

Law no. 19 for the year 2006 Regulating the Labour Market

We Hamad bin Isa al Khalifa, the King of the Kingdom of Bahrain,

Having reviewed the constitution, the Penal Law issued by law by decree No 15 for the year 1976 and its amendments and the Law regarding employment in the Private sector, issued by law by decree No. 23 for the year 1976 and its amendments, as well as law by Decree no. 39 of 2002 regarding the General Budget, the Council of Representatives and the Shura (Consultative) council have approved the following law and we have endorsed it and promulgate it :

Preface: DEFINITIONS AND SCOPE OF THE IMPLEMENTATION OF THE LAW

Article 1: Definitions

For the benefit of the law the words and phrases have been given interpretations that most closely represent the meaning unless the law states other understandings:

Kingdom: The kingdom of Bahrain.

The Minister: the minister in charge of Labour affairs.

The Authority: the Labour Market regulatory Authority (LMRA) established in line with this law.

Board of Directors or Board: the board of directors of the LMRA as per the article No.6 of this law.

Chairman: chairman of the Board of Directors

Chief Executive Officer: CEO, chief executive officer for the LMRA appointed as per article 11 of the law.

Sponsor: Any ordinary or corporate person who employes a worker or workers to carryout certain jobs with in the Kingdom in return for wages of what ever the nature, fixed or varying, cash or in kind. This includes any government entity (general organization and/or Authority) , a company or office or establishment or any entity in the private sector .

Worker: any ordinary person who works in return for wages, what ever the nature, fixed or varying amount, cash or in kind , for a sponsor under his administration or supervision.

Self Sponsored Expatriate worker : Any ordinary expat to whom the definition of worker does not apply as per the law and who practices a profession in the kingdom

either under his own name and capital or in the name of some other person or person's expense.

Recruiting (Man Power) Agency: a business man who is permitted to bring in workers to work for third parties for a fixed period or until the completion of certain project with out the supervision of the recruiting agent .

Employment Office: an office that head hunts for the right workers for businesses and facilitate the contracting between both.

Authorized parties: Recruiting Agencies and employment offices

Auditing committee: the committee mentioned in article 21 of the law.

Work permit: a permit issued by the LMRA as per this law, to the sponsor to be able to employ an expat worker in line with the conditions of the permit.

Labour Fund: the fund that will be established under a law that will regulate it and determine its functions.

Article 2: SCOPE AND IMPLEMENTATION OF THE LAW

- A- Without prejudice to any international treaties applied in the Kingdom, the regulations of this law apply to the establishment of the Labour Market Regulatory authority covers the work permit, licensing of recruitment agencies and employment offices, and expatriate sponsors professionals practicing in the kingdom.
- B- principles of this law do not apply to the following:
 - a. Non civilian expats who are employed by the Bahrain Defense Force, the National Guard and all other security bodies in the kingdom.
 - b. Expat workers who come to the kingdom to implement works that last for a period less than 15 days like holding fairs or exhibitions or festivals and conferences or similar activities in line with the conditions and regulation issued by the Authority regarding such activities.
 - c. Expat members of diplomatic corps, their officials, councils and charge d'affairs who work with in the diplomatic profession.

Chapter 1

THE AUTHORITY:

SECTION 1: FORMATION OF THE AUTHORITY, ITS FUNCTIONS AND ITS JURISDICTIONS

ARTICLE 3: ESTABLISHMENT OF THE AUTHORITY (LMRA)

- A- A General Authority called the Labour Market Regulatory Authority shall be established with a corporate nature that is administratively and financially independent under the supervision of a Minister
- B- The Authority enjoys the benefits of any government ministry and entity or organization in the Kingdom

ARTICLE 4: THE FUNCTIONS OF THE AUTHORITY AND ITS JURISDICTIONS

A- The Authority will carry out the necessary activities to regulate the Labour market in the Kingdom, regulate work permits and licensing recruitment agencies and employment offices and expat sponsors/ professionals working in the kingdom with in the limits of this law, in particular:

I. To draft and implement a national strategy for the Labour Market which includes the general policy and plans to employee Bahrainis and expats, in accordance with the state's directions in the Labour market and the economic and social development plans.

This strategy should be drafted every two years, when necessary the strategy can be prepared for shorter periods of time, and the plans must be published in the Official Gazette.

