

ACT NO. (19) (2006) WITH REGARD TO
THE REGULATION OF THE LABOUR MARKET

We Hamad bin Isa al Khalifa, the King of the Kingdom of Bahrain,

After perusal of the constitution,

The Penal Code issued by virtue of Decree No. (15) (1976) and its amendments,

The Labour Act, with regard to employment in the Private sector, issued by virtue of Decree No.(23) (1976) , and its amendments,

The General Budget Act issued by virtue of Decree No. (39) (2002),

And After the approval of the Shura (Consultative) Council, and the Council of Representatives,

We have ratified and promulgated, the following Act:

PREAMBLE
DEFINITIONS AND SCOPE OF THE
APPLICATION OF THE ACT
ARTICLE (1)
DEFINITIONS

For the purposes of this Act, unless the context otherwise requires, the following words and phrases, shall have the corresponding meanings:

The Kingdom: The kingdom of Bahrain.

The Minister: the minister in charge of Labour affairs.

The Authority: the Labour Market Regulatory Authority (LMRA) established in accordance with this Act.

Board of Directors or Board: the board of directors of the LMRA appointed in accordance with Article No. (6) of this Act

Chairman: chairman of the Board of Directors

Chief Executive Officer: CEO, chief executive officer for the LMRA appointed in accordance with Article (11) of this Act.

Business Proprietor: Any Natural or Legal person who employs one or more workers, in the Kingdom in return for wages of whatever nature, Fixed or varying, in cash or in kind. This includes any government entity (public) Organization and/or Authority), a company or office or establishment or any entity of the private sector.

Worker: Any natural person who works for an employer and under his administration or supervision, in return for wages, of whatever nature, fixed or varying, in cash or in kind.

Foreign Business proprietor: Any Natural foreigner, to whom the definition of worker does not apply, in accordance with this Act, and who carries business in the Kingdom or practices a profession in the kingdom, whether under his own name and account, or in the name or account of a third party,

Recruiting (Manpower) Agency: Any business owner who is licensed to import workers, to work for third parties for a fixed period or until the completion of certain project without the supervision of the recruiting agent.

Employment Office: An office that searches for the suitable workers for business proprietors and facilitate the conclusion of agreements between the parties.

Licensee: Recruiting (manpower) agencies and employment offices

Audit committee: the committee stated in Article (21) of this Act

Work permit: a permit issued by the LMRA in accordance with this Act, in favour of an employer, to hire a foreigner as stipulated in the permit.

Labour Fund: The fund that shall be established and regulated by virtue of an Act that shall specify its jurisdiction.

ARTICLE (2)
SCOPE AND APPLICATION OF THE ACT

A - Without violation to any international treaty in force in the Kingdom, the provisions of this Act, shall apply with regard to the establishment and regulation of the Authority, and with regard to work permits, licenses of Recruiting (Manpower) Agencies, employment offices and foreign business proprietors licenses conducting work in the Kingdom.

B- The provisions of this Act shall not apply to the following categories:

1- Non civilian foreigners employed by the Bahrain Defence Force, the National Guard and all other security institutions in the Kingdom.

2 - Foreigners who visit the Kingdom, for temporary assignments, for a temporary duration, of Less than 15 days , for purposes such as bazars, fairs, festivals, carnivals and other activities, in accordance with conditions specified by the Authority.

3 - Foreigners who are members or administrators of diplomatic, consular and international missions, within the limits of the mission work.

CHAPTER 1
THE AUTHORITY
SECTION 1: FORMATION OF THE AUTHORITY, ITS FUNCTIONS AND
JURISDICTION

ARTICLE (3)

ESTABLISHMENT OF THE AUTHORITY

A - A public Authority under the name, (Labour Market Regulatory Authority) shall be established with a separate legal entity, and enjoys administrative and financial independence under the supervision of the minister.

B - The authority shall enjoy the privileges of the ministries and all governmental and public institutions of the Kingdom.

ARTICLE (4)

THE FUNCTIONS OF THE AUTHORITY AND ITS JURISDICTION

A - The authority shall carry out all necessary activities to regulate the labour market in the Kingdom, regulate work permits, licensing recruitment (manpower) agencies, employment offices and foreign business proprietors working in the kingdom , in accordance with the provisions of this Act, and in particular:

1. To prepare and implement a national strategy for the labour market which includes the general policy and plans of employment of Bahrainis and foreign workers, taking into consideration state's directions with regard to the labour market, economic and social development plans.

The Authority shall prepare such plan, every two years, or for a shorter period, if necessary. The plan shall be published in the Official Gazette.

2 - . To collect and analyze data, information and statistics related to the economic situation in the kingdom and in particular the Labour market, in a manner that makes the Authority a principal source of accurate data, information and statistics related to the Labour market in the kingdom.

The authority shall continuously and regularly update such data in a manner that reflects the true picture of the Kingdom economic situation.

The Authority shall prepare reports, on all these matters to be published in the appropriate manner as determined by the Board in a way, accessible to all.

3 - To propose programs and policies to enhance and develop the Labour marketing matters beyond the scope of the Authority jurisdiction, and raise such proposals to relevant authorities.

4 - To inform, direct, and guide the workers, employers and others, in matters with regard to rights, duties, and ethics of work, professional and environmental safety at work places.

