



Bahrain

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Official Language:	Arabic
Monetary Unit:	Dinar
Stock Exchanges:	No formal stock exchange. Shares of local public companies can be traded through certain commercial banks.
Regulatory Authority:	Commercial banks, offshore banking units and investment banks are regulated by the Bahrain Monetary Agency.

Forms of Business Enterprise

Under the Commercial Companies Law, Law No. 28 of 1975, the following entities are legally recognized:

Sharika musahama muqfalah -- closed company

Sharika musahama mukhtalata -- mixed shareholding company

Sharika that masouliyyah mahdoudah -- limited liability company

Sharika Tadhamun -- general partnership

Sharika tawsiyah baseetah -- limited partnership

Sharika tawsiyah bi al-ashum -- partnership limited by shares

Sharika mahassah -- joint venture

Participation by Foreign Investors

Participation by foreign investors has generally taken several forms:

Corporation -- Foreign firms participating in the capital of major corporations in which the government or quasi-governmental body has a majority shareholding.

Limited liability company -- Formed with a minimum of 51 percent Bahraini national participation; most frequently used by foreign investors.

Foreign branch -- Some foreign investors "engage" in business through a sponsorship agreement with a Bahraini national; most often used by professional advisers.

Joint ventures -- commonly used by foreign investors.

Partnership -- General partnerships can normally be formed only by Bahraini nationals, but foreign investors can participate up to 49 percent in limited partnerships and partnerships limited by shares.

Offshore entities -- mainly offshore banking units and investment banks. Foreign nationals can retain 100 percent ownership if they do not engage in business with residents of Bahrain.

All commercial enterprises in Bahrain must register with the Ministry of Commerce and Agriculture. All business enterprises must be formally registered in the Commercial Register within one month of start up.

Disclosure Practices and Requirements

The Commercial Companies Law requires corporations, limited liability companies and partnerships limited by shares to maintain a shareholders' register. Corporations must register the minutes of directors' meetings. They must also register all corporate debentures and loans.

Audited Statements

All corporations, limited liability companies and partnerships limited by shares must have an audit, although no law specifies the form and content of financial statements. The Bahrain Monetary Agency requires all banking enterprises to submit annual, audited financial statements, although no legislation requires such statements.

The Commercial Companies Law requires the board chairman to publish the balance sheet, profit and loss statement, auditors' report and a comprehensive summary of the directors' report in a local newspaper 15 days before the annual general meeting.

No legislation or established practice governs the disclosure of income, capital, value of assets, purchase of another business, consolidation, provisions or the content of notes to the financial statements.

Additional Information

No Bahraini law regulates accounting principles and practices to be used by companies, although the Commercial Companies Law does require auditors to be licensed to practice.

There is no legal requirement for business enterprises to maintain books in any particular language, although they are usually in English or Arabic.
