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**Ministry of Industry, Commerce and Tourism**

**Decision No. (127) of 2016 amending certain provisions of the Implementing Regulation of the Commercial Companies Law promulgated by Decision No. (6) of 2002**

Minister of Industry, Commerce and Tourism:

Having reviewed the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001 amended;

And the Implementing Regulation for Commercial Law promulgated by Decision No. (6) of 2002 amended by Decision No. (55) of 2015;

And upon the submission of the Undersecretary for Commercial Affairs.

**Hereby Decides:**

**Article One**

The text of Article (182) of the Implementing Regulation of the the Commercial Companies Law promulgated by Decision No. (6) of 2002 shall be replaced with the following text:

**"Article (182)**

**Documents Prepared at the End of the Fiscal Year**

For each fiscal year, the executive directors shall prepare the following documents within three months of the end of the fiscal year:

a) The company budget.

b) An annual report on the company's activities and financial position.

c) A profit and loss account.

d) The directors' proposals for the distribution of profits.

These documents and other company accounts are required to reflect the true accounts of the company and shall be signed by the directors.

The directors, on the one hand, and the auditor, on the other, shall send to the Ministry - within six months of the end of the financial year, on the Ministry's website provided for this purpose - a copy of all the documents mentioned in the first paragraph of this Article or a letter signed and sealed by the auditor on the financial situation of the company in accordance with the form drawn up by the competent department. In the event that the company's losses exceed half of its capital, the directors and the auditor shall send to the Ministry - within the aforementioned time limit - a copy of the auditor's report signed and stamped by him.

Both directors and auditors shall coordinate the sending of these documents to the Ministry so that if one of the parties sends them within the specified time limit, the other party is no longer obliged to send them.

In all cases, directors and auditors shall provide the Ministry with any additional financial statements, documents, reports, or information it deems necessary, whenever the Ministry so requests.

**Article Two**

Two new articles numbered (255 bis) and (255 bis 1) shall be added to the Implementing Regulation of the Commercial Companies Law promulgated by Decision No. (6) of 2002, with the following texts:

**"Article (255 bis):**

Taking into account the provisions of the Corporate Governance and Management Charter, a partner shall be allowed to be a partner in another company that is a competitor or has similar objects without being involved in the management of more than one company, unless otherwise provided for in the contract or in the company's Articles of Association.

**Article (255 bis 1) Dormant Company:**

As an exception to the provisions relating to the establishment of companies provided for by the Law, it is possible to establish companies with the purpose, from the outset, of being ready to carry on the activities chosen by the company and which are authorised to carry on those activities at any time after incorporation. These companies are referred to as Dormant companies until they are activated and authorised to carry on their activities in accordance with the following controls:

1) Applications to set up Dormant companies shall be submitted by law offices or firms authorised to do so by the Ministry responsible for commercial affairs.

2) The Dormant company shall take the form of a limited liability company or a one-person company.

3) A Dormant company shall not carry on any activity without the approval of the competent authorities and the registration of the authorised activity in the Commercial Register.

4) A Dormant company shall not be required to submit the documents, declarations, reports, and letters referred to in Article (182) of this Regulation.

5) The name of the Dormant company and the phrase indicating its form shall be followed by the phrase (Dormant company) until it is activated and authorised to carry on business. A Dormant company shall only authorised to carry on business if its capital is fully paid up.

6) The registration of a Dormant company shall not be stricken off because it is not carrying on any business.

7) A Dormant company may change its name and is not subject to the provisions of Article (15) of the Brand Names Law.

**Article Three**

The Undersecretary for Commerce Affairs shall implement the provision of this Decision, and it shall come into force from the day following the date of its publication in the Official Gazette.

**Minister of Industry, Commerce and Tourism**

**Zayed bin Rashid Al Zayani**

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