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**Legislative Decree No. (48) of 2012 regarding the Bahrain Chamber of Commerce and Industry**

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

Having reviewed the Constitution;

Decree No. (1) Finance 1961 regarding the Establishment of the Commercial Register, as amended;

Civil and Commercial Procedures Law promulgated by Legislative Decree No. (12) of 1971, as amended;

the Penal Code promulgated by Legislative Decree No. (15) of 1976, as amended;

Commerce Law, promulgated by Legislative Decree No. (7) of 1987, as amended;

And the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001;

And upon the submission of the Prime Minister,

And after the approval of the Council of Ministers;

**Hereby Decree the following Law:**

**Part One**

**General Provisions**

**Article (1)**

In applying the provisions of this Law the following words and expressions shall have the meanings assigned to them below, unless the context requires otherwise:

Kingdom: The Kingdom of Bahrain

**Ministry:** The Ministry concerned with Industry and Commerce Affairs or the one designated by a Decree.

**Minister:** The Minister concerned with industry and commerce affairs, or the one appointed by a Decree.

**The** **Chamber**: The Bahrain Chamber of Commerce and Industry.

Board of Directors: The Board of Directors of the Chamber.

President: President of the Board of Directors of the Chamber.

Member: Subject to membership in the Chamber by force of law or at his request.

The Implementing Regulation: The regulations set by the Board of Directors and promulgated by a Decision of the Minister in implementation of the provisions of this law.

**Article (2)**

The provisions of this law apply to:

1) Commercial companies registered in the Commercial Register in the Kingdom.

2) Companies that are solely established by the government or contribute to their capital, whatever their purpose.

3) Branches and offices of foreign companies registered in the Kingdom.

4) Merchants registered in the Commercial Register.

The provisions of this Law shall not apply to licensees of the Central Bank of Bahrain unless they request voluntary membership of the Chamber.

**Article (3)**

The Bahrain Chamber of Commerce and Industry is a public benefit institution based on national economic foundations, representing the sectors of business owners, expressing their opinions, protecting their interests, enjoying legal personality, and subject to the supervision of the Minister.

The Chamber's headquarters shall be in the city of Manama, and branches or other offices may be established outside the city of Manama by a Decision of the Council.

**Article (4)**

The Chamber aims to achieve the following:

1) Proposing the general principles and principles related to the industry and commerce sector that contribute to the development of its own strategy and the necessary plans for the implementation of this strategy, within the framework of the general policy of the State.

2) Overcoming the problems and difficulties that limit the ability of the private sector to grow.

3) Developing the role of the private sector and increasing its contribution to economic development.

**Article (5)**

Subject to the laws in force, the Chamber undertakes all necessary actions to achieve its objectives, in particular the following:

1) Representing employers in public matters related to labour relations and affairs before any authority.

2) Collect laws, regulations, customs, information and statistics related to commercial and industrial activities, classify them and publish what they deem appropriate.

3) Providing commercial and industrial directories, conducting economic and scientific studies and research, and field surveys and financing them.

4) Granting and Ratifing certificates of origin and exporter

5) Ratification of certificates of identification of traders, capacity and identity of delegates, signatures of the concerned parties, seals, validity of invoices of goods and other commercial and industrial certificates specified in the Implementing Regulation.

6) Naming commercial experts and arbitrators, registering them with it and certifying their certificates.

7) Representing the private sector in organizations, unions, councils, committees, public and private bodies and institutions, and attending conferences, forums and gatherings, whether inside or outside the Kingdom.

8) Submit proposals related to investment projects, programs and economic plans that would support the private sector and increase its contributions to building the national economy.

9) Organizing the collection of cash and in-kind donations from private sector companies and institutions for public benefit work and in case of relief and calamities.

10) Holding conferences, forums, seminars, training courses, organizing and promoting markets, specialized trade exhibitions and other events, and establishing specialized centres concerned with providing services to the private sector.

11) Settlement and conciliation in commercial disputes of its members submitted to it by agreement of the concerned parties.

12) Establishing and managing colleges, training institutes and centres of commercial and industrial concern.

13) Participate in the establishment of joint chambers inside and outside the Kingdom, provided that their objectives and competencies are determined within the agreements of their establishment.

