

WHAT IS CR

CR FORMATION IN

BAHRAIN

Commercial Registration well known as CR is a business license. It allows an individual or a Company to practice a commercial activity in Bahrain.

No doubt business idea is the first step but to get CR in Bahrain, the most important thing to consider is Investor's Nationality. Business activities in Bahrain are allowed according to the nationality of the Investor. There are more than 350 business activities that any foreigner can own without a local sponsor. Business activities related to trade, import, and export require 51% Bahraini, Gulf, or American ownership. Most of the services and Manufacturing related businesses can be fully owned by foreign investors.

7 STEPS TO GET A CR IN BAHRAIN

The new Sijilat system has revolutionized commercial registration in Bahrain. With this new system, you can get a CR in 18–26 working days. Following are the 7 steps to obtain a Commercial Registration / CR in Bahrain.

STEP 1: POWER OF ATTORNEY

STEP 2: CR NAME RESERVATION

STEP 3: LICENSING

STEP 4: MEMORANDUM OF COMPANY

STEP 5: NOTARIZATION

STEP 6: COMPANY BANK ACCOUNT

STEP 7: FINAL APPROVAL BY MOIC



INDIVIDUAL:ESTABLISHMENT

Individual Establishment in Bahrain is similar to Sole Proprietorship in other countries. The sole owner is responsible for all liabilities of the business. Business is not considered a separate entity from the owner. This type of business can only be owned by a Bahraini national or a GCC national.

WITH LIMITED LIABILITY (WLL).

- ✓ There is no restriction on the number of partners.
 - ✓ There is no minimum capital restriction.
 - ✓ WLL is governed by The Commercial Companies Law DECREE LAW NO. (21) OF 2001 PROMULGATING.
 - ✓ Unlike Individual Establishment, the liability of the shareholder is limited to the extent of investment.
 - ✓ The company is considered separate from the owner.
 - ✓ The amount, type, and currency of the capital are declared in public along with percentage of the ownership of each shareholder.
 - ✓ Directors of the company are nominated.
 - ✓ Annual audited financial reports are submitted to MOICT every year (1st year is exempt).
 - ✓ This type of business can also be owned by other nationalities as well depending on business activity.
 - ✓ It allows investor visas (Residence Permit) to its shareholders.
- Note: Single Person Companies (SPC) registration type has been canceled. All existing SPC's are converted to WLL. (Read more here: [SPC changed to WLL](#))

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CHOOSING THE RIGHT TYPE OF CR

ALWAYS

In Bahrain types of CR / Commercial Registration are classified according to Owner's liability. Following are the types of CR you may choose to register in Bahrain according to your requirements:

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BAHRAINI PARTNERSHIP COMPANY

It is similar to a general partnership in other countries. To form a Bahraini Partnership Company there should be at least 2 shareholders whose liabilities will be unlimited to the extent of their personal belongings. This type of company also has to declare its representatives. This type of CR can be 100% foreign-owned depending on business activities.

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SIMPLE COMMANDITE COMPANY

Simple Commandite Company is similar to Limited Partnership. This partnership consists of one or more silent partners and one or more managing partners. Silent partners enjoy limited liability but they cannot interfere in management decisions. Managing partners share full liability to the extent of their personal belongings. Managing partners can interfere in any management decision or company operation. The remaining features are similar to the Bahraini Partnership Company.

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