

# Chamber of commerce of Bahrain

Introduction :

Since ancient times, Bahrain has been a key trade and geographical centre in the Arabian Gulf. In the past it was an international passage for trade caravans coming and going through the Gulf and the Mediterranean, or in other direction towards the Indian subcontinent and the Far East. Hence Bahrain was highly reputed in the transit trade.

The people of this island came to have an instinctive feel for trade, and through their practice they gained an understanding of both local and foreign trade. In 1939, the first Chamber of Commerce in the Arabian Gulf was established in Bahrain under the name of the "General Traders' Association" and continued under that name until 1945 when the name was changed to "Bahrain Chamber of Commerce". Later it was in 1967 that it acquired the present name "Bahrain Chamber of Commerce & Industry". (BCC & I).

The Bahrain Chamber of Commerce and Industry is considered one of the leading Chambers of Commerce and Industry in the region. It has kept pace with economic development in Bahrain since its inception. The Chamber has played an effective role in enhancing the importance of the role played by the private commercial and industrial sector in the country's development. Since its launch, the Chamber has also contributed to the welfare and prosperity of the society through the development and support of its commercial and economic events, as well as providing various services to such events and broadening their scope to keep up with the aims of economic development in Bahrain.

services of the chamber of commerce and industry of Bahrain:

The Bahrain Chamber of Commerce and Industry provides the following services:

- Advocating the interests of members and the private sector towards the competent authorities and likewise representing them in related local, regional and international committees, bodies, and institutions and defending their interests.
- Benefiting from the underway Services Centres i.e. the Training Centre, the Export Development Centre, the SME's Support Centre, the Exhibitions and Businesses Centre, the Businessmen and Marketing Centre, and the Investors Centre.

- Providing members with commercial and investment opportunities, statistics, information, reports and research in different sectors, in addition to the analytical economic studies conducted through co-ordination with the competent governmental bodies.
  - Benefiting from the conducted field surveys through questionnaires of industrial and commercial projects in the private sector to manifest the situations and propose recommendations to the sector.
  - Utilizing the BCCI building's halls for members' companies meetings at competitive prices.
  - Advertising the members' products and services on the BCCI's website and on the electronic screens available at the BCCI's premises at competitive prices..
  - Participating in local and foreign exhibitions, conferences and events as well as trade missions and introducing investment opportunities to them.
  - Participating in the bilateral meetings organized by the BCCI with foreign trade missions visiting Bahrain and benefiting from business opportunities and build up a network of contacts and fruitful business links with their counterparts.
  - Enabling the private sector's voice to be heard in key local and international bodies and forums that address the challenges faced by the private sector.
  - Assistance to members' business missions to other countries by providing them with identification letters, Introductory letters to world wide Chambers to source potential suppliers and customers or a list of their counterparts in various sectors and the like.
  - Amicable settlement of trade disputes with the consent of the parties involved.
  - Legal consultancy on commercial and business matters and providing the applicable commercial laws and agreements.
  - Examination of draft investment, economic and social legislation, organizing meetings on developing the private sector and co-ordinating with regional and international chambers to improve import and export terms.
  - Eligibility to be awarded contracts for BCCI projects through tenders.
  - Timely notifications on risk factors such as fraudulent business transactions, trade bans and sanctions, bankruptcies inter – alia.
  - Legalizing commercial and industrial certificates, work contracts, certificates of origin, commercial agencies and the like.
  - Participating in the General Assembly meetings, and electing the BCCI's Board of Directors to adopt the members' views.
- Nomination for the Board and participation in the various committees constituted by the BCCI.

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### Legislation on freedom of investment in the Kingdom of Bahrain

Bahrain has not closed its doors in the face of ever investment came from any quarter and the money is still coming in security and growth, without limitation or obstacle. The Legislation allows now , in various aspects of commerce and industry in the areas of investment in general , a wide freedom , and almost absolute for foreign investors .

Such legislation include also legal protection for these investments and provide legal and administrative mechanisms for this protection, whether in the beginning stage of investment or in its continuity later .

I will address very briefly the most important legislation in the field of investment and protection of capital as follows : -

#### First : Legislation directly related to the freedom of investment :

##### 1 - Commercial Companies Law promulgated by Legislative Decree (21) For the year 2001:

This law came to replace the Commercial Companies Law promulgated by Legislative Decree No. 28 for the year 1975 and its amendments, which had branched out but these were all intended to expand opportunities in the aspect of Foreign Investment - The law 2001 To put it all in one legislative bowl . In the area of freedom of foreign capital, the most important features of this law include :

- This law canceled the condition of Bahraini citizenship law in solidarity firms, which was limited to individuals Bahrainis according to the old law ( article 21) The new law, the text of the article 25 states That " Without prejudice to the provisions of applicable laws on the organization engage in self-employment may be the establishment of solidarity companies of any kind 0 Between Bahraini partners or non-Bahrainis “.
- With taking into consideration the provisions of this law , it is allowed – a decision of minister and in agreement with the competent minister , that

Bahraini public joint stock companies to be established with the participation of foreign capital or foreign expertise in accordance with proportion specified by the minister. The only restriction is to prohibit the disposition of the shares that represent the foreign capital for three years from the date of the registration of the company in the commercial register .