5 – To prepare the regulations and the decisions necessary for the application of this Act which shall include the following:-

a. The rules, the procedures, the categories, conditions, duration and all other relevant matters with regard to the grant and renewal of work permits.

b. The rules, procedures, duration and all relevant matters with regard to the grant and renewal of recruiting (Manpower) agencies and employment agencies licenses.

c. The procedure, the data, the information and all necessary documents for the presentation of applications to obtain work permits of recruiting(Manpower) agencies and employment offices and methods of deciding thereupon.

d. The procedure and conditions of obtaining licenses to carry economic activities, in certain fields by foreign business owners.

- e. The rules and procedures to cancel work permits, recruitment (Manpower) agencies licenses, employment offices licenses, foreign business owners licenses to carry business in the Kingdom and worker mobility from one employer to another.
- f. The obligations of the employer in case the foreigner left his job, in violation to the work permit.
- g. The restrictive inspection procedure, in order to guarantee the implementation of this Act, decisions and regulations. .
- h. The documents, particulars, and data that should be kept by employers and licensees.

6 - To propose and collect fees imposed upon business owners, with regard to work permits and their renewal fees.

7 - To propose and collect the fees imposed upon licenses for manpower recruiting agencies and employment offices and their renewal fees.

8 – To propose and collect fees imposed upon foreign business owners, with regard to carrying business in the Kingdom, in accordance with the law.

9 - To observe the level of adherence to this Act, regulations and decisions issued to implement it, and to take all the necessary measures to enforce them together with the terms and conditions of the licenses and permits issued accordingly.

10 - To work as a central authority, for the reception of all applications of permits and licenses issued by virtue of this Act, the collection of the fees thereof, obtaining entrance & residence visas to the Kingdom, issue of I.D, performance of any test or exam. , any other permits & licenses necessary for foreign owners of business or necessary for the employment of foreign workers and the follow up of all the mentioned proceedings in coordination with relevant authorities.

11 - To simplify the process with regard to issue work permits and other permits and licenses required for the employment of foreign workers.

12 - To carry out and support studies and research in the field of Labour market and to benefit form outcome of such studies.

13 - To carry out other, roles, jurisdiction and obligations laid down in this Act.

Upon the request of the authority, and subject to a decision by the cabinet, some of such roles, including collection of fees, may be devolved to other governmental institutions, as deemed fit.

The authority may delegate any of such roles to competent experts, to be selected from individuals, committees, and non government bodies.

IN case of collection of fees is delegated to a non government body, same should be published in the Official Gazette.

ARTICLE (5)
EXERCISING OF ROLES, JURISDICTION AND CONSULTATIONS

A -The authority shall effectively and competently exercise its roles and jurisdiction, with transparency, without any discrimination, and in a manner, that is compatible, with the national plan of the labour market

B -- In case the authority is desirous to issue regulations, decisions or take measures, which may have an impact on the Labour Market, the authority shall carry Consultations with public and relevant parties, with a view to take their opinions, before issuing any decision or taking such measures.

The board shall regulate the consultations in a manner that guarantees access to detailed information and received opinions, for all and the relevant parties.

SECTION 2: BOARD OF DIRECTORS
ARTICLE (6)

A- The authority shall have a board of directors, appointed by virtue of a Decree, and shall be composed of nine members including the chairman, as follows:

1. Four members to be nominated by the Cabinet including the chairman
 2. One member to be nominated by the Economic Development Council.
 3. Two members to be nominated by the Chamber of commerce and Industry and
 4. Two members to be nominated by Bahrain General Federation of Workers Unions.
- Each members shall be appointed on basis of honesty, competence and necessary experience.

B. if no candidate was nominated, by the relevant parties, in accordance with clause 3 & 4 above, within a period of thirty days, as from the date of notice, the minister may elect two candidates from each party.

C. The term of membership of the board of directors shall be for a period of four years renewable only once and for the same period, save for the first board of directors, the term of of the chairman and four members shall be for four years, and three years of the rest of the members. The decree shall specify the term of each member.

D. The board of directors, shall elect a vice chairman who shall replace the chairman during his absence, in case of disability, or if the position shall become vacant. The vice chairman shall continue in the same position until the end of his term.

E - If the position of any of the members of the board of directors, shall become vacant for, whatever reason, a substitute shall be nominated in the same manner as stated in clause A and B of this article. The new member shall complete the term of his predecessor. if the remaining period is less than one year, his membership may be renewed for two other terms.

F. No member of the board of directors shall be removed from his office before the completion of his term, save by a decree upon a recommendation of the majority of the board of directors, after hearing such member with regard to the allegations against him, in case of gross violation of his official duties, incompetence, or violation of principles of honesty and rectitude.

G. Membership of the Board of Directors of the Authority should not be combined with membership of the of board directors of the Labour Fund, or with any other job in either the Authority or the Labour Fund.