- II. To collate and analyze data and information and statistics related to the economic situation in the kingdom and in particular the Labour market, so that the Authority will be the principle source that releases the accurate intelligence and information and statistics related to the Labour market in the kingdom. The authority will update and manage this data and information continuously in order to represent the true picture of the economy in the kingdom. The Authority will prepare a report which will be published in the appropriate media to be determined by the Board in a manner that every one concerned has access to the reports.
- III. To propose programs and policies to enhance and develop the Labour market in matters beyond the scope of the Authority and to make available to concerned authorities.
- IV. To educate and direct the workers and sponsors and others with matters related to their rights, duties and ethics of work, health, safety and environment at work places.
- V. To put in place systems and issue regulations and rules to implement the articles of this law which include the following:
- a. The processes and the procedures to issue and renew work permits and determine the categories and the conditions for each category and the validity of the permits and all other matters related to them.
 - b. The processes and procedures to issue and renew licenses for recruiting agencies and employment agencies and the validity of the license and all matters related to them.
 - c. The procedures and conditions for expat sponsors/professionals to obtain permits to practice in the kingdom in certain commercial activities.
 - d. The procedures and processes to cancel work permits, licenses for recruitment agencies and employment offices and expat sponsors and expat worker mobility from one employer to another.
 - e. The responsibilities of the sponsor when an expat worker leaves his employer breaching the work permit.

- f. To determine the parameters for inspections to make sure that this law and its systems and regulations and orders are implemented.
 - g. To determine the documentation and records that sponsors, and licensed parties (recruitment agencies and employment offices) have to maintain and the information required.
- VI. To propose and collect fees from sponsors for work permits and renewal fees.
 - VII. To propose and collect the fees that is imposed on licenses for recruiting agencies and employment offices and renewal fees for them.
 - VIII. To observe the level of adherence to this law, its systems, regulations and decisions issued to implement it, and to take all the necessary measures to enforce these and the conditions of the permits and licenses issued in line with the law.
 - IX. To work as a central authority that provides the comprehensive services and collect all-inclusive fees for the work permits and licenses that are issued in line with the law and for the visas and resident permits, official Smartcard (CPR), medical checkups and any other permits required by the Expat sponsor or for expat workers and to follow up on all the procedures related to this issue in coordination with concerned bodies.
 - X. To simplify the processes to issue work permits and other permits and licenses required to employ expat workers.
 - XI. To carry out and support studies and researches in the field of Labour market and to benefit from their results.
 - XII. To carry out other tasks, roles and responsibilities laid down in this law. The authority is permitted to forward or outsource any of these roles and responsibilities to those who have expertise and experience in related matters whether they be individuals, committees of non Government bodies. In the case of outsourcing of collection of fees to a non government body that should be published in the Official Gazette.

**ARTICLE 5:
EXERCISING ROLES AND RESPONSIBILITIES AND CARRYING OUT
CONSULTATION**

- A. The authority has to practice its roles and responsibilities with effectiveness, efficiency, transparency and unbiased and in a manner that is appropriate with the National plans regarding the Labour Market.
- B. In case the authority is inclined to issue regulations or decisions and or take action which would have a physical impact on the Labour Market, then it should hold consultations with the public and concerned parties to take their opinions, before issuing any decision or taking any actions. The Board will issue the framework of these consultations including all concerned parties and to make available the details of the consultations and the opinions received via one single point of contact for dissemination of information.

Section 2: BOARD OF DIRECTORS

ARTICLE 6: STRUCTURE

- A. The Authority will have a board of directors, comprising, appointed by a Decree, of 9 members including the chairman as follows:
1. 4 members nominated by the Cabinet including the chairman
 2. 1 member nominated by the EDB
 3. 2 members nominated by the Chamber of commerce and Industry and
 4. 2 members nominated by the General Federation of Workers Unions.
- The members must be honest, capable and have necessary expertise.
- B. If the parties mention above in item 3 and 4 do not appoint members within the 30 days allocated beginning from the day they are informed then the minister has the power to appoint two members from each party to complete the formation of the board.
- C. The term of membership of the board is for a period of 4 years renewable for 1 more term. As for the 1st board of directors the term of membership for the chairman and 4 member will be 4 years whereas the remaining members' duration of membership will be 3 years, the decree will then determine the duration of each member.
- D. The board will elect a vice chairman who will deputize for the chairman during his absence or if the position is vacant. The vice chairman will complete and continue in his position until the end of his term.
- E. If the position of any of the other members is vacant for any reason then a replacement will be appointed in the same manner as mentioned in clause A and B of this article and the new member will complete the tenure of his predecessor, if the remaining period is less than 1 year then his membership may be renewed for two more terms.
- F. Any member of the board may not be excused/ removed from his position before the completion of his term except by a decree based on the recommendation of the board as a result of a majority vote. The member will have a chance to convey his opinion in the matter; especially if he is charged with negligence of his duties or in competence or
- G. Membership of the Board of Directors may not be combined with directorships of the Labour Fund, or with any other position with the Authority or the Labour Fund.
- H. The remuneration of the Chairman and Directors shall be determined by Royal Decree.

ARTICLE 7

ROLES AND RESPONSIBILITIES

- A. The board of Directors is the authority that runs the affairs of the authority setting the policies it follows and supervising their implementation. The Board of Directors may take any steps it deems necessary for the fulfilment of its roles and responsibilities, including:
1. Sanction the National labour market plan.
 2. To put in place regulations, systems to take the necessary steps to implement this law.

