

Kingdom of Bahrain مملكة البحرين

مؤسسة التنظيم العقاري
Real Estate Regulatory Authority



Guide

Property
Developers

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1. Real Estate Regulatory Authority – What Property Developers Need to Know

You Need a License to Operate and Sell Property in Bahrain: Property developers intending to construct or offer off-plan units for sale need to have a license to undertake these activities. Licenses will be issued by the Real Estate Regulatory Authority (RERA). License categories include a developer license, development license for an off-plan sale project and a license to advertise off-plan units for sale in Bahrain.

The types of license issued by RERA will include:

Property Developer Licenses

- Developer License (Company)
- Developer License (Individual)

Project Development Licenses

- License for new developments – this is called an Off-Plan Sale Project License
- A license to replace an existing project license issued by the One Stop Shop under the Law No. (28) of year 2014 – this is called a Replacement Development License
- License for an existing project that does not yet have a One Stop Shop license – this is called a Transitional Development License.

Note that not all existing developments may receive a development license. If the project has stalled for example, or is the subject of a major dispute, it may fall within the jurisdiction of the stalled projects committee.

Advertising Licenses [for developers and brokers]

- **Market Research Advertising License** – a developer with a new development project intending to apply for an Off-Plan Sale Project License may first apply for a short-term license to “test the market waters” under a Market Research Advertising License. This type of license permits a Letter of Interest to be signed by the developer with interested buyers.
- **Full Advertising License** – a developer with a development license issued by RERA [an Off-Plan Sale Project License, a Replacement Development License or a Transitional Development License] may also obtain a longer-term advertising license. Which enables the developer after the expiry of the Market Research Advertising License and replacing it with a Full Advertising License to then sign a Reservation Agreement with an interested buyer. It is possible that RERA will seek to issue this license automatically when the developer applies for the replacement development license (and RERA may seek more information about the escrow account at that time).
- **Transition Period Advertising License** – where an existing development is partly constructed and the developer plans to apply for a Transitional Development License, then an application may be made for the transition advertising license,

permitting the developer to advertise the units and to sign Reservation Agreements with interested buyers.

Sample Application Forms – A full set of application forms is attached – see Appendices.

Supporting documentation required for applications: All license applications require supporting documentation. This documentation is summarised on the application forms. The information varies according to the type of license and whether the application is for an individual or a company. It is important to have documentation ready before making an application.

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

Application processes for developer licenses – applications for the developer licenses are available online. It will be possible on the RERA website to complete the application form, upload the supporting documents [one document per PDF file] and lodge the application. A license will generally be available from RERA within 5 days.

- *Application processes for development licenses and advertising licenses* - the applications for development licenses and for advertising license will be slightly different. *Lodge in person at RERA on the 10th floor of the Survey & Land Registration Bureau (SLRB) building* – bring the completed application to RERA together with soft copies of all supporting documents and a hard copy.

This information is also for Exhibitors at Property Development Exhibitions

Exhibitors intending to offer off-plan units for sale at property development exhibitions need to hold a developer license or be a licensed broker engaged by a licensed developer. They will also need the appropriate advertising license. Development licenses will also be required before entering into binding sales contracts with interested buyers.

RERA Website: www.rera.gov.bh

In order to provide information to stakeholders and the public, the RERA website is operational. The following are available on the website:

- All application forms
- Explanatory information and templates for supporting information.

The following applications may be lodged online:

- Application for a developer licence – company
- Application for a developer license – individual
- Application for broker license – company and individual

- Application for sales agent license

Stakeholders are encouraged to monitor RERA notices on the website as guidelines will be issued from time to time to address early start-up issues.

Enquiries

You can email enquiries to RERA at info@rera.gov.bh

2. Applying for a Developer License

Property developers (master developers or sub developers) involved in the activity of off-plan property development and selling off-plan real estate units to the public must be licensed by RERA. Developers should refer to Article No. (13) of Law No. (27) of year 2017 Regulating the Real Estate Sector. The following paragraphs describe the process of completing and lodging application forms, accessing RERA templates etc.

2.1 Developer License - Company

- *The application form* – the form is set out in Appendix 1.
- *The application process* – the form may be completed and lodged on line. The supporting documents must be uploaded and lodged with the application. Each supporting document must be in a separate PDF file.
- *The application fee* – the fee is BD 20.
- *Filling in the application form* – the following should be noted:

Company details – please insert:

- ✓ Full company name, contact details, CR number, address;
- ✓ If the applicant has an existing developer license from the One Stop Shop, please insert details.

Authorised Representative Details – please insert:

- ✓ Full contact details for the representative authorised to complete the form; and
- ✓ Details of the Anti-Money Laundering compliance officer and email address.

Supporting documents for a developer license application

Use a separate PDF file for each document. The filename should be as follows: “[Developer name] – Document 1”; “[Developer name] – Document 2” etc.