H. The remuneration of the Chairman and members of the board of directors shall be determined by a Decree.

ARTICLE (7)
ROLES AND JURISDICTION

A. The board of Directors is the highest authority that runs the affairs of the authority, design its policies, and supervise implementation. The board of directors may take whatever it deems fit to execute the roles and jurisdiction of the authority, including:

1. Approval of the National Labour Market Plan.
2. Set out regulations, decisions, and take necessary measures to execute the provisions of this Act.
3. Approval of the organizational structure and issue of the Employees' Regulation Code which shall specify the procedures and rules of appointment ,promotion, transfer, salaries, remunerations, disciplinary procedures and all other affairs, without being bound by the Civil Service regulations.
The Employees' Regulation Code shall determine the ethics, work values, and terms& conditions of disclosure of financial status.
4. Supervision of the implementation of the provisions of this Act, Regulations and decisions thereof
5. Approval of the Authority annual budget and the final audited statement of accounts.
6. Acceptance of grants and donations –conditional or unconditional- without violation to the provisions of this Act.
7. Study of the regular reports raised by the chief executive with regard the conduct of LMRA activities and taking what it deems fit.
8. Exercise other roles and jurisdiction in accordance with this Act, regulations and decisions.

B. The Board of Directors may assign any specific function to be carried by one or several committees composed of its members or by the chairman, or by any member of the board of directors, or by the chief executive officer.

ARTICLE (8)
MEETINGS

- A- The Board of Directors shall convene meetings at least four times per year. The chairman may call for an extraordinary meeting at any time. The Chairman shall invite the Board of Directors for an extraordinary meeting, to be held fifteen days after receiving a written request from the Minister or from a minimum of two Board members, the Chief Executive or from the external auditors appointed under the provisions of clause A of Article 19 of this Act. Such request should specify the reasons for holding an extraordinary meeting.
- B- Notice of invitations to convene a meeting shall in all events include a statement of its purpose and enclose the meeting's agenda.
- C- The chief executive shall attend all the meetings of the Board of Directors except under the circumstances set out in the internal regulations. The Board of Directors may invite any expert or interest parties to hold discussions and hear their opinions. Such invitees are not eligible to cast votes.
- D- The Board of Directors shall appoint a secretary who shall prepare the agenda for the Board of Directors' meetings, record the minutes, keep all documents related to the Board of Directors, and exercise all other functions assigned to him/her by the Board of Directors that relate to the Authority's work

ARTICLE 9
QUORUM AND VOTING

The Board of Directors' meeting shall be quorum upon attendance of the majority of its members, including the Chairman or his deputy.

The resolutions shall be adopted by the majority of the votes of attendants, save in cases where this Act or the regulations require a special majority. If votes casted are equal, the side of the head of the meeting shall prevail.

ARTICLE 10
CONFLICTS OF INTERESTS

Where the Board of Directors hears any issue in which a member has a direct or indirect personal or other financial interest in conflict with the requirements of his office, such member shall disclose in writing such interest upon acknowledging the intention of the board to hear such issue. Such member should neither participate in the Board of Directors hearing of the issue or vote thereupon

SECTION 3: THE CHIEF EXECUTIVE
ARTICLE 11
APPOINTMENT AND VACANCY OF THE OFFICE

A- The Authority shall have a Chief Executive appointed by virtue of a Royal Decree, upon the recommendation of the Board of Directors, for a term of three years. The appointment of the Chief Executive shall be renewed for two similar terms, only.

B- If the position of the Chief Executive's shall become vacant for any reason, a replacement shall be appointed in the same manner, and by virtue of the same devise stated in the previous clause.

C- The Board of Directors may issue a resolution to appoint a Deputy Chief Executive whose functions shall include performing the duties of the Chief Executive in such cases and for such durations, as stipulated in the internal regulations. The resolution of appointment of the Deputy Chief Executive shall be published in the Official Gazette.

D- If the office the of the Chief Executive shall become vacant, and in the event of failure to appoint a Deputy Chief Executive in accordance with the above Paragraph, the Board of Directors shall issue a resolution to designate the Chairman, or any other member of the board or the staff of the Authority, as nominated by the chairman, to carry out the duties of the Chief Executive on an interim basis. Such a Resolution shall be published in the Official Gazette.

ARTICLE 12 DUTIES AND JURISDICTION

A- The Chief Executive shall represent the Authority before the courts of law, and in its relations with third parties. The chief executive shall be accountable to the Board of Directors for the technical, administrative and financial performance of the Authority in accordance with the provisions of this Act , orders, regulations and resolutions issued in implementation thereof, and shall specifically perform the following functions:

- 1- Manage the Authority, direct its affairs and supervise the conduct of its business and of the Authority's employees, who must adhere to his instructions, directions and orders.
- 2- Implement the resolutions of the Board of Directors.
- 3- Prepare and follow up the work regulations of the Authority according to the directions of the Board of Directors.
- 4- Prepare the Authority's budget bill and a report thereon and submit both to the Board of Directors.
- 5- Prepare the Authority's final accounts and a report thereon and submit both to the external auditor within one month of the end of the Authority's fiscal year.
- 6- Prepare an annual report on the Authority's activities during the past fiscal year in compliance with the form and method stipulated by the Board of Directors and submit such report, to the Board of Directors within a maximum of one month as from the date of the Audit Committee's submission of its report referred to in clause (C) of Article 21 of this Act, provided that a copy of the Authority's audited accounts for the same year, is attached therewith. A summary of the aforementioned annual report and a Summary of its audited accounts shall, immediately upon their adoption by the Board of Directors, be published in the Official Gazette and a minimum of two daily local newspapers, one published in Arabic and the other in English. The full annual report shall be published by any of the means specified by the Board of Directors, in a manner that makes its perusal accessible for all.
- 7- Prepare a draft of the Authority's organizational structure and present same to the Board of Directors.
- 8- Prepare the draft of the national labour market plan and present it to the Board of Directors.
- 9- Prepare and present to the Board of Directors regular quarterly reports on the authority's activities, the progress of its business and its achievements pursuant to the set plans and programs, as well as reports on the performance impediments and solutions proposed to avoid them, unless the Board of Directors decided a shorter period for submission of such reports.
- 10- Exercise other functions and duties authorized to him under the provisions of this Act, the rules, regulations, resolutions issued in implementation thereof, or functions assigned to him by the Board of Directors.

