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**Published on the website on May 2024**

**Legislative Decree No. (26) of 2015 amending some provisions of Legislative Decree No. (28) of 1999 regarding the Establishment and Regulation of Industrial Areas**

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

Having reviewed the Constitution, particularly Article (38) thereof;

Legislative Decree No. (28) of 1999 regarding the Establishment and Organization of Industrial Areas;

Law No. (81) of 2006 approving the Common Industrial Regulatory Law (Regulation) of the Cooperation Council for the Arab States of the Gulf;

Upon the submission of the Prime Minister;

And after the approval of the Council of Ministers;

**Hereby Decreed the following Law:**

**Article One**

Texts of Articles (26), (31), (32) and (33) of the Legislative Decree No. (28) of 1999 regarding the Establishment and Regulation of Industrial Areas shall be replaced by the following texts:

**Article (26):**

“The Lessee of industrial plots shall comply with the following:

1) Payment of the rent due from by the due dates and in case of recurrence of his default on this obligation, he may be obliged, after he pays the full amount of the rent due from him as a result of delay, to pay a cash security deposit equal to the rent amount for a period of not more than a year.

2) Utilizing the industrial plot for the purposes designated therefor.

3) Obtaining the building license within a maximum period of nine months from the date of receipt of the industrial plot.

4) Commencing the construction and fitting out the facility within one year from the date of receipt the industrial plot and completing his project within a maximum period of two years from the date of receipt the industrial plot.

5) Not leasing the industrial plot, entirely or partially to a third party without obtaining the Ministry’s written approval.

6) Carrying out the necessary renovation and repairs for his installations and the industrial plot subject of the contract. The Ministry may intervene, if necessary, in carrying out such renovation and repair works, and may, if necessary, appoint the necessary specialists. The Ministry also may, if necessary, request the Courts of Urgent Matters to oblige him, or to license the Ministry to carry out such renovation and repair works at his own expense, and such dues shall be collected using the methods referred to in this Law.

7) Fencing off the industrial plot and placing signboards at the entrance in accordance with the provisions of the Implementing Regulation of this Law.

8) Providing internal car parks and landscaping them in accordance with the purposes of the project. The Implementing Regulation of this Law shall specify the sizes of the areas necessary for each project and the specifications necessary for such parks.

9) Removing waste on a gradual basis and complying with the provisions of environmental protection.

10) Complying with the occupational health and safety procedures in his installations”.

**Article (31):**

“The Ministry may rescind the lease contract for industrial plots if the Lessee is liquidated or declared bankrupt and shall claim from him the entire rent due for such usufruct and any other amounts due to the Ministry”.

**Article (32):**

“A- The Ministry shall have the right to rescind the lease contract for industrial plots in the following cases:

1) If the Lessee defaults on payment of the rent at the appointed times or refuses to pay the security deposit provided for under Clause (1) of Article (26) of this Law.

2) If the Lessee does not obtain the building license within a maximum period of nine months from the date of receiving the industrial plot.

3) If the Lessee does not commence construction of the licensed project within one year from the date of receipt of the industrial plot without any acceptable excuse approved by the Industrial Areas Affairs Committee.

4) If the Lessee does not complete the fencing off and construction works within a maximum period of two years from the date of receipt of the industrial plot.

5) If the Lessee suspends work at the facility for a period of more than six months without an acceptable excuse approved by the Industrial Areas Affairs Committee.

6) If the Lessee uses the industrial plot for purposes other than those designated therefor despite being served a warning to this effect.

7) If the Lessee assigns the rent of the industrial plot or mortgage any rights in rem attached thereto without obtaining the Ministry’s written approval.

8) If the Lessee leases the industrial parcel, entirely or partially, to third parties without obtaining the Ministry’s written approval.

9) If the lease period expires without renewal of the contract for a reason due to the Lessee.

10) If the Lessee dies before the expiry of the contract period and his heirs, or one of them does not wish to continue with the lease contract with the Ministry.

B- Without prejudice to the provisions of Article (33) bis of this Law, the rescission of the contract shall be made by the Industrial Areas Affairs Committee without the need for a court judgement.

C- In the absence of an agreement in the contract otherwise, the Ministry may, in case of rescission of the contract or in case of the expiry of its period without renewal, keep the buildings and facilities against compensation to the Lessee in accordance with the rules set forth in the Implementing Regulation of this Law.