#	Supporting Documents	Notes
1	Copy of commercial registration certification with requisite property development activity.	The certificate should display the real estate activity. RERA will also require the applicant to lodge an extract of the

#	Supporting Documents	Notes
		MOICT record of the CR, which will demonstrate that no infringement notices are recorded. This notice should be less than a week old.
2	Corporate structure template in accordance with Guidelines.	A template of the corporate structure is set out in the website.
3	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 application.
4	Three years of audited financial statements of the development company or the parent-group.	This can preferably be uploaded in a single PDF file.
5	Statement from main company bankers of good financial standing of the development company/group.	This may be provided in the form of a letter from bank. A possible format of the letter is set out below in paragraph 2.5
6	Declaration of development undertaken in the last five years (state type: commercial/ residential/ industrial etc. Number of units created) in accordance with Guidelines.	A template for this Table is referred to in Paragraph 2.4. This template may be used by the developer, setting out: <ul style="list-style-type: none"> ✓ Name of development project ✓ Construction period – Construction date of completion ✓ Type of construction – residential, commercial mixed use etc ✓ Number of units or equivalent ✓ Approximate project value
7	Receipt for payment of fees.	Where payment is online, the receipt will automatically be generated. If for some reason a manual process is followed, a copy of the receipt should be attached.
8	Copy of representative's ID/ passport.	PDF copy.
9	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 preparing the application for the specific project on the specified title deed.

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 company will immediately advise RERA of any changes to the status of the

- company that alters or changes any of the information in the developer register
- None of the Directors of the company is subject to a judgement in bankruptcy by a competent court in Bahrain during the application process.
 - The company agrees to comply with the RERA 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

2.2 Developer License – Individual

- **The application form** – the form is set out in Appendix 2.
- **The application fee** – the fee is BD 20.
- **The application process** – the form may be completed and lodged on line. The supporting documents must be uploaded and lodged with the application. Each supporting document must be in a separate PDF file.
- **Filling in the application form** – the following should be noted:

Developer Details – please insert:

- Full name, address and contact details for the applicant;
- CR number;
- ID/ Passport number;
- If the applicant has an existing developer license from the One Stop Shop, please insert details.

Supporting Documents

#	Supporting Documents	Notes
1	Receipt for payment of fees.	Where payment is online the receipt will automatically be generated.
2	Copy of Individual commercial registration certificate.	PDF copy in a separate filename.
3	Copy of ID Card or Passport.	PDF copy in a separate filename
4	Clearance Certificate issued by Ministry of Interior.	This helps establish the good character of the key company personnel. This should be dated no more than 3 months before the application.
5	Declaration of development undertaken in the last five years (state type: commercial/ residential/ industrial etc. Number of units created).	The applicant needs to establish evidence to establish experience as a developer over the last five years. This may be provided in the form of a letter by the developer setting out: <ul style="list-style-type: none"> ✓ Name of development project ✓ Construction period ✓ Type of construction – residential, commercial mixed use etc ✓ Number of units or equivalent ✓ Approximate project value See the template in paragraph 2.4

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

- All information supplied with this application is true and correct.
- I will immediately advise RERA of any changes to my status that alters or changes any of the information supplied herein.
- I agree to comply with the RERA guidelines on conflicts of interest.
- I declare that I am not currently subject to a judgement in bankruptcy by a competent court in Bahrain.
- I agree to comply with the requirements of Law no. 4 of 2001 concerning the prohibition of money laundering.

2.3 Template for corporate structure

The applicant should provide a document setting out corporate information, the company structure, details of the parent company if any, the names of directors, auditors and the company bankers. The template for this can be found on the website.

2.4 Template for development experience

LIST OF DEVELOPMENT PROJECTS (Last 5 years)

Development Project	Description	Address, Area	Type

I declare that the information contained in this form is True and Accurate at the date of this application. I agree to advise RERA of any future changes in the information within 30 days of the change.

[Name and Title of Applicant/ Authorised Representative]

2.5 Template for Bank letter of good standing

Bank Letterhead

(must contain full address and phone number)

Date:

To: RERA

This letter confirms that *(name)* of *(full address)* is a customer in good standing of this Bank and in our opinion, can meet his usual business commitments and he is a trustworthy person / business.

(name) has been a client at this bank for the past *(number)* of years. Over this period *(name)* has operated *(type of account)*. During that period all of their accounts have been in good standing.

Sincerely,

(Bank signing Officer)

3. Applying for Development Licenses

3.1 Introduction to types of development license

Three types of development license are available from RERA under Articles No. (18-20) of Law No. (27) of year 2017 Regulating the Real Estate Sector and the Resolution No. (2) of year 2018 regarding Licensing of Real Estate Development Projects. If the developer is self-financing a construction project or is financing by methods other than selling units off-plan, then a development license is not required.

- ***License for new developments*** – this is called an Off-Plan Sale Project License. New developments are generally those where construction commences after 1 March. These developments must comply with the full range of requirements in Law No. (27) of year 2017 Regulating the Real Estate Sector. Existing projects will have a different license type that is more aligned to the requirements under the repealed Law No. (28) of year 2014.
- ***A license to replace an existing project license issued by the One Stop Shop under the Law No. (28) of year 2014*** – this is called a Replacement Development License. It is suitable for off-plan development projects already underway and supported by an existing license issued by the One Stop Shop. That license must still be current and the requisite development permits should still be current or renewed. Developers will already have paid a fee for the One Stop Shop license so no fee is charged by RERA for the replacement license. It will be issued for the remaining period of the One Stop Shop License. Requirements for these

developments will be similar to those applying under the repealed Law No. (28) of year 2014, as set out in paragraph 3.4.