14) Participation in federations of regional and international chambers of commerce and industry and in any regional or international institution, body or organization representing business owners.

15) Express opinion on projects and proposals for laws related to industry and commerce when requested to do so, and the Chamber may submit on its own initiative to the competent minister its proposals on draft laws of interest to the private sector and topics within its competence.

**Part Two**

**Chamber's Membership Provisions**

**Article (6)**

The following categories are subject to membership of the Chamber:

1) Commercial companies registered in the Commercial Register in the Kingdom.

2) Companies that are solely established by the government or contribute to their capital, whatever their purpose.

3) Branches and offices of foreign companies registered in the Kingdom.

4) Merchants registered in the Commercial Register.

Proof of membership of the Chamber is one of the documents necessary to renew the license to practice the activity.

**Article (7)**

Non-legal persons provided for in Article (6) of this Law, working in trade-related activities or whose activities predominate on the commercial side, as well as financial institutions licensed by the Central Bank of Bahrain, may voluntarily join the membership of the Chamber.

**Article (8)**

Applications for the participation of natural and legal persons who practice commercial or industrial business outside the Kingdom may be accepted against the payment of an annual subscription in order to provide them with commercial and industrial services and information, without having the right to attend or vote in the meetings of the General Assembly.

**Article (9)**

The amounts due for membership registration, annual subscription, late payment fine and all services performed by the Chamber shall be determined by a Decision of the Prime Minister based on the recommendation of the Board of Directors submitted through the Minister.

Such amounts and the fines due thereon shall be determined on fixed bases specified in the Implementing Regulation.

**Article (10)**

A member loses his membership in any of the following two cases:

1) Loss of the status that qualified him for membership of the Chamber.

2) Final judgement by declaring bankruptcy or convicting him of a crime involving moral turpitude and dishonesty, and the lost membership shall be restored to the rehabilitated member.

The Implementing Regulation shall specify the procedures relating to the loss and restoration of membership.

**Article (11)**

By a Decision of the Board of Directors based on a reasoned recommendation from the Executive Office, membership may be temporarily suspended for a specified period during which the services of the Chamber shall not be provided to the member, to be reinstated upon the expiry of the reasons that led to its suspension, in accordance with what is determined by the Implementing Regulation.

**Part Three**

**Chamber’s Bodies**

**Article (12)**

The Chamber consists of a general assembly, a board of directors, an executive office and an administrative body headed by a chief executive and comprising a group of administrative staff determined by the organizational structure of the Chamber.

**Article (13)**

**Chapter One General Assembly:**

The General Assembly is the highest authority in the Bodies of the Chamber and consists of all the members who have paid for their assessed annual subscriptions.

**Article (14)**

The member in the meetings of the General Assembly and polling shall represent the owner of the institution or the legal representative of the member, and it is not permissible to appoint a proxy to attend the meetings of the General Assembly or polling, and each member shall have a number of votes in the ballot according to his capital and in accordance with the table attached to this law, provided that the authorization to sign the member's transactions shall be limited to the Chamber's records without extending to attending the meetings of the General Assembly and voting.

**Article (15)**

The meeting of the General Assembly shall be at the invitation of the Chairman who presides over its meetings or one of his deputies in case of his absence, and in the presence of the Financial Secretary or his deputy in case of his absence, and the Chief Executive Officer or his deputy and the auditor.

The Assembly shall issue its Decisions and recommendations by the majority of the members present, and if the votes are equal, the side from which the chairman of the meeting shall prevail.

The assembly may discuss issues that are not on the agenda under a clause of new business, based on a reasoned written request from at least fifty members prior to the date of the meeting with a period not less than two working days.

**Article (16)**

The president shall invite the representative of the Ministry to attend the meetings of the General Assembly, and he shall not have a counted vote in the deliberations, and shall submit a report of his observations to the Ministry.

The President may invite one or more delegates from the relevant ministries, organizations or associations to attend the meetings of the General Assembly as observers.

**Section One: Ordinary General Assembly**

**Article (17)**

The Ordinary General Assembly shall be competent to consider all matters related to the Chamber and take appropriate decisions thereon, and in particular:

1) Election of the members of the Board of Directors.

