

---

*The English translations of the RERA legislation contained herein are currently in draft form and are provided for reference only.*

---

# Decision No. (1) of 2018 on the Licenses of the Developer, Broker and Sales Agent in the Real Estate Sector

Chairman of the Real Estate Regulatory Authority:

Upon review of the Regulation of the Real Estate Sector Law, promulgated by Law no. (27) of 2017;

Decree no. (69) of 2017 on the Organization of the Real Estate Regulatory Authority;

Decision No. (5) of 2018 on Determining Fees Due for Services, Applications and Licenses of the Real Estate Sector;

And upon the proposal of the Chief Executive of the Real Estate Regulatory Authority;

And upon the approval of the Real Estate Regulatory Authority's Board of Directors;

Decides the Following:

## Chapter One General Provisions

### Section I Definitions

#### Article (1)

In the application of the provisions of this Decision, the words and phrases stated therein shall have the meanings stated in the Regulation of the Real Estate Sector Law, promulgated by Law no. (27) of 2017. In addition, the following words and phrases shall have the meanings assigned to each of them, unless the context requires otherwise:

**Law:** The Regulation of the Real Estate Sector Law, promulgated by Law no. (27) of 2017.

**Real estate sector activities:** Real estate development services, real estate brokerage, and their categories.

**Application:** The application submitted to the Authority to obtain a license to practice any of the activities of the real estate sector according to the form prepared by the Authority.

**Applicant for License:** Any natural or legal person applying to the Authority to obtain a license to practice any of the activities of the real estate sector.

**License:** Final written approval issued by the Authority to the applicant for the license to practice any of the activities of the real estate sector.

**Real Estate Broker:** A natural or legal person licensed to practice real estate brokerage.

**Sales Agent:** A licensed natural person who practices his business through contracting with a real estate agent or working for him and facilitates the conclusion of sale contracts for real estate.

Section II  
Scope of Application of the Decision

Article (2)

The provisions stated in this Decision shall apply to the following licenses:

- 1) Real estate developer.
- 2) Real estate broker.
- 3) Real estate sales agent.

Chapter Two  
Licenses

Section I Power to Issue Licenses

Article (3)

The Authority shall issue licenses for real estate activities in the Kingdom.

Article (4)

No natural or legal person may practice any of the activities of the real estate sector without obtaining a prior license from the Authority.

Section II Application for License

*First: General Conditions*

Article (5)

The applicant for a license must satisfy the following conditions:

- 1) If he is a natural person:
  - A) He must not have been convicted of a final judgment for a crime of moral turpitude or dishonesty, unless he has been rehabilitated.
  - B) He must not have been declared bankrupt by a final judgment, unless he has been rehabilitated.
- 2) If it is a legal person:
  - A) It must not have been declared bankrupt by a final judgment.
  - B) The directors must not have been declared bankrupt; and they must not have been directors of a liquidated company.
  - C) None of the directors must not have been convicted of a final judgment for a crime of moral turpitude or dishonesty, unless he has been rehabilitated.

Article (6)

The application shall be submitted to the Authority, accompanied by the following data and documents:

- 1) If he is a natural person:
  - A) A copy of the certificate of the applicant's registration in the Commercial Register, including the activity required to be licensed.
  - B) A copy of a valid identity card or passport for the applicant.
  - C) A recent personal photograph of the applicant.
  - D) Identification data of the applicant for license, in particular its location, telephone numbers, website, work sites and branches, if any.
  - E) A proof for the payment of the application fee.
  - F) Any other documents or data required by the Authority.

2) If it is a legal person:

- A) A copy of the certificate of the applicant's registration in the Commercial Register, including the activity required to be licensed.
- B) Documents showing the structure of the company and the names of the directors and the representatives of the applicant for license before the Authority.
- C) A proof for the payment of the application fee.
- D) Any other documents or data required by the Authority.

## Second: Special Conditions

### Article (7) Real Estate Developer

Subject to the general conditions, the applicant for license must submit the following data and documents:

- 1) The financial audit reports for the last three years of the accounts of the development company or the developer who owns the project's land as the case may be; excluding newly established companies.
- 2) A document showing the name and data of the financial auditor and the bank designated by the development company.
- 3) Documents showing the ability of the applicant to perform the financial obligations sufficient to practice the activity.
- 4) A statement of the real estate development projects carried out during the five years preceding the date of submitting the application, if any.