3. To endorse the organisational structure and issue a code for the regulation of the affairs of employees, including the issuance of the procedures and rules for their appointment and promotion and transfer, setting their remuneration and bonuses, stipulating the procedures and rules connected to disciplining them, and other matters related to them without being bound by the Civil Service codes. Such a code shall determine the LMRA's work ethics and values, and the circumstances, terms and conditions related to the disclosure of financial interests.
 4. Monitor compliance with the provisions of this Law and the codes, regulations and directives issued in implementation thereof.
 5. Adopt the Authority's draft annual budget and its final audited account.
 6. Accept conditional and non-conditional grants and aid subject to compliance with the provisions of the law.
 7. Review the regular reports submitted by the Chief Executive concerning the LMRA's business and making the necessary decisions in connection thereto.
 8. Exercise its other functions and competences under the provisions of this Law or the codes, regulations and directives issued in implementation thereof.
- B. The Board of Directors may assign any specific function to one or several committees of its members, or to the Chairman, a Director or the Chief Executive.

Article 8: Meetings

A- The Board of Directors shall meet at least four times a year and the Chairman may at any time call for an extraordinary meeting.

The Chairman shall invite the Board of Directors for an extraordinary meeting, to be held fifteen days after his receipt of a reasoned, written request from the Minister or a minimum of two Board members or the Chief Executive or from the external auditors appointed under the provisions of clause A of Article 19 of this Law.

B- Notice of invitations to convene a meeting shall in all events include a statement of its purpose and enclose the meeting's agenda.

C- The Chief Executive shall attend all the meetings of the Board of Directors except under the circumstances set out in the internal bylaws. The Board of Directors may invite

any person of expertise or interest whenever it deems necessary to hold discussions and take their opinions. No such invitee shall be qualified to vote [at such a meeting].

D- The Board of Directors shall appoint a secretary who shall prepare the agenda for the Board of Directors' meetings and record their minutes, maintain all documents related to the Board of Directors, and exercise all other functions assigned to him/her by the Board of Directors that relate to the Authority's work.

Article 9

Quorum and Voting

A Board of Directors' meeting shall achieve quorum upon attendance of the majority of its Directors, who must include the Chairman or his deputy, and the Board of Directors' resolutions shall be adopted by the majority of the votes of attendees in cases when this Law or the internal regulations require a special majority. If votes cast are equal, then the group on which the meeting's chair cast his vote shall prevail.

Article 10

Conflicts of Interest

When the Board of Directors discusses any issue in which a Director has a direct or indirect personal or other financial interest in conflict with the requirements of his office, such a Director shall disclose such an interest in writing upon learning of the meetings' intention to discuss the issue concerned. Such a Director may not participate in the Board of Directors discussions of or vote on the said issue.

Section 3: The Chief Executive

Article 11

Appointment to and vacation of the Office

A- The Authority shall have a Chief Executive appointed by Royal Decree for a three year term upon the recommendation of the Board of Directors. The Chief Executive may only be reappointed for two similar terms.

B- If the position of the Chief Executive's office is vacant for any reason a replacement shall be appointed by means of the same instrument and manner set out in the previous clause.

C- The Board of Directors may issue a resolution to appoint a Deputy Chief Executive whose functions shall include executing the duties of the Chief Executive in the events and for the durations stipulated in the internal regulations. The resolution appointing the Deputy Chief Executive shall be published in the Official Gazette.

D- In the event of the vacancy of the Chief Executive's position and the failure to appoint a Deputy Chief Executive in line with the above Paragraph, the Board of Directors shall resolve to designate the Chairman or his nominee from among the Directors or Authority's staff to carry out the duties of the Chief Executive on an interim basis. Such a resolution shall be published in the Official Gazette.

Article 12

Duties and Mandates

A- The Chief Executive shall represent the Authority before the courts and in its relations with other parties and shall be accountable to the Board of Directors for the technical, administrative and financial performance of the Authority pursuant to the provisions of this Law and the bylaws, regulations and directives issued in implementation thereof, and shall specifically directly perform the following functions:

1- Manage the Authority, direct its affairs and supervise the conduct of its business and of the Authority's employees, who must adhere to his instructions, directions and orders.

2- Implement the resolutions of the Board of Directors.

3- To put in place and follow up on the system of work within the Authority according to the directions of the Board of Directors.

4- Prepare the Authority's draft budget and a report thereon and submit both to the Board of Directors.

5- Prepare the Authority's final accounts and a report thereon and submit both to the external auditor within one month of the end of the Authority's fiscal year.

6- Prepare an annual report on the Authority's activities during the past fiscal year in compliance with the form and method stipulated by the Board of Directors and submit such a report, to the Board of Directors within a maximum of one month of the date of the Audit Committee's submission of its report referred to in clause C of Article 21 of this Law, enclosing a copy of the Authority's audited accounts for the same year. A summary of the aforementioned annual report and a summary of its audited accounts shall, immediately upon their adoption by the Board of Directors, be published in the Official Gazette and a minimum of two daily local newspapers, one published in Arabic and the other in English, and the full annual report shall be published by any of the means specified by the Board of Directors so as to make its perusal available for all.