2) Discussing and approving the annual report of the Board on the Chamber's activities during the Financial year.

3) Discussing the financial situation and the auditor's report for the ending financial year of the Chamber and approving it.

4) Appointment of the auditor.

5) Discuss matters that are included under a clause of new work.

**Article (18)**

The Ordinary General Assembly shall convene at least once a year during the four months following the end of the Chamber's financial year.

If the meeting does not take place during that period, the auditor shall invite an extraordinary assembly to convene to discuss the auditor's report for the ended financial year.

**Article (19)**

The Ordinary General Assembly meeting is not considered valid unless it is attended by (200) two hundred members or (10)% of the number of members, whichever is less.

If this quorum is not achieved, the meeting will be postponed to another date within fifteen days from the date that was scheduled for the first meeting. The second meeting shall be valid for whoever attended.

In all cases, the presence of the chairman or one of his two deputies, the financial secretary or his deputy, and the auditor is required for the meeting to be valid.

**Section Two: The Extraordinary General Assembly**

**Article (20)**

The Extraordinary General Assembly shall be held based on:

1) Decision of the Board.

2) An application submitted by two hundred members or (10) % of the total members, whichever is less.

3) Request of the auditor.

The request for the meeting shall include a statement of the reasons for its convening, the topics to be discussed and the proposed date for the meeting.

The Chairman shall send invites for the meeting within a period not exceeding thirty days from the date of issuance of the Decision or submission of request, and the Council may reduce this period according to the subject presented.

The meeting is limited to discussing the topics contained in the Decision or request.

**Article (21)**

The convening of the extraordinary general assembly shall not be considered valid except in the presence of (25) % of the members, and if this number is not completed, the meeting shall be postponed to another date to be held within fifteen days, and

The second meeting shall be considered valid if attended by three hundred members or (15) % of the number of members, whichever is less.

In all cases, the presence of the Chairman or one of his deputies, the Financial Secretary or his deputy, and the auditor shall be required.

**Chapter Two: Board of Directors**

**Article (22)**

1) The Board of Directors shall consist of (18) members elected by a direct and secret ballot from among the members of the General Assembly who are entitled to run as candidates, in accordance with what is determined by the Implementing Regulation.

2) Each member of the General Assembly shall have the right to elect all members of the Board of Directors.

3) The candidates with the most valid votes are considered winners.

**Article (23)**

Elections are held under the supervision of a committee called (the Election Committee), and grievances against its Decisions are submitted to a committee called (the Appeals Committee) within seven days from the date of announcing the election result.

The Implementing Regulation shall specify the composition and method of appointing the members of these two committees, the functions and procedures of their work and the procedures for submitting grievances.

**Article (24)**

If only the number specified for membership of the Board of Directors did not apply for this in accordance with the provisions of Article (22) of this law, or only this number remained for any reason, the Elections Committee shall announce that these candidates won the membership of the Board by acclamation without the need to hold elections.

In the event that the number of candidates is less than the prescribed number; The door for candidacy remains open for an additional fifteen days. If this number is not completed during this period, the outgoing Board of Directors will continue to carry out its duties for another year. In this case, the Ordinary General Assembly will be called to convene during the last month of the aforementioned year to elect a new Board.

**Article (25)**

Whoever is nominated for membership of the Board of Directors shall meet the following conditions:

1) To be a Bahraini national enjoying all his civil and political rights.

2) To be the owner of the company or institution or one of the members of its board of directors and a candidate for him or the natural person registered in his name and for his account the business.

3) He shall not have been previously sentenced to a custodial penalty for a crime involving moral turpitude and dishonesty, unless he has been rehabilitated.

4) Not less than twenty-five full years at the time of candidacy.

5) To have paid the annual subscription fees and any other financial obligations to the Chamber at the time of nomination.

6) He must have been a member of the Chamber for a full year.

7) To not be appointed to a public office in the State.

8) To submit a candidacy application accompanied by a receipt stating that he has paid a sum of money to be determined in accordance with Article (9) of this Law, and this amount shall be considered one of the revenues of the Chamber.