### Article (8) Real Estate Broker

Subject to the general conditions, the applicant for a license must satisfy the following conditions:

- 1) He must have at least three years' experience, domestically or internationally, in real estate activities.
- 2) He must pass the examinations and training courses held by the Authority.

### Article (9) Real Estate Sales Agent

Subject to the general conditions, the applicant for the license, except for the registration certificate in the Commercial Register for the person who works with a real estate broker, must submit the following data and documents:

- 1) A declaration issued by a licensed real estate broker indicating his approval of the work of the applicant for license with him when he obtains a sales agent license if he is not in a contract with him.
- 2) He must pass the examinations and training courses held by the Authority.

### Article (10) Licensing for a Foreigner

If the applicant for license is a foreigner, the granting of the license shall be governed by the provisions regulating the practice of the activities of the real estate sector by non-Bahrainis, as the case may be.

## Section III Issuing the License

### Article (11)

The Authority shall examine the application after completing all required documents and data, and issue its decision of approval or rejection within five days as of the date of submitting the application.

In case of rejection of the application, the decision of rejection must be reasoned. The expiry of such period without response shall be considered as an implicit rejection of the request.

The applicant may complain against the decision to reject his application in accordance with the regulations stipulated in the Law.

#### Article (12)

The license shall be issued in accordance with the form prescribed by the Authority, after payment of the license fee.

#### Article (13)

The license shall be valid for one calendar year beginning from the date of its issue.

#### Article (14)

The licensee may not waive or dispose of the license to third parties.

### Chapter Three Obligations of Licensee

#### Article (15)

The Licensee must display the license issued to him in a visible place at his place of work.

#### Article (16)

The licensee may not perform any work or activity contrary to the purpose for which the license was granted to him. In case of violating this, the Authority may take the measures stipulated in the Law.

#### Article (17)

The licensee shall inform the Authority of any changes or modifications to its identification data. In case of not informing, all communications and correspondence addressed to him shall be binding to him, with all of their legal effects.

#### Article (18)

The licensee shall notify the Authority of any changes or modifications to the registration data in the Commercial Register within seven days as of the date of their occurrence.

#### Article (19)

The licensee shall maintain and maintain the records of its financial transactions, invoices, accounts, lists, statements and other papers related to the license, for a period not less than (5) years.

### Chapter Four Renewal and Cancellation of License

#### Section I Renewal of License

#### Article (20)

The licensee must submit the application for renewal of the license not less than sixty days before the expiry of its validity period, accompanied by the following documents and data:

- 1) The application for renewal.
- 2) Payment of the fee set for renewal of the license.
- 3) A copy of the valid registration certificate in the Commercial Register.
- 4) Any other documents or data required by the Authority.

### Article (21)

The Authority shall examine the application for renewal after completing all required documents and data, and issue its decision of approval or rejection within five days as of the date of submitting the application. In case of rejection of the application, the decision of rejection must be reasoned. The expiry of such period without response shall be considered as an implicit rejection of the request.

The applicant may complain against the decision to reject his application in accordance with the regulations stipulated in the Law.

## Section II Cancellation of License

### Article (22)

The license shall be cancelled in any of the following cases:

- 1) If it is proven to the Authority that the licensee obtained the license on the basis of incorrect information or documents.
- 2) If the licensee loses one or more of the license conditions.
- 3) If the licensee waives or disposes of the license to third parties.
- 4) The expiry of its period without renewing it.
- 5) The merger of the legal personality of the licensee without prior approval of the Authority.
- 6) If the licensee requests the termination of the license.
- 7) If the legal personality of the licensee.
- 8) Writing off or deletion of the licensee's entry in the Commercial Register.

## Chapter Five Transitional and Final Provisions

### Article (23)

The real estate developers, real estate brokers and real estate sales agents carrying on business as of the date on which this Law comes into force shall request to rectify their status within a period of six months as of the date on which the Law come into force.

The Authority may exempt the applicant for rectifying status from some of the conditions of the license, and he may be granted a transitional license for a period of one calendar year.

### Article (24)

Any provision contradicting with the provisions of this Decision shall be repealed.

### Article (25)

The Chief Executive shall enforce this Decision; and it shall come into force on the day following the date of its publication in the Official Gazette.

Chairman of the Real Estate Regulatory Authority  
Salman Bin Abdullah Bin Hamad Al-Khalifa

Promulgated on: 13 Jumada Al-Akhera 1439 H  
Corresponding to: 1 March 2018