- ***License for an existing project that does not yet have a One Stop Shop license*** – this is called a Transitional Development License. This is suitable for existing developments already underway but without a license issued by the One Stop Shop. To simplify the task of bringing such projects under the RERA licensing regime, RERA will only require documents that would have supported an application for a license under the repealed Law No. (28) of year 2014. This is a major concession to existing developments and they need to be distinguished from development projects operating under the Law No. (27) of year 2017 Regulating the Real Estate Sector requirements by issuing a license with a different name.

Note that not all existing developments may receive a development license. If the project has stalled for example it may fall within the jurisdiction of the Stalled Projects Committee. The applicant will be required to notify RERA of all existing disputes, so that RERA can ensure the development is suitable for licensing.

3.2 Applying for an Off-Plan Sale Project License

The application form

The application for an Off-Plan Sale Project License is available in [Appendix 3](#). The same form is to be used by companies and individuals. The individual applicant may modify the form appropriately. Note that the same form set out in the website may be slightly different because it uses links to help simplify accessing the template on the website.

The application fee

Fees will be payable according to the following Table:

#	Project Value in BD	Fee in BD
1	0 - 999,999	5,000
2	1,000,000 – 2,999,999	10,000
3	3,000,000 – 6,999,999	20,000
4	7,000,000 – 9,999,999	30,000
5	10,000,000 upwards	50,000

Note: The project value is the sum of the land value and construction costs

The application process

- The application form can be accessed online, downloaded, completed and signed, and scanned;
- The application may be lodged in person in RERA, 10th floor, SLRB building. The supporting documents must be lodged in soft copy, with one PDF file per supporting document. However, counter staff will also require hard copies.

Filling in the Application Form

Details – please insert:

- Full applicant/ company name, address and contact details;
- ICR/CCR details;
- Developer license number.

Authorised Representative Details [where completed by a company or under a power of attorney] – please insert:

- Name, address and contact details of the authorised applicant;
- ID/ passport details.

Escrow details – please insert:

- Bank name;
- Account number.

Details of the land being developed – please insert:

- Number of plots;
- Area of plots;
- Title deed references;
- Case numbers.

Details of the intended project – please insert:

- Project name;
- Project address;
- Building permit number;
- Construction period;
- Number of units.
- Number of owners' associations – this is relevant if the development the subject of the application will result in the creating of more than one owners' association. Please note that an owners' association is required where the developer intends to transfer all common areas to the owners' association. If the developer intends to retain ownership of the common areas, the developer should attach a letter explaining the intended management structure.
- Where a hierarchy of associations is to be created in the development [where a Main Association or a Central Association is to be created] tick yes. This will initially only be relevant to large developments being initiated. RERA guidelines on these developments will be available in due course. The information is useful

in assisting RERA in assessing the application. For example, a master plan or a master community declaration may be required, or a notation may be required on the land title journal for the master developer's land.

Supporting Documents for application for an off-plan sale project license

#	Supporting Documents	Notes
1	Title deed.	The title deed or a copy of each page of the title deed should be provided. If the title deed is with a bank, it may provide the copy. RERA will check the title agreement against SLRB records.
2	Consent of owners of legal rights recorded on title deed.	If the title is encumbered by legal rights owned by another person, a letter of consent is required from that person. If a mortgage exists, provide a letter from the lender bank setting out the amount of the loan. If the applicant developer is not the registered owner, the consent of the registered owner to the application and to the project is required. It should explain why the developer is not the owner (examples: Bank is recorded on title; developer is purchasing the land from the master developer and the sale is not yet complete).
3	Approved architectural and engineering plans.	As approved and stamped by the Municipality.
4	Approved master plan (if any).	If the nature of the project requires a master plan, please submit a copy of the master plan as approved by the planning authority. This is also the main plan referred to in Article 20A (7). It is generally in the form of a map sheet showing the land use details proposed for the development.
5	Main Regulation/ Bylaws stating stages of execution and completion of each phase and subdivision proposals.	This is the core document referred to in Article 20A (3) and Article 51A in the Law as the Main Regulation or By-Laws. Developers have generally used different names for this document such as Owners Association Declaration or Community Declaration. It is the content rather than the title that is important. It will generally describe the stages of implementation of the project, the construction, the

#	Supporting Documents	Notes
		<p>construction timetable, the key subdivision arrangements for the project and the terms and conditions regulating the development and management of the joint property project. See also Article 48A and 48B of the law and also Article 54, which requires the document to set out the ratio of ownership of the common parts.</p> <p>Note that this document should include a list of all units in the development, the area of each unit, the total area, the ratio allocated to the units, and a description of the methodology used to calculate and allocate the ratios.</p> <p>The document should confirm that all common areas will be owned by the members of the owners' association. If the developer intends to retain ownership of the common areas, a different management structure rather than an association is appropriate.</p> <p>Note that if Article 48B applies and the Joint Property relates to part only of a building and a Building Management Regulation has been prepared in addition to the By-Law, this should also be provided.</p>
6	Articles of Association of owners' association.	<p>The developer should draft the Articles of Association and provide a copy. This requires an element of pre-planning that is generally associated with off-plan sale projects. It should be noted that the owners' association at the first general meeting will have power to review, revise and update the Articles of Association.</p> <p>Note that pre-2017, the articles of association were prepared by the owners after completion of the building. The new law permits the developer to draft the Articles of Association and lodge them with the development application.</p> <p>Note that RERA may draft standard Articles in an upcoming Resolution and these may be adopted by the developer.</p>
7	Building permit.	A copy of the building permit as issued by