**Article (26)**

The term of membership of the Board of Directors shall be four years commencing from the date of its first meeting, and the new Board shall be elected during the last month of that term. A member of the Council may not hold the office of President for more than two consecutive terms.

**Article (27)**

If the place of a member of the Board of Directors becomes vacant, for any reason, he shall be replaced by the candidate who obtained the most votes after the members of the Board in the last election, and the new member shall complete the remaining term of his predecessor, and if it is not possible to replace and at least six months remain from the term of the Board, the Ordinary General Assembly shall be called to elect the member or members required to fill the vacant membership.

The Ordinary General Assembly shall be called to elect a new Council if the number of members of the Board is less than half.

**Article (28)**

A member of the Board shall lose his membership by virtue of a Decision of the Board in any of the following cases:

1) If he loses the membership of the Chamber in accordance with the provision of Article (10) of this Law.

2) If the member submits his resignation from the Council.

3) If he is appointed to a public position in the state.

4) Death.

The decision to revoke the membership of the Council shall be taken by a two-thirds majority in the following cases:

1) If he loses one of the conditions mentioned in Clauses (1, 2, 3) of Article (25) of this Law.

2) If it is established that he is unable to carry out his work due to his health condition.

3) If he has lost confidence and consideration.

4) If he is absent from the Council sessions three consecutive times or five separate times in one year without prior permission or an acceptable excuse.

**Article (29)**

The board of directors holds its first meeting within a week of the end of the period for contesting the election result, and the meeting is chaired by the eldest member until the members of the board of directors elect a chairman and two deputies, then the aforementioned board elects the rest of the office positions, and the previous office takes over the management of the room’s affairs until the new board is convened his first meeting.

**Article (30)**

The Board of Directors meets six times a year on a regular basis at the invitation of its Chairman or his representative. The Chairman calls the Board to an extraordinary meeting whenever the need arises, or within fifteen days from the date of receiving a reasoned written request from a third of the Board members.

The Chief Executive attends the meetings of the Board without having the right to vote, and determines who is entrusted with writing the minutes of the Board meetings.

**Article (31)**

The meeting of the Board of Directors shall not be considered valid unless attended by more than half of its members, provided that the chairman or one of his two deputies is present. If this number is not complete, the meeting shall be postponed for a maximum period of seven days, and the members who are left behind shall be invited to attend the next meeting, which is considered valid, provided that the number of those present is not less than one-third of the members of the Council, provided that the chairman or one of his two deputies is present.

The Decisions of the Board of Directors shall be issued by the absolute majority of the members present. If the votes are equal, the side of the session chairperson will prevail. If the meeting started properly, it will continue even if some of the attending members leave the meeting place. In all cases, for the validity of the council’s Decisions, the number of attendees must not be less than one-third.

**Article (32)**

The Chairman opens and heads the meetings of the Board of Directors, controls them, authorizes speech, manages the discussions and announces their end. The Chairman also announces the Decisions of the Board.

The President shall notify the Minister of the Council's Decisions and recommendations for information and briefing within five days from the date of issuance of the Decision or recommendation. In the event that the Minister finds that any of these Decisions or recommendations are outside the jurisdiction of the Chamber or include a violation of the law or a departure from the general policy of the state, he has the right to object to them within fifteen days from the date of his notification of the Decision or recommendation, and return them to the Chamber, together with the reasons for the objection for re- Consideration thereof, and if the Chamber insists on its Decision or recommendation or includes a new violation, the matter shall be referred to the Council of Ministers to take whatever action it deems appropriate in this regard.

The Council, based on the proposal of the Chairman, may take the measures specified by the Implementing Regulation against a member of the Council who violates the order, regulations, and Decisions.

**Article (33)**

When the Board considers any issue in which he has a direct or indirect personal interest that conflicts with the requirements of his membership, a member of the Board of Directors must disclose that in writing as soon as he becomes aware of his consideration, and he may not attend the Board’s deliberations on this issue or vote on it.

**Article (34)**

The president represents the chamber before the judiciary and in its relations with third parties, and supervises all its work. In his absence, he is replaced by the first deputy and then the second deputy, and he may authorize either of them to exercise some of his competencies.