7- Prepare a draft of the Authority's organizational structure and present it to the Board of Directors.

8- Prepare the draft national labour market plan and present it to the Board of Directors.

9- Prepare and present to the Board of Directors regular quarterly reports on the authority's activities, the progress of its business and its achievements pursuant to the set plans and programs, as well as reports on the performance impediments and solutions proposed to avoid them, unless the Board of Directors decides on a shorter period for submission of such reports.

10- Exercise other functions and duties delegated to him under the provisions of this Law or the rules and regulations and directives issued in implementation thereof, or [assigned to him] by the Board of Directors.

B- The Chief Executive may, under the rules set out in the codes, delegate in writing any employee of the Authority to exercise some of his functions and duties so as to ensure that the Authority's business is performed in the appropriate manner

Article 13

Remuneration

The Board of Directors shall decide the salary due to the Chief Executive, including bonuses and other benefits.

Article 14

Resignation

The Chief Executive may resign his office via a written request submitted by him to the Board of Directors at least three months prior to the date set therein for his resignation.

The board of directors will issue the resolution accepting the resignation .

Article 15

Relieving from office

A- The Chief Executive may be relieved of his office by decree prior to the expiry of his term in pursuance to a recommendation from the Board of Directors that is made by majority if he has seriously violated the requirements of or failed to fulfil his duties, or has violated the duty of integrity and good conduct.

B- The Board of Directors shall enable the Chief Executive to express his defences prior to relieving him of his office and record such defences in a separate report. In the event of issuing a recommendation to relieve the Chief Executive, the latter shall continue to fulfil his duties and exercise his authority until a decree is issued relieving him of his office, unless the Board of Directors resolves otherwise.

Section 4: Supervision

Article 16

Supervision by the Minister

A- The Authority is to submit to the Minister regular reports of its activities and the progress of its business and achievements, and stating the performance impediments and steps taken to avoid them. The Minister may ask the Authority to provide him with any data, information, resolutions, minutes, records or reports required for his supervision of the Authority's activities.

B- Without prejudice to the Authority's independence in exercising its functions and duties under the provisions of this Law, the Minister shall monitor its compliance with the provisions of this Law and the government's directions with regards to the labour market and the extent of its efficient and effective fulfilment of its functions within the limits of available financial resources.

C- If the Minister finds that some of the Authority's activities breach the provisions of this Law or the directions of the government with regards to the labour market, or it has not efficiently and effectively exercised its functions, he shall notify the Board of Directors in writing of his findings and views on the matter and if the Board maintains its objections, then the matter will be raised to the Cabinet to resolve the differences with a resolution within 30 days since forwarding the matter.

D- The Minister will be accountable before the council of representatives for his supervision of the activities of the Authority.

SECTION 5: FINANCIAL AFFAIRS AND AUDITING

Article 17

The Authority's Budget

A- The Authority shall have an independent budget.

B- The Authority's fiscal year shall commence at the beginning and end at the end of the government's fiscal year.

Article 18

The Authority's capital

A- The Authority's capital shall comprise the following:

1- The budget allocated to it by the government.

2- Conditional and unconditional grants and aid that are accepted by the Board of Directors.

B- The Authority's funds shall be considered public funds for the purposes of the application of the provisions of the Penal Code.

Article 19

Auditing the Authority's accounts

A- The Board of Directors shall, at the beginning of each fiscal year, appoint an external auditor or auditors with international standing to audit the Authority's accounts and shall set the auditor's annual fees. Such an external auditor shall not have audited the Authority's accounts for more than three years during the five years preceding his appointment.

B- The Authority may not assign any functions other than account auditing to the external auditor during his term as auditor.

C- The external auditor shall, within a maximum period of three months after the end of the fiscal year, audit the Authority's accounts and prepare a report on those accounts in accordance with the internationally accepted accounting standards. Such a report shall include all data and information showing the true financial position of the Authority, including:

1- A statement with regards to whether the Authority has put at the disposal of the external auditor all the documents, records, books, data and information he considers necessary to fulfil his task.

2- A statement whether the budget and final accounts accord with actuality and whether they have been prepared in accordance with internationally accepted accounting standards.

3- A statement with regards to whether the Authority keeps regular accounts in accordance with applicable norms.

4- A statement with regards to whether the inventory of the Authority's assets has been conducted in accordance with applicable norms.

5- A statement with regards to whether the data contained in the Chief Executive's reports concur with the data contained in the Authority's books and records.

6- A statement with regards to any infringements revealed to the auditor in the course of conducting his duties, and whether such infringements remain extant.

D- The external auditor shall submit his report on the auditing of Authority's accounts to both the Minister and the Audit Committee within three months of the end of the fiscal year.