B- The Chief Executive may – in accordance with the rules specified by the regulations - delegate in writing to any employee of the Authority, some of his functions, in a way that secures the conduct of the Authority's affairs in the appropriate manner.

ARTICLE 13
REMUNERATION

The Board of Directors shall decide the remuneration due to the Chief Executive, including increments and other privileges

ARTICLE 14
RESIGNATION

The Chief Executive may resign from his office by written request submitted to the Board of Directors at least three months prior to the date set therein for his resignation. The board of directors shall issue a resolution accepting the resignation.

ARTICLE 15
REMOVAL FROM OFFICE

A- The Chief Executive may be removed from his office by virtue of a decree prior to the expiry of his term in pursuance to a recommendation of the majority of the members of the Board of Directors, if he has seriously violated the requirements of his office, failed to fulfil his duties effectively and with competence, or has violated the allegiance to honesty and rectitude.

B- It is mandatory for the Board of Directors to enable the Chief Executive to state his defences, in a separate record prior to the issue of recommendation. In the event that such recommendation advised the removal of the Chief Executive, the latter shall continue to fulfil his duties and exercise his authority until a decree of his removal from office is issued, provided that, the Board of Directors did not decide otherwise, or the removal was due to the violation of allegiance to honesty and rectitude.

SECTION 4: SUPERVISION
ARTICLE 16
SUPERVISION BY THE MINISTER

A- The authority shall submit to the minister regular reports of its activities, the progress of its affairs, achievements, specification of obstacles and the approved solutions to avoid such obstacles. The minister may ask the authority to provide him with any data, information, resolutions, minutes, records or reports necessary for his supervision of the Authority's activities.

B- Without violation to the Authority's independence in exercising its functions and duties under the provisions of this Act, the minister shall monitor the authority's adherence to the provisions of Act and the government's directions with regards to the labour market, and to what extent, the authority is exercising its functions effectively and efficiently, within the Limits of available financial resources.

C- If the Minister finds that some of the Authority's activities breach the provisions of this Act or the directions of the government with regards to the labour market, or the authority has failed to exercise its role efficiently and effectively, the minister shall notify the Board of Directors in writing of his findings and what he deems fit. If the Board insisted on its opinion, the matter will be submitted to the Cabinet to resolve the differences and issue a resolution within 30 days, as from the date of such submission.

D- The Minister shall be responsible before the council of representatives with regard to his supervision over the activities of the Authority.

SECTION 5: FINANCIAL AFFAIRS AND AUDITING
ARTICLE 17
THE AUTHORITY'S BUDGET

A- The Authority shall have an independent budget.

B- The Authority's fiscal year shall commence and end at the same dates of the state's fiscal year.

ARTICLE 18
THE AUTHORITY'S FINANCIAL RESOURCES

A- The Authority's financial resources shall comprise the following:

- 1- The approved funds specified by the government, for the authority.
- 2- Conditional and unconditional grants and aid that are accepted by the Board of Directors.

B- The Authority's funds shall be considered public money for the purposes of the application of the provisions of the Penal Code.

ARTICLE 19
AUDITING THE AUTHORITY'S ACCOUNTS

A- The Board of Directors shall, at the beginning of each fiscal year, appoint an external auditor or auditors with reputed international standing to audit the Authority's accounts and shall set the auditor's annual fees. Such external auditor shall not audit the Authority's accounts for more than three years during the five years preceding his appointment.

B- The Authority shall not assign any functions, to the external auditor, other than account auditing, all through his term as auditor.

C- The external auditor shall, within a maximum period of three months after the end of the fiscal year, audit the Authority's accounts and prepare a report in accordance with the internationally recognized accounting standards. Such a report shall include all data and information showing the true financial position of the Authority, including:

1- A statement demonstrating, that the Authority has laid at the disposal of the external auditor all the documents, records, books, data and information he considers necessary to fulfil his task.

2- A statement demonstrating that the authority's budget and final accounts reflects actual situation and whether they have been prepared in accordance with internationally recognized accounting standards.

3- A statement with regards to whether the Authority keeps regular accounts in accordance with applicable norms.

4- A statement with regards to whether the inventory of the Authority's assets has been conducted in accordance with applicable norms.

5- A statement with regards to whether the data contained in the Chief Executive's reports concur with the data contained in the Authority's books and records.

6- A statement with regards to any infringements revealed to the auditor in the course of conducting his duties, and whether such infringements remain extant.

D- The external auditor shall submit his report on the auditing of Authority's accounts to both the Minister and the Audit Committee within three months as from the end of the fiscal year.

ARTICLE (20)
AUDITING THE AUTHORITY'S PERFORMANCE

A- The Board of Directors shall assign one or more external auditors of reputable international standing to conduct a full audit of the Authority's performance at least every three years and whenever deemed necessary at the discretion of the Minister or the Board of Directors.