**Article (35)**

The chairman and members of the Board of Directors are responsible before the General Assembly for every violation of the law, misuse or waste of its funds, and the liability claim in this regard shall not lapse except after the lapse of five years from the date of issuance of the Assembly’s Decision to ratify the Board’s decision.

**Article (36)**

The Board of Directors shall be formed from among the members of the Chamber and those with expertise it deems useful, permanent and temporary committees to undertake some tasks. It may also form joint committees with ministries, government agencies and institutions, to discuss issues of common interest.

The Implementing Regulation shall specify the manner of formation and procedures of the work of these committees.

**Article (37)**

The Board of Directors shall exercise all powers necessary to achieve the objectives of the Chamber and run its work, and in particular it shall have the following:

1) Approving its action plan and means of implementing its programmes.

2) Developing the Implementing Regulation of the law, approving the rules and regulations, and approving and amending the organizational structure of the Chamber.

3) Approving the annual budget and approving the annual report and final accounts.

4) Proposing all financial amounts due to the Chamber as set forth in Article (9) of this law and submitting them to the concerned government agencies for approval.

5) Nominating the representative of the Chamber in the boards of directors whose formation is issued by a Decree or a Decision of the Prime Minister.

6) Approving the establishment of conferences, exhibitions, markets, forums and economic forums organized by the Chamber.

7) Representation and participation of the Chamber in organizations, institutions and the Federation of Joint Arab and International Chambers.

8) Approving the formation of the Chamber's delegations to participate in all economic activities.

9) Establish businessmen's councils with the aim of developing bilateral economic relations.

10) Election of the Chamber's executive office.

11) Appointing the CEO and his deputies and terminating their services as determined by the Implementing Regulation of the law.

The Council may delegate some of its powers to the Executive Office.

**Article (38)**

The work of the members of the Board of Directors is voluntary and they do not receive a wage, except for travel allowances and allowances for attending committee meetings, as determined by the Implementing Regulation.

**Article (39)**

If the Board of Directors loses its quorum and the procedures stipulated in this law are not taken, or if material or administrative circumstances occur that materially affect or prevent the Chamber from carrying out its duties, the Minister may - in accordance with the requirements of the public interest - invite the Extraordinary General Assembly to consider a matter of dissolution Council, and if the extraordinary general assembly does not agree to the dissolution, the Minister has the right to present the matter to the Council of Ministers to take what he deems appropriate regarding the dissolution of the Council.

**Chapter Three**

**Executive Office**

**Article (40)**

At its first meeting, the Board of Directors elects from among its members an executive office consisting of the Chairman of the executive office, his two deputies, a financial secretary, his deputy, and two other members.

The election of the members of the executive office shall be by secret ballot and by the absolute majority of the votes of the members present. If two or more candidates are equal in the number of votes for any of the positions, the election shall be repeated using the same method and tool. If more than one is equal in the number of votes, the Board of Directors shall choose between them by drawing lots.

**Article (41)**

The Executive Office shall supervise the Chamber's administrative and financial affairs, follow up on the implementation of the Decisions of the Board of Directors, and exercise the powers stipulated in the Implementing Regulation under the direct supervision of the Chairman.

**Article (42)**

If the position of one of the members of the Executive Office becomes vacant for any reason, he shall be replaced by the candidate who obtained the most votes in the same position in the last election. If the latter is impossible or the replacement becomes impossible, the Council elects at its first meeting from among its members someone to replace him to complete the term of his predecessor in the same manner and instrument provided for in this Law and in accordance with the procedures set forth in its Implementing Regulation.

A member of the office may run for the vacant position, and in the event he wins, his position becomes vacant automatically.

**Article (43)**

The Executive Office meets nine times a year or whenever the need arises. The CEO attends its meetings without having the right to vote, and is responsible for appointing someone to write the minutes of the Executive Office meetings.

**Article (44)**

The Executive Office has the right to take some decisions of an urgent nature, and to decide on matters that arise during the periods separating the meetings of the Council, provided that the Council is informed of its contents immediately.