#	Supporting Documents	Notes
		the municipality with attachments.
8	Copy of agreements between master developer and sub-developer (if any).	These will be relevant where the development is in fact a sub-development within a larger master development. Where contracts exist, these should be provided to RERA, so that agreements, conditions of development of the sub-development are recorded. It is noted that where these agreements exist, RERA will request a letter from the Master Developer requesting SLRB to record these agreements on the Journal for the land of the Master Developer. See Article 21B of the Law.
9	Document by an approved consultant engineer stating works required for infrastructure and utilities to implement the project in order to complete the master plan.	If a master development project (see definition in the Off-Plan Sale Project resolution) exists and there is a plan for infrastructure and utilities for the master plan or main plan as described in Article 20A (7) of the Law, this should be provided. This will generally be in the form of plans setting out corridors for connection of all utilities in the development, defining any easements required, etc.
10	Detailed program of structural and architectural work and service work required by the project, prepared by a Consultant Engineer.	See Article 20A (8) of the Law; this information may be in a separate document or it may be contained in the Main Regulation/ By-Law. If contained in the By-law, the developer should attach a letter stating that this information is set out in the By-Law document.
11	Letter and development valuation report from the consultant engineer supported by other experts detailing construction costs and land value.	See Article 20A (9) of the Law, the engineer letter should clearly indicate the name and COEPP licence details for the engineer so that RERA can review against the list of licensed engineers. The letter should refer to land value and construction value. RERA has no objection to supplementing the Engineers valuation with additional valuations of sub-components of the total project. This is in recognition of the increasing complexity and sophistication of developments in Bahrain.
12	Copy of the template off-plan sale contract intended to be used in all off-plan sales.	The sample contract to be used in the sale of units in the development should be provided. Developers preparing template

#	Supporting Documents	Notes
		contracts should note that Resolution No. 2 of year 2018 regarding Licensing of Real Estate Development Project changes procedures for selling off-plan and the contract should be modified to comply with the new law. More detail on the developer's template off-plan sale contract is contained in Paragraph 7.
13	Letter from Escrow account trustee confirming Escrow account details.	Details about the escrow account requirements are accessible on the website.
14	Company document setting out the authority of the representative to complete the application.	This may be a power of attorney or a company letter authorizing the representative to complete the application. It should name the project, the representative by name and the representative's powers.
15	Copy of emergency plan lodged with the Ministry of Labour according to Article 167 of the Labour Law 36 of 2012.	Dangerous work practice compliance information should be provided. Developers are expected to be aware of these requirements.
16	Request to SLRB to make an entry in the land journal under Article 21 of the Law.	RERA wishes to avoid the developer making multiple visits to RERA and SLRB. In accordance with Article 2(2)(h) of the Off-Plan Sale Project Resolution under Law No. (27) of year 2017 Regulating the Real Estate Sector, the company may simply lodge a letter requesting SLRB to make the entry in the Register required by Article 21A of the Law. RERA will liaise with SLRB in relation to the recording. This approach eliminates a step in the application process. A sample letter is set out in Paragraph 3.3
17	Request to SLRB to create off-plan sale register.	Similarly, the company should submit a letter requesting SLRB to create the Off-Plan Sale Register referred to in Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector, so that off-plan sale contracts may be recorded. RERA will liaise with SLRB. A sample letter is set out in Paragraph 3.3
18	Finance plan complying with RERA guidelines.	A template for this is set out in the website.
19	Certificate from auditor confirming financial capacity to	RERA is seeking external confirmation that the project, the developer's capacity and the

#	Supporting Documents	Notes
	complete the development.	finance plan demonstrate that the developer has financial capacity to complete the project.
20	Copy of the developer license	A copy of the license issued by RERA should be provided to speed the lodgement process. It is expected that when RERA is able to receive online lodgements, this item will be removed from lodgement requirements.
21	Representative ID/ passport	A copy of the documents confirming the representative's identity should be provided.

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 company will immediately advise RERA of any changes to the status of the company that alters or changes any of the information supplied herein;
- The company agrees to comply with the RERA 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.

3.3 Sample Letter to SLRB

Subject: A letter of request to SLRB to do annotation on the land journal and to create the off-plan sale project register

Based on Article No. (21) of Law No. (27) of year 2017 Regulating the Real Estate Sector in RERA Law that states an obligatory recording on the land journal and the resolutions issued for organizing that matter

And Based on Article No. (27) of year 2017 Regulating the Real Estate Sector on the same law regarding creating an off-plan sale register in SLRB,

The developer or the representative here by submits this letter to request SLRB to do an annotation on the land journal of the project and to create the off-plan sale register.