Performance audit means conducting an objective, systematic formal review of the performance, programs and activities of the Authority for the purpose of preparing an independent assessment and determining the extent of accuracy and perfection of the Authority conduct . Such auditing shall comprise an economic audit, an efficiency audit, and a program audit in accordance with internationally recognized benchmarks and principles of audits performance.

B- The performance auditor shall submit to the Audit Committee a report of the outcome of his work and recommendations within a period to be set by the Board of Directors provided such period shall not exceed six months as from the date of his commencement of the audit task.

C- The Authority shall publish the performance reports by any of the means, as determined by the Board of Directors, in a way that makes perusal accessible to all.

ARTICLE 21
THE AUDIT COMMITTEE

A- The Board of Directors shall form a committee to be nominated as “the Audit Committee” and to be comprised of three board members and a minimum of two competent and experienced persons, who are not board members, to be elected by the minister.

The committee shall supervise the conduct of the financial and performance audits, and shall ensure compliance with the provisions of this Act, regulations, orders, and resolutions, issued in implementation thereof.

B- The Audit Committee shall prepare reports of the result of its work and recommendations to be submitted to the Minister and to the Board of Directors within:

1- One month, as from the date of when the Committee received the external auditor’s report referred to in clause D of Article (19) of this Act regarding the Authority’s audit reports.

2- Within a period to be determined the by the Board of directors with regards to reports of the Authority’s performance audits.

C- The Board of Directors shall decide the measures to be taken about the contents of the audit committee’s reports.

ARTICLE 22
DISCLOSURE OF FINANCIAL ASSETS

The Chief Executive, his Deputy and all employees specified in the Authority's employees regulations code shall submit, upon their appointment, every three years thereafter, and upon

Their end of service, a statement of all their movable/transferable assets and real-estate and the sources of such assets, whether registered in their own names or in the names of their wives or minor children.

Such statements shall be confidential and shall only be perused in cases stipulates in the Authority's employees regulations code.

The Chief Executive and his deputy shall submit their aforementioned statement to the Chairman of the board of directors, and other employees shall submit their statements to the Chief Executive.

CHAPTER TWO
THE PERMITS AND LICENSES ISSUED BY
THE AUTHORITY AND RELATED MATTERS
SECTION ONE
WORK PERMITS AND RELATED MATTERS
ARTICLE 23
WORK PERMITS

A – Foreign employees are prohibited from engaging in any work in the Kingdom without a work permit issued in accordance with the provisions of this Act.

B- Employers are prohibited from employing foreign employees without a valid work permit, issued in accordance with the provisions of this Act. Employers are further prohibited to hire employees in violation to the provisions of this Act or the terms of the permits.

Employers shall check the nationality of employees before engagement in any work.

C- It is prohibited for any person to receive any moneys or obtain any benefit or advantage from an employee in lieu of issuing him a work permit or in return for the employment of such an employee or his retention in his job.

ARTICLE 24
CONDITIONS AND PROCEDURE FOR ISSUING PERMITS

A- Employers wishing to employ foreign workers must submit an application to the Authority for the issuance of a work permit for such an employee in accordance with the procedure set out in a resolution issued by the Authority, in this respect.

A work permit issued to an employer shall be related personally to the employment for a specific worker and shall not be assigned to third parties.

B- The issuance of work permits for foreign workers shall be subject to the following conditions:

- 1- The employer shall settle all fees and payments due to the Authority in connection with work permits.
- 2- The employer should not be found to have failed to settle payments due to workers.
- 3- The employer shall submit all documents, data and information specified in the Board of Directors resolution.
- 4- The foreign worker must be medically fit and free of contagious diseases.
The Minister of Health, in coordination with the Board of Directors, shall issue a resolution to regulate the conditions of foreign workers' medical fitness and freedom from contagious diseases
- 5- Fulfilment of the other conditions determined by a resolution issued by the Board of Directors.

ARTICLE 25
TRANSFER OF FOREIGN WORKERS TO OTHER EMPLOYERS

A- Subject to the provisions of Paragraph B of this Article, and without infringement to the legal or contractual rights of the employer, a foreign worker may, without the consent of his employer, transfer to another employer.

The Authority shall grant a foreign worker upon expiry or cancellation of his work permit a reasonable time to transfer – if he wishes- to another employer, and obtain a work permit in connection to the latter.

During such notice period the foreign employee, is not allowed to engage in any work.

The Board of Directors, shall issue a resolution to regulate the procedure of transfer of foreign workers and the rules for granting of the notice period and the length of such a period.

B- The worker shall not have the aforementioned right to transfer nor a notice period in any of the following circumstances:

- 1- If the worker ceases to comply with one or more of the conditions for issuing the permit.
- 2- If a final criminal judgment is passed against the worker for a felony or a crime that violates honour or honesty.
- 3- If the worker violates the terms under which his work permit was issued.

ARTICLE 26
EXPIRATION AND CANCELLATION OF WORK PERMITS

A- A Work permit shall expire at the end of its duration unless renewed in accordance with the provisions of this Act.

