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**Legislative Decree No. (4) of 1992 amending Article No. (81) of the Commerce Law promulgated by Legislative Decree No. (7) of 1987**

We, Isa Bin Salman Al Khalifa, Emir of the State of Bahrain,

Having reviewed the Constitution,

Emiri Order No. (4) of 1975;

And Legislative Decree No. (7) of 1987 promulgating the Commerce Law, as amended by Legislative Decree No. (15) of 1991,

And upon the submission of the Minister for Commerce and Agriculture,

And after the approval of the Council of Ministers,

**Hereby Decree the following Law:**

**Article One**

The text of Article (81) of the Commerce Law promulgated by Legislative Decree No. (7) of 1987 and amended by Legislative Decree No. (15) of 1991 shall be replaced by the following text:

**"Article (81):**

1 - The interest for late payment of commercial debts shall accrue from the due date, unless otherwise provided by law or convention.

2 - In no case shall the total interest received by the creditor exceed the amount of the debt on which the interest is calculated, in the case of debts whose repayment period does not exceed seven years. Any convention to the contrary is void.

3 - The provisions of paragraph (2) do not apply to interest on debts due on transactions contracted in foreign currencies.

4 - The creditor has the right to demand additional compensation in addition to default interest without it being necessary to prove that the damage in excess of this compensation has been caused by the debtor through fraud or serious error”.

**Article Two**

The Ministers -each within his jurisdiction- shall implement this Law, and it shall come into force upon its publication in the Official Gazette.

**Emir of the State of Bahrain**

**Isa bin Salman Al Khalifa**

**Issued at Riffa Palace:**

**On 30 Rajab 1412 A.H.**

**Corresponding to 3 February 1992**