Required Information

Name of Development
Name of Developer
Developer License Number

Name and location of the development
Title Deed number

Where the developer is not the owner of the land then it needs to be co-signed by the landowner who may be the Master Developer.

3.4 Applying for a Replacement Development License for an Existing Development

The application form

The application for a Replacement Development License is available in *Appendix 4*. The same form is to be used by companies and individuals. The individual applicant may modify the form appropriately.

The application fee

The fee is as set out in Paragraph 3.2.

The application process

- The application form can be accessed online, downloaded, completed and signed, and scanned;
- The scanned application form can then be lodged via email. The email should include all supporting documents, one document per PDF file;
- Alternatively, the application may be lodged in person in RERA, 10th floor, SLRB building. The supporting documents must be lodged in soft copy, with one PDF file per supporting document. However, counter staff will also require a copy of the original documents.

Filling in the Application Form

Details – please insert:

- Full applicant/ company name, address and contact details;
- ICR/ CCR details;
- Developer license number.

Authorised Representative Details [where completed by a company or under a power of attorney] – please insert:

- Name, address and contact details of the authorised applicant;
- ID/ passport details.

Escrow details – please insert:

- Bank name; and
- Account number.

Details of the land being developed – please insert:

- Number of plots;
- Area of plots;
- Title deed references;
- Case numbers.

Details of the intended project– please insert:

- Project name;
- Project address;
- Building permit number;
- Construction period;
- Number of units.

Supporting Documents for an application for a Replacement Development License

#	Supporting Documents	Notes
1	Existing license.	The license issued by the One Stop Shop should be provided. It should still be current.
2	Request to SLRB to make entry in the land journal under Article 21 of the law.	RERA wishes to avoid the developer making multiple visits to RERA and SLRB. In accordance with Article 2(2)(h) of the Off-Plan Sale Project Resolution under Law No. (27) of year 2017 Regulating the Real Estate Sector, the company may simply lodge a letter requesting SLRB to make the entry in the Register required by Article 21A of the Law. RERA will liaise with SLRB in relation to the recording. The sample letter in Paragraph 3.3 may be used.
3	Sales summary table that complies with RERA guidelines showing current buyers of all units.	The template is set out in paragraph 3.5. This is an important document as it will be used by SLRB to update the Off-Plan Sale Register under Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector. For this reason, the developer should take care to accurately record all buyers in full. If an apartment has multiple buyers, these should all be set out. Full contact details are required so

#	Supporting Documents	Notes
		that documents required for the owners' association may be served on the owners. All contacts must also be lodged with the Application and the lodgement fee paid to RERA. RERA will manage recording by SLRB where appropriate. [See Item 8 below.]
4	Construction plan summarizing construction status and completion schedule.	The construction plan template is set out in paragraph 3.6.
5	Finance plan showing how the balance of the project will be financed (RERA may subsequently require an up-to-date certified financial report from an auditor confirming financial capacity to complete the development)	A template for the finance plan is available on the website.
6	Company document setting out the authority of the representative to complete the application.	This may be a power of attorney or a company letter authorizing the representative to complete the application.
7	Statement describing disputes affecting project (if any).	Stalled projects or projects with a major dispute where the jurisdiction of the Stalled Projects Committee is to be respected should not be the subject of an application. The developer should indicate the nature, duration and parties to the dispute so RERA can determine if the project is suitable for licensing.
8	Copies of existing off-plan sale contract between the developer and buyers, to be referred by RERA to SLRB for recording in the off-plan sale register (recording fee of BD 100 per contract payable to RERA).	If the developer has entered into off-plan sale contracts for units in the partially completed development, it is essential that these be registered in the SLRB off-plan sale register created by SLRB under Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector. The developer should lodge copies of all contracts with this application together with the recording fee. See Item 3 above.
9	Request to SLRB to create off-plan sale register.	The company should submit a letter requesting SLRB to create the Off-Plan Sale Register referred to in Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector, so that off-plan sale contracts may be recorded. RERA will liaise with SLRB. The template letter in

#	Supporting Documents	Notes
		Paragraph 3.3 may be used.
10	Where any building permit or other necessary approval or license lodged with the former application has expired, permit/ license renewals to be provided.	The relevant permits from the municipality need to be current and in force.

3.5 Applying for a Transitional Development License for an Existing Development

The application form

The application for a Transitional Development License is available in *Appendix 5*. The same form is to be used by companies and individuals. The individual applicant may modify the form appropriately.

The application fee

The fee is as set out in Paragraph 3.2.

The application process

- The application form can be accessed online, downloaded, completed and signed, and scanned;
- The scanned application form can then be lodged via email. The email should include all supporting documents, one document per PDF file;
- Alternatively, the application may be lodged in person in RERA, 10th floor, SLRB building. The supporting documents must be lodged in soft copy, with one PDF file per supporting document. However, counter staff will also require a copy of the original documents.

Filling in the Application Form

Details – please insert:

- Full applicant/ company name, address and contact details;
- ICR/CCR details
- Developer license number;

Authorised Representative Details [where completed by a company or under a power of attorney] – please insert:

- Name, address and contact details of the authorised applicant;
- ID/ passport details.