B- The Authority shall cancel work permits issued to workers prior to their expiry in any of the following circumstances:

- 1- The permit was obtained on the basis of false documents or information.
- 2- The employee ceases to comply with one or more of the conditions for granting the permit.
- 3- A final criminal judgment is passed against the employee for a felony or a crime that violates honor or honesty.
- 4- Violation by the workers of the terms under which his work permit was issued.
- 5- The liquidation of the employer's business, declaration of his bankruptcy, cancellation of his Commercial registration or the termination of his license to practice commercial activity.
- 6- Death of the employer who had obtained the work permit, unless one of his heirs applied for renewal of the permit within 6 months.
- 7- A written request from the employer to cancel the permit.
- 8- Failure of the employer to pay the fees and other payments due to the Authority in connection with the permit for a period exceeding three months after such payments' due date with out a plausible excuse.
- 9- A worker being infected with a contagious disease, which obliges for his expulsion from the country as specified in a decision issued by the Minister for Health.

ARTICLE 27
FOREIGN WORKERS RETURN TRANSPORT EXPENSES

A- Upon the termination of the employment relationship, the expiry or the cancellation of the work permit, the last employer for whom the work permit was issued shall be obliged to incur the transport expenses of the foreign worker's transport to the place, specified in the contract of employment. If the contract of employment did not specify such a location, the employer shall bear the cost of the transport of the foreign worker to a location, to which he belongs by nationality.

Such employers shall also bear the expenses of preparing and transporting the corpse of a deceased foreign worker to the place of his origin or to the place of residence should his family so requested.

B- If an employer employs a foreign worker without obtaining a permit, the obligation to incur expenses referred to in the above Paragraph shall shift to such an employer.

C- In cases requiring the deportation of a foreign worker, and in the event of such worker's death, the relevant department in the Ministry of Interior shall undertake the deportation or corpse transportation, if applicable, at the Authority's expense. The Authority shall refer to the employer for reimbursement of the expenses resulting there from.

SECTION 2
THE LICENSING OF RECRUITING (MANPOWER) AGENCIES AND
EMPLOYMENT OFFICES
AND RELATED MATTERS
ARTICLE 28
PERMISSION TO CONDUCT BUSINESS

It is prohibited for any person to carry out Recruiting (Manpower) agencies or employment offices activities, without obtaining a license from the Authority, to this effect, in accordance with the provisions of this Act.

Those who require to conduct the business of Recruiting (Manpower) agencies or employment offices, must apply to the Authority for a license to carry such activities.

The Authority shall issue a resolution setting out the requirements and procedure for granting, renewing and the validity period of a license and regulating the business of Recruitment (Manpower) agencies and employment Offices.

Such licenses shall be personal and not subject to waiver to third parties, save in case of death, the license shall pass to the heirs or their representatives.

ARTICLE 29
EXPIRATION AND CANCELLATION OF LICENSES

A- The licenses for Recruitment (Manpower) agencies and employment offices shall expire at the end of their term unless renewed in accordance with the provisions of this Act.

B- The Authority shall cancel licenses for Recruitment (Manpower) agencies and employment offices before expiry date, in any of the following circumstances:

- 1- If it is proved that the licensee obtained the license on the basis of false documents or information.
- 2- If the licensee ceases to comply with one or more of the conditions for granting the permit.
- 3- If a final criminal judgment is passed against the licensee for a felony or a crime that violates honor or honesty.
- 4- The death of a licensee who has no heirs, the liquidation of the licensee business, declaration of his bankruptcy or cancellation of his registration in the commercial register.
- 5- If the licensee requested in writing the cancellation of his license.

**SECTION THREE
WORK PERMITS FOR FOREIGN EMPLOYERS
AND MATTERS RELATED THERETO**

**ARTICLE 30
REQUIREMENTS FOR PERMITS**

In accordance with the provisions of this Act, the Board of Directors shall specify certain economic or professional business activities, which a foreign employer, cannot practice without a valid permit issued by the Authority.

ARTICLE 31
PROCEDURE AND REQUIREMENTS FOR ISSUING PERMITS

Foreign employers who require to conduct any of the businesses activities, referred to in Article (30) of this Act shall apply to the Authority to obtain a permit.

The Authority shall pass a resolution specifying the requirements and procedure for issuance and renewal of permits and their validity periods.

Such permits shall be personal, subject to non-waiver to third parties.

ARTICLE 32
EXPIRATION AND CANCELLATION OF PERMITS

A- Permits issued to foreign employers, under the provisions of Article (31) of this Act shall expire at the end of their duration unless renewed in accordance with the provisions of this Act.

B- The Authority shall cancel such permits prior to their expiry date in any of the following circumstances:

1- if it is proved that a foreign employer had obtained the permit on the basis of false documents or information.

2- If the foreign employer ceases to comply with one or more of the conditions for issuing the permit.

3- If a final criminal judgment is passed against a foreign employer in a felony or crime that violates honour or honesty.

4- The death of the foreign employer.

5-IF the foreign employer requested in writing the cancellation of the permit.

SECTION FOUR: GENERAL PROVISIONS
ARTICLE 33
GRIEVANCES AGAINST DECISIONS

A- All persons concerned may file a grievance against any decision issued in accordance with the provisions of this Act within 30 days as from the date of their notification of such a decision.

Grievances against decisions issued under the provisions of Article (38) of this Act shall be submitted to the minister in charge of the Commercial Registry, the grievances against decisions issued by the Board of Directors shall be submitted to that Board of Directors, and grievances against other decisions shall be submitted to the Chief Executive.

