



**Ministerial Order Number (83) of 2020**  
**Regarding Criteria, Conditions and Rules Governing the Disclosure of Ultimate Beneficial Owner**

The Minister of Industry, Commerce and Tourism,

After reviewing Decree Law No. (4) of 2001 with respect to the Prevention and Prohibition of Money Laundering and the Financing of Terrorism as amended;

Commercial Companies Law, promulgated by Legislative Decree No. (21) of 2001 as amended;

The Central Bank of Bahrain and Financial Institutions Law promulgated by Law No. (64) of 2006 as amended;

Decree-Law No. (27) for the year 2015 concerning the Commercial Register as amended;

Ministerial Order No. (173) of 2017 concerning Obligations related to Procedures for the Prohibition and Combating of Money Laundering and Terrorism Financing of Businesses and Persons Registered in the Commercial Register and the Audit Registry in the Kingdom of Bahrain as amended by Order No (108) of 2018

Ministerial Order No. (19) of 2018 issuing the Charter of Management and Corporate Governance Code;

And after discussion with the Minister of Finance and National Economy;

And based on the presentation of the Undersecretary of Commerce Affairs

**It has been decided:**



## Article (1)

### Definitions

**Ministry:** The Ministry concerned with Commerce Affairs;

**Concerned Directorate:** The Directorate responsible for the Commercial Register;

**Directorate Concerned with Control:** The Companies Control Directorate at the Ministry, or the directorate nominated by the Minister concerned with commerce affairs.

**Applicant:** Every natural or legal person who applies to the concerned Directorate for registration in the commercial register;

**Registered Person :**Every Trader registered in the commercial register according to the provisions of Decree Law No (27) 2015 concerning the Commercial Register;

**Holders of a controlling interest:** Every natural or legal person who owns a controlling interest equal to or greater than 10% of the capital of the Registered Person;

**Amendment:** Any amendments being made to the information of a registered person in the commercial registry in a way that affects its ownership structure.

**Ultimate Beneficial Owner:** the natural person(s) who ultimately owns or controls a registered person and/or the natural person(s) on whose behalf a transaction is being conducted. It also includes those person (s) who exercise ultimate effective control over a legal person or arrangement.

## Article (2)

### Application

Except those licensed by the Central Bank of Bahrain, The provisions of this order shall be applicable to all registered Persons in accordance with Decree-Law No. (27) for the year 2015 concerning the Commercial Register .



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### **Article (3)**

#### **Criteria , conditions , and Rules for identifying the Ultimate Beneficial Owner**

Along with adhering to all conditions and criteria adopted by the Financial Action Task Force (FATF) , the Ultimate Beneficial Owner may satisfy all or some of the below conditions:

1. Owning or controlling, directly or indirectly, a percentage equal to or exceeding 10% of the capital or voting rights of the Registered Person;
2. Where the Registered Person is a legal person owned by another legal person or legal arrangement, then the Ultimate Beneficial Owner is the natural person who is the ultimate owner of the ownership chain or who exercises effective control over it;
3. The ability to make or influence decisions in the Registered Person either directly or through other means such as personal communications or through participation in the financing of the project, family relations or through any kind of contract, arrangement, understanding, relationship or through a hierarchical entity (in the ownership chain of legal entities);
4. The natural person who contributes to financing the business of the Registered Person or its assets, or that transactions are made in its favour, even if these contributions are hidden;
5. Having direct or indirect control over the operations of the Registered Person through a management agreement, power of attorney or similar instrument;
6. Ultimate effective control through a series of ownerships or other means of control other than direct control of a Registered Person;



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7. Natural persons who may exercise control through management positions within the Registered Person in such a way that affects the strategic decisions or influences the general direction of the Registered Person;
8. Any other conditions, criteria, and rules determined by the Minister, in accordance with international requirements and standards that guarantees the best practices related to improvement of the international tax compliance, anti-money-laundering and counter-financing of terrorism.

#### **Article (4)**

##### **Responsibilities of the Applicant**

A) the Applicant shall provide the Directorate Concerned with Commercial Registration with an electronic statement (in a format approved by the Ministry) specifying information on the Ultimate Beneficial Owner. This statement shall contain the following information:

1. Full name of the Ultimate Beneficial Owner;
2. Passport Number of the Ultimate Beneficial Owner
3. identity card number of the Ultimate Beneficial Owner;
4. A copy of the Valid passport of the Ultimate Beneficial Owner
5. A Copy of Valid identity card of the Ultimate Beneficial Owner;
6. The jurisdiction where the Ultimate Beneficial Owner is resident for tax purposes together with details of any Tax Identification Numbers issued by that jurisdiction;
7. Full contact details of the Ultimate Beneficial Owner, including, residential and e-mail addresses, together with a telephone number.

B) the Concerned Directorate or the Directorate Concerned with Control may request the applicant to provide any information or any other additional documents related to the Ultimate Beneficial Owner. the Concerned Directorate may also refuse the registration in the absence of such information or documents.



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### **Article (5)**

#### **Responsibilities of the Holder of Controlling Interest**

- A) Holders of Controlling Interests must during their request to register their interest in the commercial register or within 3 working days from any amendment regarding their interest submit an electronic statement according in a format approved by the Ministry specifying the information of the Ultimate Beneficial Owner of their interest in the Registered Person, the statement must include the information stipulated in Paragraph (A) of Article (4) of this order.
- B) the Concerned Directorate or the Directorate Concerned with Control may request the applicant to provide any information or any other additional documents related to the Ultimate Beneficial Owner. the Concerned Directorate may also refuse the registration in the absence of such information or documents.

### **Article (6)**

#### **Responsibilities of the Registered Persons to Provide and Update The Details of Ultimate Beneficial Owner**

The Registered Person shall provide any other details required related the Ultimate Beneficial Owner and required by the Concerned Directorate, in addition the registered person must immediately update the details of the Ultimate Beneficial Owner whenever there is any change in it.

### **Article (7)**

#### **Procedures of Violating this Order**

Without breach of the provision of Articles (19) and (20) of the Decree-Law No. (27) for the year 2015 concerning the Commercial Register, in case of failure to provide the details of Ultimate Beneficial Owner as stipulated in this order Decree-Law No. (27) for the year 2015 concerning the Commercial Register, the Ministry May take any of the following actions:



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1. Suspend the commercial registration of a Registered Person;
2. Impose an administrative fine that does not exceed BD 1000 per day when committing the breach for the first time and BD 2,000 per day in case of committing any other breach within three years from the date of issuing a decision in respect to the previous breach. In all cases, the total fines shall not exceed Bahrain Dinars Fifty Thousand (BD 50,000);
3. An administrative fine not exceeding Bahrain Dinars One Hundred Thousand (BD 100,000);
4. Strike the Registered Person from the commercial register.

### **Article (8)**

#### **Enforcement**

The Undersecretary, Commerce Affairs shall implement the provisions of this Ministerial Order, from the second day of its in the Official Gazette

**Minister of Industry, Commerce and Tourism**

**Zayed Bin Rashid Al Zayani**

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Corresponding to 22 July 2020 G