Article (20)

Auditing the Authority's Performance

A- The Board of Directors shall assign one or more external auditors of international standing to conduct a full audit of the Authority's performance at least every three years and whenever deemed necessary at the discretion of the Minister or the Board of Directors.

Performance audit means conducting an objective, systematic formal review of the performance, programs and activities of the Authority for the purpose of preparing an independent assessment and determining the extent of accuracy and compliance of the Authority's activities. Such an audit shall include an economic audit, an efficiency audit, and a program audit in accordance with internationally accepted benchmarks and principles of performance audits.

B- The performance auditor shall submit to the Audit Committee a report of the outcomes of his work and his recommendations within a period to be set by the Board of Directors provided such periods shall not exceed six months of the date of his commencement of the audit task.

C- The Authority shall publish the performance reports by any of the means determined by the Board of Directors so as to make their perusal available for all.

Article 21

The Audit Committee

A- The Board of Directors shall form a committee to be identified as “the Audit Committee” comprising three directors and a minimum of two non-directors of ability and experience to be nominated by the minister concerned.

The committee shall oversee the conduct of the financial and performance audits, shall ensure compliance with the provisions of this Law and the policies, regulations and directives issued in implementation thereof.

B- The Audit Committee prepares reports of the result of its work and its recommendations to be submitted to the Minister and to the Board of Directors within:

1- One month from the date of when the Committee received the external auditor’s report mentioned in section D of Article (19) of this law regarding the Authority’s audit reports.

2- with in the timeframe established by the Board of Directors with regards to reports concerning audits of the Authority’s performance.

C- The Board of Directors shall decide on the next steps and procedures to be taken in connection with the contents of the audit committee’s reports.

Article 22

DISCLOSURE OF FINANCIAL ASSETS

The Chief Executive and his Deputy and all employees specified in the Authority’s employee list shall submit, upon their appointment, every three years thereafter, and upon their end of service, a statement of all movable/transferable assets and real-estate property owned by them and the sources of these assets, whether such property is held in their own name or in the name of their wives or minor children.

Such statements shall be confidential and may only be perused in cases and in accordance with the terms and conditions specified by the Authority’s bylaw regarding employees .

The Chief Executive shall submit his said statement to the Chairman, and other employees shall submit their statements to the Chief Executive.

Chapter two

The permits and licenses issued by the Authority and matters relating thereto

Section one: Work permits and matters related thereto

Article 23

Work permits

A – Expat employees are prohibited from engaging in any work in the Kingdom unless issued with a work permit in accordance with the provisions of this Law.

B- Employers are prohibited from employing expat employees unless such employees are issued with work permits in accordance with the provisions of this Law. Employers are further prohibited from employing such employees in contravention of the provisions of this Law or the terms of the permits.

Employers shall check the nationality of employee before engaging.

C- It is prohibited for any person to receive any moneys or obtain any benefit or advantage from an employee in return for issuing him with a work permit or in return for the employment of such an employee or his retention in his job.

Article 24

CONDITIONS AND PROCEDURES FOR ISSUING PERMITS

A- Employers wishing to employ expat workers must submit an application to the Authority for the issuance of a work permit for such an employee in accordance with the procedures set out in a resolution issued by the Authority.

A work permit issued to an employer shall be related to the employment of a specific worker in person and may not be assigned to others.

B- The following conditions shall apply to the issuance of work permits for expat worker:

1- Settlement by the employer of all fees and payments due to the Authority in connection with work permits.

2- The employer shall not have been found to have failed to settle payments due to workers.

3- Submit all documents data and information specified in the Board of Directors resolution.

4- The expat worker must be healthy and free of communicable diseases.

The conditions relating to expat employees' health fitness and freedom of communicable diseases shall be determined by a resolution issued by the Minister for Health in co-ordination with the Board of Directors.

5- Fulfilment of the other conditions determined by a resolution issued by the Board of Directors.

Article 25

Transfer of expat workers to other employers

A- Subject to the provisions of Paragraph B of this Article, a expat worker may, without the consent of his employer, transfer at any time to the employment of another employer without prejudice to the rights and obligations stipulated under the terms of this Law.

The Authority shall grant expat workers upon expiry or cancellation of their permits a suitable notice period to enable them to transfer, should they wish, to another employer and obtain a work permit in connection to the latter.

During such notice periods employees may not engage in any work

The procedures governing the transfer of expat workers and the rules governing the granting of the notice period and the length of such a period shall be stipulated in a resolution by the Board of Directors.

B- The worker shall not have the aforementioned right to transfer nor a notice period in any of the following circumstances:

1- If the worker ceases to comply with one or more of the conditions for issuing the permit.

2- A final criminal sentence is passed against the worker for a felony or a crime that associated with honour or integrity.

3- Violation by the worker of the terms under which his work permit was issued.

Article 26

Expiration and Cancellation of work permits

A- A Work permit shall expire at the end of its duration unless renewed in accordance with the provisions of this Law.