Grievances shall be considered and the person filing the grievance shall be notified by the decision thereupon, within 30 days as from the date of filing.

The person filing a grievance may appeal such decision before the competent court within 30 days of notification of such decision or the expiry of the period specified for considering the grievance without notification of the person filing it, of the result of the consideration of his grievance.

B-Appeals shall not be filed before the courts until a grievance has been filed against the decision, and a decision rejecting the grievance has been issued, or the period referred to in the above Paragraph, had elapsed without notification.

ARTICLE 34
INSPECTION AND JUDICIAL ARREST

A- The Authority's inspectors appointed by the Chief Executive to carry out inspections and checks with regard to the execution of the provisions of this Act, orders, regulations and decisions issued in implementation thereof shall have the following powers:

- 1- To enter the work premises, branches and offices of employers, Recruitment (Manpower) agencies, employment offices and other related sites.
- 2- To peruse records relating to foreign workers.
- 3- To check work permits and the identity of foreign workers.
- 4- To request data, documents and information required from employers, Recruitment (Manpower) agencies and employment offices, their representatives, or officials responsible for their actual administration.

B- Employers, Recruitment agencies and employment offices, their representatives, or officials responsible for their actual administration must not obstruct the Authority's inspectors in the performance of their duties, and must provide them with the correct documents, data and information required for the performance of their duties, within a reasonable period, as specified by the inspectors.

C- Officers authorized by the Minister of Justice - in agreement with the relevant minister - shall have arresting powers with regards to the crimes provided for, under this Act which come within their jurisdiction and are related to their duties.
Reports drawn up in connection to such crimes shall be referred to the attorney general pursuant to a decision issued by the Chief Executive.

ARTICLE 35
RESIDENCY OF THE FAMILIES OF FOREIGN WORKERS
AND FOREIGN EMPLOYERS

Without prejudice to the provisions of the Foreigners Act, (Immigration and Residency), of the year 1965, and amendments The Minister of Interior shall issue, in co-ordination with the Authority, a decision specifying the circumstances and requirements for allowing the families of foreign workers and foreign employers, to reside in the Kingdom during the validity periods of the work permits issued for such persons.

ARTICLE 36 PENALTIES

A- Without prejudice to any severe penalties stipulated under the Penal Code or any other law, any person who commits a violation, to the provisions of Paragraphs B and C of Article 23

or Articles 28 and 30 of this Act, shall be sentenced to an imprisonment, not less than three months and does not exceed one year plus fine not less than 1000 Dinars but does not exceed 2000 Dinars, or either of these two penalties.

In the case of habitual offenders, the penalty shall be imprisonment for not less than six months and does not exceed two years plus fine of not less than 2000 Dinars and does not exceed 4000 Dinars.

Penalties for contravention of the conditions of permits for domestic workers or the likes shall be considered as an aggravating factor.

Under all circumstances, the penalty shall be reciprocal to the number of employees related to the crime in issue.

In the event of conviction, the court may order the cessation of business of the convicted person, or the closure of his premises for a period not exceeding one year.

If the offence is repeated, the court may order the cancellation Commercial registration.

B- Any foreign worker, who commits a violation to Paragraph A of Article 23 of this Act, shall be penalized by a fine not exceeding 100 Dinars.

In the event of conviction, the court shall order the deportation of the foreign worker from the Kingdom and the prohibition of his re-entry either permanently or for a temporary period of not less than three years.

C- Without prejudice to any severe penalties stipulated under the Penal Code or any other law, any employer, Recruitment (Manpower)Agency , employment office, their Representatives or officials responsible for their actual administration, who contravenes the provisions of Paragraph B of Article 34 of this Act, shall be penalized by a fine of not less than 500 Dinars but not exceeding 2000 Dinars.

The lower and higher limits of this penalty shall be doubled in the event of habitual offenders.

D- Pecuniary punishments, shall neither be suspended, nor be less than the lower limit, as provided by the law, for any excuse or mitigating factor.

ARTICLE 37
LIABILITY OF LEGAL PERSONS

Legal persons shall be criminally liable if any of the crimes, provide for, under this Act is committed under their names, to their account, benefit or was a result of gross negligence, consent, cover- up of any of the members of the board of directors or any other official of such legal person, or any other person acting in such a capacity.

The penalty for legal persons shall be punished by double the maximum and lower limits of fines, as provided for under the provisions this Act.

Legal person's liability shall not prejudice the liability of natural persons, in accordance with the provisions of this Act.

ARTICLE 38
ADMINISTRATIVE CLOSURE

The Minister in charge of the Commercial Register, upon the recommendation of the Chief Executive Officer, shall issue a resolution specifying the grounds, for the order of suspension of any commercial or industrial establishment or the administrative closure of its premises for a period, not exceeding six month, in any of the following circumstances:

1- The establishment obtained a work permit for a foreign worker who is proven to have engaged in work with agreement of such establishment and in contravention of the terms of the permit.

2- The establishment employed a foreign worker in contravention of Paragraph B of Article23 of this Act.

The Minister in charge of the commercial register shall issue, in coordination with the relevant Minister, a decision with regard to the rules and procedure for the suspension of businesses and the administrative closure of premises.

ARTICLE 39
REPORT OF VIOLATIONS

Subject to the provisions of Articles 233 and 234 of the Penal Code, the Authority shall issue regulations for encouraging members of the public to report any instance of violation of the provisions of this Act that comes to their knowledge in good faith. The regulations shall include setting rewards for such reporters, provided that a settlement or a conviction by a final judicial ruling was passed on the reported issue.