Escrow details – please insert:

- Bank name
- Account number

Details of the land being developed – please insert:

- Number of plots
- Area of plots
- Title deed references
- Case numbers

Details of the intended project – please insert:

- Project name
- Project address
- Building permit number
- Construction period
- Number of units
- Number of owners' associations – this is relevant if the development the subject of the application will result in the creating of more than one owners' association
- Where a hierarchy of associations is to be created in the development [where a Main Association or a Central Association is to be created] tick yes. This will initially only be relevant to large developments being initiated. RERA guidelines on these developments will be available in due course.

Supporting Documents for an Application for a Transitional Development License

#	Supporting Documents	Notes
1	Title deed.	The title deed or a copy of each page of the title deed should be provided. If the title deed is with a bank, it may provide the copy. RERA will check the title agreement against SLRB records.
2	Consent of owners of legal rights recorded on title deed	If the title is encumbered by legal rights owned by another person, a letter of consent is required from that person. If a mortgage exists, provide a letter from the lender bank setting out the amount of the loan including the duration of the loan and the amount outstanding. If the applicant developer is not the registered owner, the consent of the registered owner to the application and to the project is required. Some explanation is requested to explain why the developer is not the owner (examples: Bank is recorded on title;

#	Supporting Documents	Notes
		developer is purchasing the land from the master developer and the sale is not yet complete).
3	Approved master plan (if any).	If the nature of the project requires a master plan, please submit a copy of the master plan as approved. This is also the main plan referred to in Article 20A (7). It is generally in the form of a map sheet showing the land use details proposed for the development.
4	Building permit.	A copy of the building permit as issued by the municipality with attachments.
5	Undertaking by master developer and sub-developer to commence the project in the permit period.	As required in the Law No. (28) of year 2014, a letter setting out this commitment by the master developer and main developer.
6	Letter and development valuation report from the consultant engineer supported by other experts detailing construction costs and land value.	See Article 20A (9) of the Law, the engineer letter should clearly indicate the name and COEPP licence details for the engineer so that RERA can review against the list of licensed engineers. The letter should refer to land value and construction value. RERA has no objection to supplementing the Engineers valuation with additional valuations of sub-components of the total project. This is in recognition of the increasing complexity and sophistication of developments in Bahrain.
7	Undertaking from developer to maintain ownership of project.	As required in an application for a license under Law No. (28) of year 2014, a letter committing to retaining ownership.
8	Copy of the template off-plan sale contract.	As required in the application under Law No. (28) of year 2014, a sample contract. As the template may have been prepared before Law No. (27) of year 2017 Regulating the Real Estate Sector commenced, the original template may continue to be used and should be attached to the application. The developer may already have sold units using this template and may continue after 1 March to use the template.
9	Approved engineering and architectural plans.	As approved and stamped by the municipality.
10	Finance plan complying with RERA guidelines.	A template for the finance plan is set out in the website.

#	Supporting Documents	Notes
11	Certificate from auditor confirming financial capacity to complete the development.	RERA is seeking external confirmation that the project, the developer's capacity and the finance plan demonstrate that the developer has financial capacity to complete the project.
12	Letter from Escrow account trustee containing Escrow account details.	Further information on escrow provisions may be found in the website via this.
13	Company document setting out the authority of the representative to complete the application.	This may be a power of attorney or a company letter authorizing the representative to complete the application.
14	Sales summary table that complies with RERA guidelines showing current buyers of all units.	The template is set out in paragraph 3.5
15	Copies of existing off-plan sale contract between the developer and buyers, to be referred by RERA to SLRB for recording in the off-plan sale register (recording fee payable).	If the developer has entered into off-plan sale contracts for units in the partially completed development, it is essential that these be registered in the SLRB off-plan sale register created by SLRB under Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector. The developer should lodge copies of all contracts with this application together with the recording fee.
16	Construction plan summarizing construction status and completion schedule.	The construction plan template is set out above this Table.
17	Statement describing disputes affecting project (if any)	Stalled projects or projects with a major dispute where the jurisdiction of the Stalled Projects Committee is to be respected should not be the subject of an application. The developer should indicate the nature, duration and parties to the dispute so RERA can determine if the project is suitable for licensing.
18	Request to SLRB to make entry in the journal under Article 21 of the law.	RERA wishes to avoid the developer making multiple visits to RERA and SLRB. In accordance with the SLRB Resolution No. (1) of year 2018 regarding creating a register of off-plan sales, the company may simply lodge a letter requesting SLRB to make the entry in the Register required by Article 21A of the Law. RERA will liaise

#	Supporting Documents	Notes
		with SLRB in relation to the recording.
19	Request to SLRB to create off-plan sale register.	The company should submit a letter requesting SLRB to create the Off-Plan Sale Register referred to in Article No. (27) of Law No. (27) of year 2017 Regulating the Real Estate Sector so that off-plan sale contracts may be recorded. RERA will liaise with SLRB.
20	Preliminary strata permit issued by municipality attaching architectural drawings showing the project's components in colours.	This MAY be obtained from the municipality at the same time as the building permit. It recognizes the existing practice in the repealed Executive Regulation to Law No. (28) on real estate development, Article No. (11)-(13) which referred to architectural drawings specifying the project's components in colours. RERA is seeking the definition of the units and common areas. Note that in due course SLRB will require a "site plan" to define these items and may issue guidelines in due course.

