

Kingdom of Bahrain مملكة البحرين

مؤسسة التنظيم العقاري
Real Estate Regulatory Authority



License

Application Guide

Property Managers

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1. What Property Managers Need to Know

You need a License to operate as a Property Manager in Bahrain: Property Managers will be required to have a RERA Property Manager license to operate in Bahrain from 5 July 2018. Decision No. (4) on Licensing the Management and Operation of Real Estate Properties was published in the Gazette on 5 July 2018 and may be found on the RERA website www.rera.gov.bh under RERA laws. It provides a process for the issuance of property manager licenses as authorised by Article 46 of Law 27 of 2017.

Article 3 of the Resolution empowers RERA to issue Property Manager licenses for the management and operation of real estate properties in Bahrain. The Resolution defines the “Management and Operation of Real Estate Properties” as:

“Management and operation of real estate properties on behalf of its owners, including the preparation and implementation of schedules of maintenance and repair of a real estate property and its equipment and facilities, leasing, development, cleaning and insurance thereof, the preparation of the budget and participation in the management of its bank accounts and the real estate property-related accounting and financial reporting. “

Some property managers may also decide to fulfil the role and functions of an Owners Association Manager. Article 66 of Law 27 of 2017 permits RERA to issue a property manager’s license for the purpose of providing association management functions. In the event that a Property Manager undertakes Owners Association duties in addition to his Property Management functions, he must disclose in writing any potential conflicts of interest to the Owners Association Board of Directors in advance of taking up such duties. The RERA Code of Conduct outlines the Conflicts of Interest Policy which must be adhered to at all times in order to receive and renew real estate service providers licenses.

As a guideline a Property Manager should not provide Owners Association Manager duties in the same building /development where he fulfils the role of property manager unless he discloses in writing any potential conflict of interest to the Owners Association Board of Directors in advance of taking up such duties. A Property Manager can provide owners association manager services in another building/development where there is no conflict of interest.

For those who do not wish to provide property management services and to exclusively function as an owners association manager, a separate Owners Association Manager Licence is available. For further information please refer to the License Application Guide for Owners Association Managers.

The Resolution defines “Functions of Owners Association”:

“The tasks the Property Manager undertakes to do under delegation by the Owners Association in relation to some of its competencies, which include facilitating meetings, coordinating with the Owners Association Board of Directors, supporting the development and implementation of the operational rules of the Owners Association, the annual budget of the Owners Association, the preparation of financial and technical reports and other works that may be assigned to him.”

Property Managers with experience and qualifications in association management and subject to completion of the relevant RERA CPD training may have the additional function of owners association management recorded on the license issued by RERA.

This Guide provides information about:

- The application form for a Property Manager’s License
- Application processes - the evidence that should be lodged to support the application
- Application fees
- Obligations and responsibilities of licensees
- Additional evidence to be lodged with the application where the applicant wishes to perform association management functions.

Sample Application Forms - Two application forms are available:

- Application by an individual - see www.rera.gov.bh
- Application by a representative of a company - see www.gov.bh

Supporting documentation required for applications: All license applications require supporting documentation to provide proof of their experience in property management and relevant qualifications. It is important to have documentation ready before submitting an application.

Application processes for property manager licenses - the application form may be downloaded from the RERA website www.rera.gov.bh , completed and lodged in person at RERA offices.

All supporting documents must be lodged in soft copy, PDF version or equivalent, together with a hard copy. To speed the RERA review process, each supporting document must be in a separate PDF file and the file name must include the applicant’s name and the attachment number as outlined on the application form.

A full license or transitional license will be issued depending on the experience and qualifications of the applicant. If the applicant also establishes owners association management experience, then the license may be issued with an annotation that the applicant is also authorised to provide owners association management functions. All licensees must participate in the RERA Continuous Professional Development (CPD) Programme. There will be mandatory training for all licensees, with additional training and other requirements depending on the licensee’s level of relevant experience, competencies and qualifications.

Fees - No license fees currently apply.

Six months to comply - Property Managers have a six months transition period which expires on 4 January 2019 in which to comply with the new regulations and complete the license application process.

License Validity period - the full Property Manager license will be valid for a period of 12 months and must be renewed before expiry. The transitional license is valid for six months and specified training must be completed during that period.

Continuing Professional Development (CPD) - All licensees are required to participate in the RERA CPD programme. All applicants will be obliged to attend and complete the mandatory CPD training, with additional requirements depending on the level of relevant experience, competencies and qualifications.

Real estate service providers are encouraged to check for updates on the RERA website, as guidelines will be issued from time to time to address important issues as they arise.