**Article (33):**

A) Without prejudice to the provisions of Article (33) bis of this Law, when the violation is proven, the Industrial Areas Affairs Committee shall order the violator -by virtue of a reasoned decision notified to the violator in a registered letter with acknowledgement receipt - to stop the violation and remove its reasons and effects within a period of time specified by the Ministry. In case he does not comply with this order within the specified period, the Committee may issue an adequately reasoned decision taking one of the following measures:

1) Administratively suspending the industrial facility for a period of not more than three months.

2) Imposing an administrative fine, calculated on a daily basis, to force the violator to stop the violation and remove its reasons and effects, of not more than one-thousand Dinars daily when he commits the violation for the first time, and two-thousand Dinars daily when he commits any other violation within three years from the date of issuing a decision against him concerning the penalty for the previous violation. In all cases, the total fine shall not exceed the amount of twenty-thousand Dinars.

3) Imposing an aggregate fine not exceeding twenty-thousand Dinars.

4) Rescinding the industrial parcel lease contract without the need for a court judgement.

5) Closing down the industrial facility permanently.

B- In the two cases provided for under Clauses (2) and (3) of Paragraph (A) of this Article, when assessing the fine, the severity of the violation and the obstinacy shown by the violator, the benefits he has obtained and the damages which have been suffered by third parties as a result thereof, shall be taken into consideration. Collection of the fine shall be made by using the methods prescribed for collecting amounts due to the State.

C- The Ministry may publish a statement of the violation which is proved to have been committed by the violator, using the method and manner specified in the decision and in a way commensurate with the gravity of the violation, provided that publication shall not be made except after the expiry of thirty days from the Ministry’s decision establishing the violation without it being appealed, or after a final court judgement is passed proving the violation, as the case be.

**Article Two**

Three new Articles, 33 bis, 33 bis (1) and 33 bis (2), shall be added to Legislative Decree No. (28) of 1999 regarding the Establishment and Regulation of Industrial Areas and shall read as follows:

Article (33 bis):

“A- The Ministry may conduct an administrative investigation, at its own instance or in response to well-grounded reports or complaints, in order to ascertain any violation of the provisions of this Law, or otherwise. It may conduct investigation, if it has well-grounded evidence to make it believe that a certain violation is imminent.

B- The Ministry may, in the course of carrying out the investigation, require the Lessee to provide all data, clarifications and documents, and may delegate any of the employees referred to under Article (34) of this Law to carry out any of the tasks they are authorised to perform.

C- If the Ministry decides that the investigation has resulted in proving the existence of a criminal offence, it shall refer the papers to the Public Prosecution.

D- The Implementing Regulation of this Law shall organize the investigation procedures and the time limits to be complied with, the rules of notifying Lessees subject of the provisions of this Law of the violations attributed to them and the rules of affording fair opportunities to all parties concerned with the investigation to defend their interests, including attendance of the sessions to hear and to cross examine the concerned parties and their witnesses and enable them to give their views and submit their pleas and evidence, both written and oral.

The concerned parties shall have the right to seek assistance of their attorneys in all investigation hearings and procedures”.

**Article (33) bis (1)):**

“A- The decision issued in accordance with the provisions of Articles (32) and (33) of this Law shall not be considered valid except after the lapse of the time limit for filing a grievance against it or ruling upon it, and the mere filing of an appeal before the Court shall not entail a stay on execution of the decision.

B- A grievance against the decision issued in accordance with the provisions of Articles (32) and (33) of this Law shall be filed with the Minister within thirty days from the date of notification of the violator of the decision in a registered letter with a delivery note. The Minister shall rule upon the grievance within days from the date of its submission, and the Ministry shall notify the complainant of the decision in a registered letter with acknowledgement receipt. The decision after the lapse of the period without ruling upon the grievance shall be considered null and void”.

**Article (33) bis (2)):**

“The Ministry may use administrative methods for execution, and seek forcible means, if required, to execute the decision rescinding the industrial plots lease contract and evict the violating Lessee or to stop the violation of the provisions of the Law. In seeking execution by forcible means, the violator shall be given respite to remove the violation of his own volition, and in all cases, the violator shall bear all the costs incurred by the Ministry in this respect”.

**Article Three**

The Prime Minister and the ministers -each within his jurisdiction- shall implement provisions of 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: 23 Dhu al-Hijjah 1436 A.H. Corresponding to: 7 October 2015