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- The maximum limit of foreign capital , specified by companies law for the year 1975 , can not exceed %49 of the company's capital , whereas the new law does not include this condition , making it possible to establish these companies with foreign capital without specifying .
- The article ( 345 ) on companies with foreign capital states “ the agreement on establishment of companies may – by a decision from the minister of trade in agreement with the competent minister – in accordance with the provisions of this law to be owned partially or whole by Bahraini or non –Bahrain partners and it may to be non – Bahraini currency .
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- Real estate laws

The decree-law no 2 for the year 2001 was issued on ownership by non-Bahraini for the real estate and lands ; it allowed , in its first article , for non-Bahraini citizens to own real estate and lands in Bahrain in one of disposition , approved by the law or inheritance in areas , according to the conditions of the council of ministers.

It allowed , also , in the second article for the companies of non- Bahraini ( commercial , industrial , tourist , banking and financial institutions ) to practice their activities by owning these real estates , if the purpose of their establishment was to establish trade business , or industrial , financial , or tourist , health or educational or training .

In addition , if they take Bahrain as a main center for investing their capital in the permitted activities or any other economic and investment project without prejudice to the rights of citizens of GCC countries who are equal with Bahraini Citizens in owning real estates in accordance with Decree- law no ( 40 ) for the year 1999 which regulates the ownership of citizens of GCC countries.

In pursuant to this law ( Law no 2 for the year 2001 ) , the law no 43 for the year 2003 was issued by the cabinet to identify the permitted areas for non – Bahraini in order to

own these real estates ; it allowed , also , in the third article for the companies of non- Bahraini ( commercial , industrial , tourist , banking and financial institutions ) to practice their activities by owning these real estates .

3- the decree no 7 for the year 1994 was issued to ratify the document on establishment the agreement of international trade organization ; a national committee was set up to organize the relation between the organization and Kingdom of Bahrain.

4- Decree- law No. ( 1 ) for the year 1995 on the accession of Bahrain to the agreement of establishment the world organization of intellectual property .

5- decree- law no . 30 for the year 1996 approving the accession to the Bern convention for the protection of literary and artistic works.

6- Decree- law no 31 for the year 1996 approving the accession to the Paris convention for protection of industrial property .

Second : resolution of international trade disputes :

The interest of achieving justice , with global civilized standard , especially that regarding the rights of foreign capital , is deeply rooted in Bahrain. In 1906 , Major COX , political agent at that time , wrote to German ambassador in Iran assuring him that the European traders' interests are protected in Bahrain .He indicates that there are specialized judicial body on disputes resolution ; this body was “ the customary council “ which was formed from equally members of the Bahraini and foreign members .( document No.I.O.R. 15/2/6 , from British –India government documents ).

It is worth-mentioning that the letter indicates that the lifetime of this council , that day , was fifty years ; the concern of international interests has expanded and developed.

Today , in the field of protection of resolution of disputes , the Bahraini judiciary has proven its competence and integrity , Bahrain , also , joint the pace of the modernist international systems in resolving disputes through international arbitration .The most important legislations in this field are :

- 1- Law –decree no 14 for the year 1988 on approving the accession to the New York convention for the year 1958 on the recognition and implementation of the resolutions of international arbitration .

- 2- Law- Decree no 9 for the year 1994. Issuance of international trade arbitration law , which was based on model law on international trade law .

These two legislations, under national acts , ensure the rights of any international party to resort to the international trade arbitration .

Third : other forms of legal protection for the foreign investment :

- investment funds systems : they are issued and amended by laws no 92 / 356 and 95 / 318 and 99/121 issued by the Bahrain Monetary Agency , it indicates that any bank or banking institution that have license in Bahrain or any country that has developed laws can establish investment funds in Bahrain markets .

forth :

ongoing steps towards trade liberalization :

- negotiations to liberalizing trade and services :

the accession of Bahrain to the WTO Agreement is not mere luxury , rather Bahrain embodied its seriousness towards path of globalization and liberalizing trade in all aspects .

when the negotiations - on liberalization of trade in services , agriculture and reduction of subsidies on certain goods - started among the organization's members , Bahrain was , within the first countries which started this negotiation.

Foreign direct investment :

In this regard , Bahrain and countries of GCC agreed on united model law for encouraging foreign investment.

Free trade agreements :

Bahrain holds free trade agreements with various countries ; an agreement of free trade was held with the Kingdom of Thailand .

The most important , in this regard , is the advanced negotiations with the United states to sign this agreement ( trade , investment framework agreement TEFA ).

This agreement will allow wide freedom of flow of goods , services and investments between Bahrain and United States without restrictions and it will set aside Bahrain from terms and conditions of most favored nation in accordance with the provision of Article 24 of GATT and Article 5 of GATS , it means that the benefits granted by both for each other in the field of goods and services under this agreement will not be given to the other members of WTO as these advantages are based on the principle of most favored nation .

There is no need to say that this agreement will not be limited to the kingdom of Bahrain alone , but countries that deal with Bahrain , particularly GCC countries .

In the area of role of government institutions and administrative agencies regarding investment transactions , Bahrain achieved progress in this field ; you can achieve your transaction in short time .this because of competence of the staff and the modern systems that are being used by the ministry of trade ; the investor can immediately accomplish all dealings with the various ministries and departments of the country in front one electronic and on one keyboard in one point of achievement .

There are no taxes imposed on income of any kind the capitals of investors are safe from the evil of taxes in Bahrain.

#### **Sources**

**Wikipedia**

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