B- The Authority shall cancel work permits issued to workers prior to their expiry in any of the following circumstances:

- 1- The permit was obtained on the basis of false documents or information.
- 2- The employee ceases to comply with one or more of the conditions for granting the permit.
- 3- Passing of a final criminal sentence is passed against the employee for a felony or a crime that harms the honour or integrity.
- 4- Violation by the workers of the terms under which his work permit was issued.
- 5- As a result of liquidation of the employer's business, declaration of bankruptcy or cancellation of his Commercial registration or the termination of his licence to practice the commercial activity.
- 6- Death of the employer who had obtained the work permit, unless his beneficiary renews the permit within 6 months.
- 7- A written request from the employer to cancel the permit.
- 8- Failure by the employer to pay the fees and other payments due to the Authority in connection with the permit for a period exceeding three months after such payments' due date with out a plausible excuse.
- 9- A worker being infected with a communicable disease, which calls for his expulsion from the country as specified in a decision issued by the Minister for Health.

Article 27

CHARGES FOR THE EXPATRIATION OF EXPAT WORKERS

A- At the end of the Employment contract or the cancellation of the work permit, the last employer for whom the permit for employing the expat worker concerned was issued shall be obliged to meet the expenses of the latter's repatriation to a location specified in the employment contract or, if the said contract did not specify such a location, the

employer shall meet the expenses of repatriating the expat worker concerned to a place to which he belongs by nationality.

Such employers shall also meet the expenses of preparing and transporting the body of a deceased expat worker to the latter's home country or place of residence should his family so request.

B- If an employer employs a expat worker without obtaining a permit for the said employee, the obligation to meet the expenses referred to in the above Paragraph shall transfer to such an employer.

C- In cases requiring the deportation of a expat worker, and in the event of such a worker's death, the concerned body in the Ministry of Interior shall undertake the deportation or transportation of the body, as applicable, at the Authority's expense.

The Authority may refer to the employer for reimbursement of the expenses resulting therefrom.

Section 2

The licensing of Recruiting agencies and Employment Offices

And matters related

Article 28

Permission to conduct business

It is prohibited for any person to carry out the business of Recruiting agencies or Employment offices unless they have obtained a prior license to do so in accordance with the provisions of this Law.

Those wishing to conduct the business of Recruiting agencies or employment offices must apply to the Authority for a license to do so.

The Authority shall issue a circular setting out the requirements and procedures for granting and renewing the license and its validity period and regulating the business of Recruitment agencies and employment Offices.

Such licenses shall be in the name of individuals and may not be assigned to others except in the case of his death the license is passed on to the heirs or their agent.

Article 29

Expiration and cancellation of licenses

A- The licenses for Recruitment agencies and employment offices shall expire at the end of their term unless renewed in accordance with the provisions of this Law.

B- The Authority shall cancel licenses for Recruitment agencies and employment offices prior to their expiry in any of the following circumstances:

1- If it is proven that the licensee obtained the license on the basis of false documents or information.

2- If the licensee ceases to comply with one or more of the conditions for granting the permit.

3- If a final criminal sentence is passed against the licensee for a felony or a crime that damages honour or integrity.

4- The death of the licensee, or the liquidation of his business, declaration of bankruptcy or cancellation of his registration in the commercial registry.

5- via a written request by the licensee for the cancellation of the licence.

Section Three: Work permits for Self Sponsored Expats and matters related thereto

Article 30 Requirements for permits

The Board of Directors may specify certain economic or professional business activities for which a Self Sponsored expat worker must obtain a permit from the Authority in order to practice.

Article 31 Procedures and requirements for issuing permits

Self Sponsored expat worker wishing to conduct any of the businesses referred to in Article 30 of this Law may apply to the Authority to obtain a permit to do so, and the Authority shall issue a circular specifying the requirements and procedures for issuing and renewing permits and their validity periods

Such permits shall be in the name of individuals and may not be assigned to others.

Article 32 Expiration and Cancellation of permits

A- Permits issued to expat employers pursuant to the provisions of Article 31 of this Law shall expire at the end of their duration unless renewed in accordance with the provisions of this Law.

B- The Authority shall cancel such permits prior to their expiry in any of the following circumstances:

- 1- if it is proven that a Self Sponsored expat worker had obtained the permit on the basis of false documents or information.
- 2- If the Self Sponsored expat worker ceases to comply with one or more of the conditions for issuing the permit.
- 3- If a final criminal sentence is passed against the Self Sponsored expat worker for a felony or a crime that impugns honour or integrity.
- 4- The death of the expat employer.
- 5- By written request by the Self Sponsored expat worker for the cancellation of the permit.

Section four: General provisions

Article 33

Grievances against decisions

A- all persons concerned may file a grievance against any decision issued pursuant to the provisions of this Law within 30 days of the date of their notification of such a decision .