3.6 Sales Summary template and Construction Plan template

The sales summary template is as follows:

Unit Number	Current Owner	ID number	Address	Price	Progress Payments made	Contract attached
Unit 1	Full names of all owners	ID	Full contact details, including email		The percentage of progress payments made to the developer as at the date of the application for a licence.	Contract attached
Unit 2	Unsold					
Unit 3		List	All		Units	

3.7 Construction Plan Template

The *Construction Plan template* is as follows:

#	Requirement	Information
1	Name of Development	
2	Location of Development	
3	Stages already completed	
4	Stages still to complete, including projected start and end date	
5	Describe the construction to be carried out	
6	Description of utilities installed or to be installed	
7	Facilities and improvements of common areas - status	

4. Financing Plan for Off-Plan Sale Developments

The financing plan is a critical document to enable RERA to assess the developer's financial capacity to undertake and complete the project. A template is set out in the website and may be followed by the developer in assembling the financing plan.

The Financing Plan will comprise of a number of documents;

- Completed Finance Plan Template in the form prescribed by RERA.
- Market Research to support the Sales Plan assumptions.
- Percentage of units to be sold Off-Plan before the Development will commence
- Details of any Loan Financing including, committed Loans and uncommitted loans.
- Supporting letters from Financing Banks confirming loans.
- Details of the Equity Investment (Developer own Funds) to be invested into the project.
- Guarantee Letter from the Developer that the Equity Funds will be invested in the Project.
- Certification of the Financing Plan by the Development Company's Auditors

The template may be accessed on the website.

5. Escrow Accounts for Off-Plan Sale Development Projects

Law No. (27) of year 2017 with Respect to Promulgating the Real Estate Sector Regulation ("the Law") requires the Developer of an Off-Plan Sale Project to open an Escrow Account.

RERA Resolution "Escrow Account of Off-Plan Sale" is the implementing resolution setting out the rules for operating Escrow Accounts under the Law.

The information about escrow accounts, including opening an account, calculating the escrow amount and how to value the land component of a project, is set out in the website.

6. Applying for Advertising Licenses

6.1 Introduction to advertising licenses

- **Full Advertising License:** A developer (or broker) must have an advertising license to advertise and sell units off-plan to buyers for each new development project.
- **Advertising Transition Licence:** This is a license for up to 6 months (available in the period from March 1 to 31 August 2018) issued to licensed property developers who already have projects under construction and advertising campaigns underway.
- **Market Research Advertising License:** This is a license for up to 9 months that allows a licensed property developer initiating a new development proposal to research, advertise and test the market prior to committing to a development project.

The developer may authorise a licensed broker to apply for the advertising license and so the forms may be completed by the developer or broker.

6.2 General Information for all Advertising License Applications

- **The application form** – the forms are set out in Appendix 6-8.
- **Fee** – no fee is payable
- **The application process** – the forms are accessible on the website. They will soon be Smart Forms that may be completed on the website and printed for signature and scanning. The application may then be emailed to RERA. Each supporting document may be emailed in PDF form.
- **Supporting documents for an Advertising License** -the supporting documents are set out below.

6.3 Application for an Advertising License (Appendix 6)

#	Supporting Documents	Notes
1	Description of project (including number of buildings/ building storeys/ number of owners' associations/ land use/ number of units)	At the point of applying for an advertising license, the developer will hold or will be in the process of applying for a development license. Detailed information should therefore be available in the Off-Plan Sale Project Register. However, a brief description of the project to be advertised should be provided.

#	Supporting Documents	Notes
2	Advertising plan (copy of marketing/ promotional/ advertising materials)	This may be in letter form and should describe the intended media to be used to advertise the off-plan units. A copy of all marketing, promotion and advertising materials will help RERA to understand the nature of the advertising campaign. If multiple campaigns are envisaged by different applicants, this will enable RERA to assess the applications.
3	Letter from Escrow Account Trustee containing escrow account details.	It is important that the developer confirm that the escrow account has been funded before obtaining an advertising licence. This licence permits binding contracts to be entered into and an appropriate finance plan should be in place. Deposits can be paid into the escrow account.

Declaration – the form includes a declaration as follows:

- All information supplied with this application is true and correct.
- The company will immediately advise RERA of any changes to the status of the company that alters or changes any of the information supplied herein.
- The company agrees to display the RERA logo and Advertising License number in all advertising material.
- The company agrees to comply with all conditions on advertising and all requirements of the law including providing all disclosure material to buyers.