2. Applying for a Property Manager License

Property managers involved in the activity of property management must be licensed by RERA before the expiry of the transition period which ends on 4th January 2019. - see Article 46 of the Law and the Property Manager's Licensing Resolution on www.rera.gov.bh .

The law permits the property manager license to be extended to include association management functions for suitably qualified and experienced applicants. Please refer to the Licence Application Guide for Owners Association Manager for full information on the specific requirements for this license category.

The Property Manager Resolution permits the issuance of full and transitional Property Manager licenses depending on qualifications, competencies and experience.

Where RERA considers the application to have sufficient experience, competency and qualification to fulfil the duties of a professional property manager, RERA will issue a Property Manager License card and certificate to the applicant. The following variations exist:

- A full license to applicants with more than 3 years' experience.
- A transitional license to for applicants with 6 months to 3 years' experience.
- A full license annotated with the additional function of association management where the applicant has proven experience as an association manager and who completes the RERA CPD requirements.

2.1 Property Manager application process

An applicant may be a Bahraini citizen or a foreigner. When completing the application form, the following should be noted:

Company details - please insert:

- ✓ Full company name, contact details, CCR number, address, website;

- ✓ Details of the Anti-Money Laundering compliance officer and email address.

Authorised Representative Details - the company licence will be issued in the company name with an authorised senior management member designated as the Authorised Representative on the License. Each property manager engaged by the company must apply for a Property Manager Licence in their own right while quoting the Licence number of the company in their license application. Each Licensee must meet all requirements including participation in the RERA CPD Programme and compliance with the RERA Code of Conduct in order to have the license renewed annually. Each Licensee will receive a Property Manager License Card to include the license number and the company license number. Please insert:

- ✓ Full name and contact details for the senior management member designated as the Authorised Representative for the license
- ✓ Position in the company
- ✓ A statement in the panel provided of the years of experience in property management
- ✓ Anti-money laundering contact person's details.

Checklist Supporting documents for a property manager license application

#	Supporting Documents	Notes
1	For a company, copy of commercial registration certification with requisite property management activity.	The certificate should display the property management activity. RERA will also require the applicant to lodge an extract of the MOICT record of the CR, which will demonstrate that no infringement notices are recorded. This notice should be less than a week old.
2	For a company, Clearance Certificate issued by Ministry of Interior covering all directors.	This helps establish the good character of the key company personnel. This should be dated no more than 3 months before the date of the application.
3	For a company, document authorizing the representative to complete the application.	Power of attorney or letter by Company authorizing the applicant to complete the declaration. The letter on company letterhead should specifically nominate the representative for the purpose of receiving a license for the company.
4	Photo - a passport-size photo of a good standard for the individual applicant or for the company representative	The intention is to print the photograph on the card issued by RERA
5	For the individual: <ul style="list-style-type: none"> • A copy of the ID card/ Passport • A passport-size photo • Clearance certificate by the Ministry of the Interior 	
6	For all applicants - Document setting	<i>If more than three years' experience</i> - an

#	Supporting Documents	Notes
	<p>out experience as a Property Manager:</p> <p>(See the Supplementary Template provided as an addendum to the Property Manager Application form)</p> <p>This documentation should include: An up-to- date CV, copies of relevant property management contracts, details of the applicant's role, responsibilities and duties, number and types (residential, commercial, mixed use) of units under management, fee collection budgets, duration of contract and other relevant details highlighting proven competencies in property management, letters of reference and testimonials.</p> <p>Where the applicant also intends to undertake association management activities, evidence of experience as an association manager is required.</p>	<p>applicant establishing 3 years' experience in property management will be issued a full license (subject to the completion of the RERA CPD mandatory training). The supporting documentation should include the following: an up to date CV, copies of contracts for specific management activities, the duration of the contract, the functions performed, and the size of the development managed (nature of development), use (commercial, residential etc), number of units managed etc. The applicant should also record any academic qualifications, competencies and other training to support the application.</p> <p><i>If 6 months to 3 years' experience</i> - if the applicant has less than 3 years' experience' but more than 6 months' experience, RERA may issue a transitional license that will expire after 6 months, subject to the condition that the licensee must undertake and pass RERA-approved training courses during that 6-month period. Full details of the experience must be provided and RERA will record on the license that it is conditional upon completing the Continuing Professional Development courses specified by RERA.</p> <p><i>Less than 6 months experience</i> - applicants must complete the RERA CPD Foundation in Property Management Course, provide references on completion of 6 months experience in a property management related role before being eligible to apply for a Transition license.</p>
7	For those applying for the Owners Association Management annotation on the license	Additional documentation is required to establish at least 12 months' experience in association management functions. This should detail the associations managed, duration of contract, size of association, land use in the association, the nature of the activities performed and any other relevant information to demonstrate competencies in such a role. Where appropriate, attach copies of contracts

Note: A person with no relevant experience or qualifications must undertake and successfully complete RERA-approved training before applying for a license.