Grievances against decisions issued under the provisions of Articles 38 of this Law shall be filed with the minister concerned with the Commercial Registry; grievances against decisions issued by the Board of Directors shall be filed with that Board; and grievances against other decisions shall be filed with the Chief Executive.

Grievances shall be considered, and the results of such consideration notified to the person filing the grievance, within 30 days of filing.

The person filing a grievance may appeal a decision to reject the grievance before the competent court within 30 days of notification of such a decision or the expiry of the period specified for considering the grievance without notification of the person filing it of the result of the consideration of his grievance.

B- Appeals may not be brought before the courts until a grievance has been filed against the decision and the decision rejecting the grievance has been issued, or the expiry of the period referred to in the above Paragraph without notification.

Article 34

INSPECTION AND ARRESTING POWERS

A- The Authority's inspectors appointed by the Chief Executive to carry out inspections and checks on the implementation of the provisions of this Law and the regulations and directives issued in implementation thereof, shall have the following powers:

1- To enter the work premises, branches and offices of employers, Recruitment agencies and employment offices and other related sites.

2- To peruse records relating to expat workers.

3- To check work permits and the identity of Expat workers.

4- To request data, documents and information required from employers, Recruitment agencies and employment offices, their representatives, or officials responsible for their actual administration.

B- Employers, Recruitment agencies and employment offices, their representatives, or officials responsible for their actual administration must not obstruct the Authority's inspectors in the performance of their duties, and must provide them with the correct documents, data and information required for the performance of their duties, within a period they specify.

C- Officers authorised by the Minister for Justice, in agreement with the concerned Minister, shall have arresting powers with regards to the crimes specified under this Law which come within their scope and are related to their duties.

Reports drawn up in connection to such crimes shall be referred to the attorney general pursuant to a decision issued by the Chief Executive.

Article 35

Residency of the families of expatriate workers and self sponsored expat workers

Without prejudice to the provisions of the Law on Expatriates (immigration and residency), of the year 1965, and amendments to it, The Minister of the Interior shall issue, in co-ordination with the Authority, a decision specifying the circumstances and requirements for allowing the families of expat workers and self sponsored expat workers to reside in the Kingdom during the validity periods of the work permits issued for such persons.

Article 36

Penalties

A- Without prejudice to any severe penalties stipulated under the Penal Code or any other code or law, any person in violation of the provisions of Paragraphs B and C of Article 23 or of Articles 28 and 30 of this Law shall be sentenced to a prison term of no less than three months and no longer than one year and fined no less than 1000 dinars and no more than 2000 dinars, or either of these two penalties. In the event of re-offending, the penalty shall be imprisonment for no less than six months and no more than two years and payment of a fine of no less than 2000 dinars and no more than 4000 dinars.

Penalties for contravention of the conditions of permits for Domestic workers or who fall in this category will be more severe.

In all events, the penalty shall be multiplied by the number of employees in connection to whom the crime has been committed against.

In the event of a guilty verdict, the court may order the cessation of the guilty party's business or the closure of its premises for a period not exceeding one year. If the offence

is repeated, the court may order the Commercial registration in the commercial registry be annulled.

B- Any expat worker in contravention of the provisions of Paragraphs A of Article 23 of this Law shall be penalized by a fine not exceeding 100 dinars.

In the event of conviction, the court shall order the deportation of the expat worker from the Kingdom and the prohibition of his re-entry either permanently or a period of no less than three years.

C- Without prejudice to any severer penalties stipulated under the Penal Code or any other code or law, any employer, Recruitment Agency or employment office, their representatives or officials responsible for their actual administration found to be in contravention of the provisions of Paragraph B of Article 34 of this Law shall be penalized by a fine of no less than 500 dinars and no more than 2000 dinars.

The lower and upper limits of this penalty shall be doubled in the event of a repeated violation.

D- Financial sentences may not be suspended neither may the lower limit set for the penalties be legally reduced under any justification or rearranging circumstances whatsoever.

Article 37

LIABILITY OF JURIDICAL PERSONS

Juridical persons shall be criminally liable if they commit any of the crimes stipulated under this Law in their own name or for their account or benefit due to an action, gross neglect, connivance or cover-up by any member of the board of directors, manager or other official of such a juridical person or any person acting in such a capacity.

The penalty for juridical persons shall be double the minimum and maximum values of the fine stipulated for such a crime under the provisions of this Law.

The foregoing shall not prejudice the criminal liability of normal persons under the provisions of the law.

Article 38

Administrative Closure

The business of any commercial or industrial enterprise may be suspended or its premises closed administratively by a rational decision issued by the minister concerned with the

Commercial Registry for a period of no more than six months pursuant to a recommendation of the Chief Executive in any of the following circumstances:

- 1- The enterprise obtained a work permit for an expat worker who is proven to have engaged in work with its agreement and in contravention of the terms of the permit.
- 2- The enterprise employed an expat worker in contravention of Paragraph B of Article 23 of this Law.

