**Ministry of Industry and Commerce**

**Decision no. (29) of 2024**

**Concerning the Conditions and Controls for Practicing the Activity**

**of the Authorized Distributor [[1]](#footnote-1)**

**Minister of Industry and Commerce**

Having reviewed the Commercial Law promulgated by Decree-Law No. (7) of 1987 as amended, Legislative Decree No. (10) of 1992 regarding Commercial Agency, as amended,

Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001, as amended, in particular Article (345) thereof,

Legislative Decree No. (27) of 2015 with respect to the Commercial Register, as amended,

Executive Regulations of the Legislative Decree No. (27) of 2015 with respect to the Commercial Register promulgated by Decision No. (126) of 2016, amended by Decision No. (68) of 2018, in particular Article (27) thereof,

Decision No. (93) of 2018 regarding Fees for Practicing Businesses,

Decision No. (40) of 2021, specifying the Commercial Activities that Foreign Capital Companies may be licensed to practice, amended by Decision No. (22) of 2024,

And Based on the Proposal of the Undersecretary,

And after the Approval of the Council of Ministers,

**Hereby Decides:**

**Article One**

Sole proprietorships and companies wholly owned by Bahraini partners or partially owned but with a Bahraini partner of a shareholding percentage of at least (51 %) are allowed to practice the activity of an authorized distributor, provided that their main headquarters is in the Kingdom of Bahrain.

**Article Two**

An application for a license to practice the activity of an authorized distributor shall be submitted to the relevant Department of the Ministry of Industry and Commerce. The following is required for such license:

1. The license Applicant for the authorized distributor’s activity shall have an active registration with the Commercial Register of the Ministry of Industry and Commerce in the general trade, retail, or wholesale activity.
2. Submit documents proving a distribution agreement for products and services with the company that owns the brand.
3. Payment of the planned fees.

**Article Three**

1. It is allowed to register more than one authorized distributor for the company that owns the brand.
2. In the event that the company that owns the brand declines to grant a sole proprietorship or a company, whose capital is at least 51% owned by Bahraini partners, the right to distribute despite meeting the required standards and the existence of an active company owned by non-Bahraini partners with more than 49% ownership that holds the distribution rights, the concerned party shall notify the relevant department of the Ministry of Industry and Commerce to take necessary action with both the company that owns the brand and the distributor registered with the Ministry.
3. In the event that the company that owns the brand terminates the distribution agreement signed with a sole proprietorship or a company whose capital is owned by Bahraini partners of at least 51%, and has concluded an approved distribution agreement in the Kingdom of Bahrain with companies owned by non-Bahraini partners with a percentage exceeding 49%, it is required that the reasons of termination be presented with the license application.

**Article Four**

A paper or an electronic register shall be established in the relevant Department of the Ministry of Industry and Commerce, to be known as the "Authorized Distributors Register" in which distribution agreements or any amendments thereto shall be recorded.

**Article Five**

The distribution agreement shall include the following data:

1. The names and nationalities of the authorized distributor and the company that owns the brand.
2. The goods and services included in the distribution agreement and the rights and obligations of the authorized distributor and the company that owns the brand.
3. Authorized distributor's area of work.
4. The duration of the agreement, if it is fixed-term.
5. Headquarters of the authorized distributor and the company that owns the brand.
6. The trade name of the goods or trademarks.
7. Any other conditions agreed upon between the authorized distributor and the company that owns the brand, provided that they are not in conflict with the provisions of the laws in force in the Kingdom of Bahrain.

**Article Six**

Sole proprietorships and companies that practice the distribution activity approved before the provisions of this Decision came into force shall adjust their situations in accordance with its provisions within six months from the effective date thereof, by adding the activity and registering their distribution agreements in the register referred to in Article (4) hereof.

**Article Seven**

The Undersecretary shall implement the provisions of this Decision. It shall come into force the day following its publication in the Official Gazette.

**Minister of Industry and Commerce**

**Abdulla bin Adel Fakhro**

Issued on: Shawwal 7, 1445 AH, corresponding to April 16, 2024 AD.

1. This is an unofficial translation and in the event of any conflict or discrepancy between the English text and the Arabic text, the Arabic text shall prevail. [↑](#footnote-ref-1)