**ARTICLE 40
CONCILIATION**

In cases, where the commitment of offences have not been repeated, a conciliation may be achieved in connection with the crime specified in paragraph B of Article 23 of this Act by payment of the minimum fine specified for such crime.

The officer filing the report with regard to such violation shall, after confronting the offender with his violation, offer

Conciliation and shall record such offer in the report. Offenders desirous to conclude conciliation must settle the minimum amount of fine within seven working days, as from the offer of conciliation.

The above procedure shall take place in accordance with the rules and procedures set out in a decision issued by the Board of Directors.

The criminal claim and all its effects shall be rendered null and void immediately upon payment of the full amount of the settlement.

CHAPTER THREE: MISCELLANEOUS PROVISIONS
ARTICLE 41
OTHER OBLIGATIONS

The provisions of this Act shall not prejudice any of the terms or permits, licenses or other obligations stipulated in any other law.

ARTICLE 42

FEEES

A- Fees shall be levied on employers for the issuance or renewal of each work permit.

Fees shall be levied on recruitment (Manpower) agencies and employment offices for the issuance or renewal of each license to carry their activities.

Fees shall be levied on foreign employers for each permit issued in accordance with the provisions of Article 31 of this Act.

The Authority shall propose the decisions with regard to the specifying the category of such fees, the ratios of increase, decrease thereof, and the circumstances under which fees may be fully or partially reimbursed, taking into account the recommendations of all parties contributing to production.

The Authority shall raise such proposals to the minister who shall present same, to the cabinet, to issue resolution thereupon.

The Authority shall propose default penalties, not exceeding double the amount of the fees due, and shall raise such proposal to the Minister, who shall submit the same to the cabinet to decide what it deems fit.

The decision to levy fees, and default penalty shall be published in the Official Gazette.

B- The Authority shall take into consideration when proposing such fees, the National plan for the Labour Market , the extent of the ability of the Bahraini worker to compete in the labour market and that the ratio of increase in the fees must be reciprocal to the ratio of Bhrainization.

C- The Authority prior to proposing any fees must take into consideration the rules and regulations and procedure stated in this Act, provided that there shall be no change in fees, only after studies and commercial surveys with regards to the impact of these changes in fees on the general economic situation in the kingdom, and in particular to situations pertaining to inflation and the Consumer price Index.

D- The Authority shall propose separate regulations for charging fees for domestic workers and those who fall in similar category, after 3 years, as from the date of implementation of the provisions of this Act.

Such proposal shall be submitted to the minister to present to the cabinet to issue a resolution, thereupon.

Until such regulations are introduced the Authority shall continue to implement the provisions of Chapter Two of the Act, with regard to Employment in the Private Sector, promulgated by virtue of Decree number 23 of 1976, and the ministerial resolutions issued for its implementation.

E- The Authority shall deduct 20% (twenty per cent) of the total amount of collected fees and shall deposit it in the government's general account.

F- The Authority shall transfer to the Labour Fund the balance of the total value of fees , after deducting the amount referred to in the above Paragraph, within the periods and in accordance with the procedure agreed upon by the Authority, the Ministry of Finance and the Labour Fund.

G- There shall be no increase on fees, enforceable at the commencement of the application of this Act, save before 1-1-2007

ARTICLE 43
PROVIDING THE AUTHORITY WITH DATA AND OTHER PARTICULARS

A- All private and public agencies in the Kingdom shall provide the Authority with the data, information or statistics, pertaining to the Authority's activities, within a reasonable period of time specified by the Authority.

B- Any private agency, which violates the provisions of the above Paragraph shall be punished with fine not exceeding a maximum of five hundred Dinars and not less than a minimum of one hundred Dinars. Punishment shall multiply reciprocal to the number of violators.

ARTICLE 44
TRANSITIONAL PROVISIONS

A- The ministerial decisions with regard to the regulations of the employment of foreign workers, which are in force at the time of the promulgation of this Act, shall continue valid,- save as they do not contradict the provisions of this Act - until the Authority issues the regulations and decisions, for the implementation this Act.

B- The work permits and employment cards valid at the date of the enforcement of the provisions of this Act, shall remain valid until their expiry dates, or until they are suspended or withdrawn in accordance with the provisions of this Act.

C- The licenses for Recruitment (Manpower) agencies valid at the date the enforcement of this Act shall remain until they expire or are cancelled.

ARTICLE 45
COLLECTED FINES

The Labour Fund shall receive the fines, resulting from judgments passed, in accordance with the provisions of this Act.

ARTICLE 46
CANCELLATION

Subject to the provisions of paragraph (D) of article (42) of this Act, the second section of the Private Sector, Labour Act, issued by virtue of Decree number 23 for the year 1976, is hereby cancelled.

ARTICLE 47
THE IMPLEMENTATION OF THE PROVISIONS OF THE ACT

The Prime Minister and ministers- each within his ambit of jurisdiction- shall implement the provisions of this Act, which shall come into effect on the next day following the date of publication in the Official Gazette.

King of the Kingdom of Bahrain
Hamad bin Isa Al Khalifa

Issued at Rifa'a Palace
On Second Jumad 1427 Hijri
29 May 2006