The Minister concerned with the commercial registry shall issue, upon coordination with the Minister concerned, a decision concerning the rules and procedures for the suspension of businesses and the administrative closure of premises.

Article 39

Reporting violations

Subject to the provisions of Articles 233 and 234 of the Penal Code, the Authority may put in place a system for encouraging members of the public to report any instance of violation of the provisions of this Law that comes to their attention in good will, including setting rewards for such members of the public in the case of a settlement or a conviction resulting from such a report by a final court ruling.

Article 40

Conciliation

In the event the offences have not been repeated, a conciliation may be achieved in connection with the crime specified in paragraph B of Article 23 of this Law by payment of the minimum fine specified for the crime concerned, and the officer filing the report of this violation shall, after confronting the offender with the latter's offence, offer conciliation and shall record such an offer in the report. Offenders wishing to conclude conciliation must within seven working days of the offer of conciliation pay the minimum fine.

The above shall take place in accordance with the rules and procedures set out in a decision of the Board of Directors.

The criminal claim and all its effects shall be rendered null and void immediately upon payment of the full amount of the settlement.

Chapter Three: Miscellaneous Provisions

Article 41

Other obligations

The provisions of this Law shall not prejudice any of the terms or the permits, licenses or other obligations stipulated in any other law.

Article 42

Fees

A- Fees shall be levied on employers for the issuance or renewal of each work permit, on Recruitment agencies and employment offices for the issuance or renewal of each license for conducting their business, and on self sponsored expat worker for each permit issued pursuant to the provisions of Article 31 of this Law.

The Authority shall issue a recommendation specifying these fees, the ratios of increase and decrease thereof, and the circumstances under which they may be fully or partially reimbursed, taking into account the of the Gross National product, and forward this to the minister to be raised to the cabinet following which the cabinet shall issue a resolution.

The Authority may propose to the minister, levying additional fees not exceeding double the value of the payable fee in the event of late payment. The minister will raise the proposal to the cabinet who will issue a decision.

The decision to levy such fees shall be published in the Official Gazette.

B- The Authority will take into consideration when proposing such fees the National Strategy for the Labour Market and the ability of the Bahraini worker to compete in the Labour market and that a ratio of increase in the fees must be equivalent to the ratio of bahrainization.

C- The Authority prior to proposing any fees must take into consideration the rules and regulations set by this law, and that any change in the fees must be done pursuant to studies and commercial surveys with regards to the impact of these changes in fees on the GDP in the kingdom, in particular to that which pertains to inflation and the Consumer price Index.

D- The Authority should propose a separate system for charging fees for domestic workers and those who fall in this category after 3 years from the date of implementation of the rules and regulations of this law. This proposal will be forwarded to the minister to present to the cabinet who will issue a resolution.

Until such a system is introduced the Authority will continue to implement the system stipulated in Chapter Two of the Law Concerning Employment in the Private Sector, promulgated by Law Decree number 23 of 1976, and the ministerial resolutions amendments issued for its implementation.

E- The Authority shall deduct a maximum of 20% (twenty per cent) of the total collected payments for work permits and shall deposit it in the government's public account.

F- The Authority shall transfer to the Labour Fund the balance of the total value of the work permit fees collected, after deducting the amount referred to in the above Paragraph, within the periods and in accordance with the procedures agreed between the Authority, on the one hand, and the Ministry of Finance and the Labour Fund, on the other.

Article 43

Providing the Authority with data and other

A- All private and public bodies in the Kingdom shall provide the Authority with the data, information or statistics it requests in connection with its activities within a reasonable period of time specified by the Authority.

B- Any relevant body in violation of the provisions of the above Paragraph shall be fined a minimum of one hundred dinars and a maximum of five hundred dinars, and the penalty shall be repeated for each violation.

Article 44

Transitional Provisions

A- The ministerial directives issued in connection with the regulation of the employment of expats applicable at the time of the promulgation of this Law shall continue to be effective in so far as they do not contradict its provisions until the Authority issues the executive codes, regulations and directives implementing this Law.

B- The work permits and employment cards valid at the date the provisions of this Law come into effect shall remain valid until their expiry, suspension or withdrawn pursuant to the provisions of this Law.

C- The licenses for Recruitment agencies shall remain valid at the date the provisions of this Law come into effect and until such licenses expire or are cancelled.

Article 45

Collected Fines

The Labour Fund shall receive the fines issued under the provisions of this Law.

Article 46

Cancellation

In line with the statement in D of article 42 of this Part Two of the Law for Private Sector Labour promulgated by Law Decree number 23 for the year 1976 shall be invalid.

Article 47

The implementation of the provisions of the Law

The Prime Minister and ministers, each within his scope of competence, shall implement the provisions of this Law, which shall come into effect as of the day following the date of its publication in the Official Gazette.

King of the Kingdom of Bahrain

Hamad bin Isa Al Khalifa