**Chapter Four**

**Administrative Body**

**Article (45)**

The Chamber's administrative body is headed by a chief executive appointed by a Decision of the Board of Directors based on the recommendation of the Executive Office, provided that he is not a member of the Chamber.

The CEO shall be responsible for the functioning of the Chamber's business, and the Implementing Regulation shall indicate his administrative and financial competencies, powers, rights and obligations.

**Article (46)**

By a decision of two-thirds of the members of the Board of Directors, the Chief Executive Officer may be relieved of his position due to his breach of the exercise of his competencies, incompetence in accomplishing his duties, breach of the duty of honesty and correct behaviour, or his medical inability to carry out the duties of his position.

The Chief Executive Officer, before being relieved of his position, shall be given an opportunity to defend himself before the Board of Directors. The Chief Executive Officer shall continue to exercise his powers until the date of the exemption, unless the Board of Directors decides otherwise, and unless the dismissal is due to a breach of the duty of honesty and correct behaviour.

The Chief Executive Officer may resign from his position by virtue of a written request submitted to the Board of Directors at least three months prior to the date specified for resignation, and the Board shall issue a Decision accepting the resignation.

A member of the Board of Directors or any of the Chamber's employees who are qualified for that, chosen by the Board, shall assume the duties and powers of the Chief Executive Officer on a temporary basis.

**Part Four**

**Chamber’s budget and resources**

**Article (47)**

The Chamber has an independent budget approved by the Board of Directors. The financial year begins on the first of January and ends on the 31 December of each year, and the Implementing Regulation show the rules and controls related to the budget.

**Article (48)**

The Chamber shall have one or more external auditors who are appointed annually by the Ordinary General Assembly based on a nomination by the Board of Directors for a maximum period of three years. The Chamber shall also have an internal auditor who shall appoint and determine the scope of his work, and the Chamber's funds and bookkeeping shall be disposed of to control its operations and how to monitor its accounts in accordance with what is determined by the Implementing Regulation.

**Article (49)**

The Chamber's financial resources consist of the following:

1) All sums of money determined under this law and fines for late payment.

2) The proceeds of the real estate owned by the Chamber and the investment returns of its funds.

3) Revenues from events and their sponsorship, activities, seminars, exhibitions and conferences organized by the Chamber or participating in it.

4) Amounts received from the publication of studies and research and the sale of books, magazines and publications issued by the Chamber.

5) Grants, compensations, subsidies, donations, monetary and in-kind donations, and returns that the Board decides to accept, provided that they do not conflict with the relevant laws in force in the Kingdom.

6) Loans.

7) Any other resources approved by the Board of Directors.

**Part Five**

**Final Provisions**

**Article (50)**

The Board of Directors shall set the Implementing Regulation after the approval of the General Assembly of the Chamber, and a Decision shall be issued by the Minister within six months from the date of entry into force of this law. The Implementing Regulation shall include all the rules required for the implementation of this law.

**Article (51)**

Everyone who is subject to membership in the Chamber in accordance with the provisions of this law shall join its membership within sixty days from the date of enforcement of this law. Anyone who violates this shall be punished with a fine equivalent to double the annual subscription fee, and the penalty shall multiply in accordance with the number of violations annually.

**Article (52)**

Any text that contradicts the provisions of this law shall be repealed.

**Article (53)**

The Prime Minister and the ministers - each within his jurisdiction- shall implement 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:

On: 15 Dhu al-Qi'dah 1433 A.H.

**Corresponding to:** 1 October 2012

**A table determining the number of votes each member of the Chamber has in balloting according to his capital**

|  |  |  |
| --- | --- | --- |
| **Serial** | **Capital (in Bahraini Dinars)** | **The number of votes** |
| 1 | Undeclared up to 19,999 | 2 votes |
| 2 | 20,000-100,000 | 3 votes |
| 3 | 100,001-500,000 | 4 votes |
| 4 | 500,001-1,000,000 | 5 votes |
| 5 | 1,000,001-5,000,000 | 6 votes |
| 6 | 5,000,001-100,000,000 | 7 votes |
| 7 | 100,000,001-500,000,000 | 8 votes |
| 8 | 500,000,001-1,000,000,000 | 9 votes |
| 9 | 1,000,000,001 and above | 10 votes |