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**Legislative Decree No. (53) of 2018 amending certain Provisions of Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Having reviewed the Constitution, in particular Article (38) thereof;

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

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

And upon the submission of the Prime Minister,

And after the approval of the Council of Ministers;

**Hereby Decree the following Law:**

**Article One**

The texts of 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):**

Taking into account 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 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 (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 promulgated by Legislative Decree 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 companies’ subjection 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. It may also conduct an investigation if it has serious evidence that leads it to believe that a violation is about to occur. The concerned parties may seek their lawyers during the investigation.

b) The Ministry may request from the companies all information, clarifications, and documents and may delegate any Judicial Investigation 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 the event of failure to comply with this decision during this period, the Ministry may issue a sufficiently reasoned decision to:

1) Suspend the Commercial Register for a period not exceeding six months.

2) Impose an administrative fine calculated on a daily basis to compel the violator to cease the violation and eliminate its causes or effects, not exceeding one thousand Bahraini Dinars per day where the violation is being committed for the first time and two thousand Bahraini Dinars per day where it had committed any other violation within three years following the date on which a decision in respect of the previous violation against it had been issued. 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 two cases provided for under Clauses (2) and (3) of Paragraph (a) of this Article, when assessing the fine, the gravity of the violation and the obstinacy shown by the violator shall be taken into consideration, as shall the benefits he has obtained and the damages which have been suffered by third parties as a result thereof. The collection of the fine shall be made by using the methods prescribed for collecting amounts due to the State.

**Article Three**

The Prime Minister and the Ministers -each within his jurisdiction- shall implement provisions of this Law, and it shall come into force from 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:

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