be subject to the applicable customs tariffs in both countries.

Article Four

To apply the provisions of Articles One, Two, and Three, imported products and manufactured goods exchanged between the two parties’ countries must be accompanied by a certificate of origin issued by the competent authorities in the exporting country.

Article Five

The contracting parties undertake to present certificates proving the safety of agricultural and animal products and live animals from diseases and pests upon their importation, and the importing country shall accept certificates issued in this regard from the exporting country.

Article Six

Commercial payments between natural and legal persons shall be conducted in any convertible currency agreed upon by the contracting parties.

Article Seven

Desiring to enhance economic cooperation between the contracting countries and encourage tourism and recreation in both, the two parties agree to:

1- Establish joint ventures and companies in both countries.

2- Enable capital invested by one contracting country or its nationals in the other country to benefit from the incentives and industrial protection afforded to national capital according to the laws and regulations in effect in both countries.

3- Grant the nationals of either country the freedom to reside, work, and engage in economic activities in the other country in accordance with the laws and regulations in effect in both countries.

4- Encourage the nationals of each country to pursue tourism and leisure activities in the other country.

Article Eight

Each contracting party shall provide the necessary facilities for establishing commercial centres and both permanent and temporary exhibitions, as well as participating in international exhibitions and markets, within the limits of the laws and regulations in effect in both countries.

Article Nine

The contracting parties shall ensure the free movement of capital invested by one country or its nationals in the other country, according to the laws and regulations concerning foreign transfers and laws aimed at promoting investments.

Article Ten

The contracting parties shall endeavour to provide all necessary facilities for the transit of goods and means of transport across their territories within the applicable laws and regulations in both countries.

Article Eleven

Desiring to successfully implement of this Agreement and to ensure the achievement and expansion of the mutual benefits it guarantees, the parties agree to form a joint committee that shall meet annually in Baghdad and Manama on a rotating basis unless one party requests an earlier meeting. Its responsibilities shall include:

a. Drafting schedules for determining the products specified in Article One of this Agreement, pertaining to both parties, which shall be an integral part of the Agreement, without preventing the exchange of goods not listed in the aforementioned schedules.

b. Amending the schedules mentioned in the previous paragraph whenever necessary.

c. Formulating a trade exchange plan between the two countries.

d. Supervising the implementation of this Agreement, studying the progress of trade exchange between the two countries, and making recommendations and proposals to foster this exchange.

e. Reaching agreements on solutions to any problems that may arise as a result of trade exchange between the two countries.

Article Twelve

This Agreement shall be subject to ratification by the contracting parties and shall come into effect from the date of exchanging ratification documents. It shall remain effective for three years, automatically renewing for similar periods unless one party notifies the other in writing of its desire to terminate it at least three months prior to the expiration of its term.

This Agreement was signed in Baghdad on the twenty-ninth day of Shawwal in the year one thousand three hundred and ninety-five Hijri, corresponding to the third of November in the year nineteen seventy-five Miladi, in two copies in the Arabic language.

For the Government of the Republic of Iraq For the Government of the State of Bahrain

Hikmat Al-Azzawi Ibrahim Abdul-Karim Mohammed

 Minister of Economy Minister of Commerce, Agriculture, and Economy