Declaration - The application form includes a declaration as follows, to be completed by the authorised representative:

- All information supplied with this application is true and correct.
- The applicant will immediately advise RERA of any changes to the status of the applicant that alters or changes any of the information in the RERA property manager register.
- Directors of the company are not currently subject to a judgement in bankruptcy by a competent court in Bahrain.
- The applicant agrees to comply with the RERA Code of Conduct, including guidelines on conflicts of interest.
- The company agrees to comply with the requirements of Law no. 4 of 2001 concerning the prohibition of money laundering.
- The company agrees to comply with the requirement for all its Property Managers to be licensed
- The company agrees that all its Property Managers will participate in and comply with the RERA CPD requirements

3. Ongoing Obligations of Licensed Property Managers

The ongoing obligations of the licensed property manager will include the following:

- Complying with the RERA Code of Conduct which includes Conflicts of Interest policy - see www.rera.gov.bh
- Displaying License details in the office, on all communication including on letter head, advertisements, promotional material business cards, website etc.
- A property manager shall not represent a client if he has an interest in the activities of that client that limits the impartiality of the property manager (see more details in Article 24 of the Resolution and RERA Code of Conduct.)
- Professional Indemnity Insurance - Property management service providers are required to hold professional indemnity insurance which protects the policyholder against claims made against them in respect of their legal liability for losses arising from a breach of professional duty /contract.
- Periodic reporting - the licensee must provide periodic reports to RERA of details of all contracts for the management and operation of real estate properties. This includes:
 - names of parties;
 - date and term of contract;
 - nature of service provided;
 - contract price;
 - details of any disclosed conflict of interest;
 - other material facts relevant to the fulfilment of the property management role and function.

- Continuing Professional Development (CPD) - RERA will arrange the required training courses. The following are anticipated in the first year before license renewal:
 - The holder of a full license - must complete the Certificate in Property Management. This is a mandatory requirement for all license applicants.
 - Holder of a full Property Management license and owners association extension - complete the Certificate in Property Management and the Owners Association certification.
 - Transitional Licensee - complete the Certificate in Property Management and additional training as deemed necessary by RERA in order to be eligible to apply for a full license. A person with no qualification or relevant experience must first complete the Foundation in Property Management and may then apply for a Transitional License.

4. Owners Association Manager Activities

4.1 New Resolution for Owners' Associations

RERA expects that an additional resolution for Joint Property (Common Property; Joint Ownership) will issue in Quarter 3 2018. This will provide information to guide Owners Associations, Boards of Owners Associations and licensed Association Managers in the day-to-day management aspects of Owners Associations. Detailed guidelines will be published on the website at that time.

4.2 Owners Association Manager duties in the draft Joint Property Regulation

The Resolution describes the appointment of an association manager by the owners' association or the Board of the Association and sets out the functions of the Association Manager. These duties are expected to include:

- i. work with the Association Board to develop strategies for the management of the Common Areas;
- ii. implement strategies, programs and plans set by the Board;
- iii. represent the Owners Association and the Board before relevant authorities;
- iv. facilitate meetings of the Board and the Owners Association;
- v. provide the full range of administrative and secretarial services to the Board and the Owners Association;
- vi. facilitate the Owners Association exercising its functions and powers;
- vii. arrange for tenders and facilitate the entry into contracts on behalf of the Owners Association;
- viii. supervise the performance of contractors and suppliers to the Owners Association and report to the Board or General Assembly;
- ix. prepare annual budgets for the approval of the Board;
- x. address queries and complaints of the Owners;
- xi. process insurance claims;

- xii. undertake basic credit control processes;
- xiii. supervise legal proceedings including any proceedings under Article 68 (b) of the Law;
- xiv. ensure all proposed Works are compliant and supervise such Works;
- xv. collect, update and safeguard all information of the Owners Association including a roll of all Owners and their addresses.

An association Manager must be independent of the developer or any owner in the Joint Property, follow lawful instructions of the Owners Association or Board, disclose to the Board or the General Assembly any conflicts of interest and act honestly, fairly and transparently in all dealings including with the Board and owners.

In all circumstances the association manager shall owe a duty to the Authority to provide information concerning the Board and the owner association and what the Authority may direct from time to time and may not delegate its obligations pursuant to this article.

Additional Guidelines to be available on www.rera.gov.bh

- Guide for Owners Associations
- Guide for Developers creating Joint Properties and Owners associations.