6.4 Application for a Transition Period Advertising License (Appendix 7)

The following supporting documents are required

#	Supporting Documents	Notes
1	Building permit and attachments	When this application is lodged there will be an existing off-plan project. The developer will be expected to provide information about the project including the building permit and approved plans and drawings.
2	Description of project (including number of buildings/ building storeys/ number of owners' associations/ land use/ number of units)	At the point of applying for an advertising license, the developer will hold or will be in the process of applying for a development license. Detailed information should therefore

#	Supporting Documents	Notes
		be available in the Off-Plan Sale Project Register. However, a brief description of the project to be advertised should be provided.
3	Advertising plan (copy of marketing/ promotional/ advertising materials)	This should describe the intended media to be used to advertise the off-plan units. A copy of all marketing, promotion and advertising materials will help RERA to understand the nature of the advertising campaign. If multiple campaigns are envisaged by different applicants, this will enable RERA to assess the applications to see if overlapping campaigns are proposed.
4	Letter from Escrow Account Trustee containing escrow account details.	It is important that the developer confirm that the escrow account has been funded before obtaining an advertising licence. This licence permits binding contracts to be entered into and an appropriate finance plan should be in place.

6.5 Application for a Market Research Advertising License (Appendix 8)

#	Supporting Documents	Notes
1	Approved master plan with drawings approved by planning authority.	If this is available, it should be lodged. If a building permit is available, it should be lodged with the approved plans and drawings. If the Main Regulation/ Bylaw is available describing the stages of implementation and the management processes for the development this also helps RERA to understand the development concept.
2	Advertising plan (copy of marketing/ promotional/ advertising materials)	This should describe the intended media to be used to advertise the off-plan units. A copy of all marketing, promotion and advertising materials will help RERA to understand the nature of the advertising campaign. If multiple campaigns are envisaged by

#	Supporting Documents	Notes
		different applicants, this will enable RERA to assess the applications to see if overlapping campaigns are proposed.
3	Description of project (including number of buildings/ building storeys/ number of owners' associations/ land use/ number of units)	At the point of applying for an advertising license, the developer will hold or will be in the process of applying for a development license. Detailed information should therefore be available in the Off-Plan Sale Project Register. However, a brief description of the project to be advertised should be provided.

7. The Developer's Template Off-Plan Sale Contract

7.1 Introduction

The application for the Off-Plan Sale Project License must include the template sales contract that the developer intends to use for sale of the units on the development. This guidance note explains what the template sales contract should include to comply with the RERA Law and the subsequent Decree 2 of 2018 in respect of Off-Plan Sales Projects.

7.2 Decree 2 of 2018

The basic provisions that are required to be included in all off-plan sale contracts are as follows:

1. The name and address of both the buyer and the developer;
2. The developer's license number;
3. The name, location and license number of the development (the project) to be inserted when available;
4. The target date of completion of the unit and the target date of handover to the buyer;
5. The description and specifications of the unit including:
 - a. dimensions of the unit;
 - b. associated rights (e.g. any rights of way over roads or paths, any rights to use parts of the development e.g. a swimming pool or gym);
 - c. any rights to use a car parking space; and
 - d. any special rights for that unit in relation to the common property;

6. All details of the common areas in the development;
7. The payment plan described below should be followed in the template;
8. Payments under the contract shall be made into the escrow account.

Any Template contract that does not contain the above provisions may be rejected by RERA.

7.3 Payment Plan

The sales contract should specify the total purchase price of the unit and must set out the payment schedule for the payments to be made at each percentage of project completion. The amounts paid per percentage of project completion must not exceed the amounts set out in the following schedule:

	Construction level	Maximum Payment
The	Zero construction at time of entering into binding agreement	Initial deposit 10%
	20% complete	20%
	40% complete	40%
	60% complete	60%
	80% complete	80%
	Handover	100%

developer must provide RERA and the buyer with a progress report stating the percentage of completion. RERA must approve this, after which the buyer has 10 days to pay the developer the specified instalment.

7.4 The contract should not be inconsistent with statutory provisions

The developer should consider the following:

Provisions on Breach of Contract

Where a buyer commits a breach of the sales contract and does not remedy such breach within 90 days after being notified by the developer, then the developer may terminate the sales contract and retain the 10% deposit.

Defects and Maintenance

Under the RERA Law, the developer is responsible for maintenance and management of the units for 2 years following completion. The developer is allowed to charge an administration fee for this amount to 5% of the actual costs of maintenance and management.

The developer is responsible for structural defects in the common property of a development for 10 years following completion.

The developer is responsible for the repair and replacement of defective fixtures and fittings in the common property for at least one year following completion. A longer period can be agreed between the parties.

Disposal by a Buyer

Where a buyer wishes to sell the unit before the handover date, he may do so provided that he pays the developer an administration fee of 1% of the purchase price up to a maximum of 500 BD.

The buyer shall obtain the developer's consent to such a sale.

Handover

Where the developer fails to hand over the unit within 6 months from the [target hand over date specified in the contract], the buyer may provide 90 days' written notice to the developer requiring him to hand over the unit. Where the developer fails to do so, the buyer has the right to terminate the sales contract and shall be entitled to a refund of all money he has paid to the developer under the sales contract.

Inspection by Buyer

The buyer is entitled to inspect the unit prior to handover.

Change in Design

The developer is not permitted to alter the structural and engineering designs and specifications of the unit except where the change is immaterial in view of the engineering and technical considerations. The application to change the documents must include evidence that the change is not material, however, material changes may be made in an emergency and with the consent of RERA. The buyer may have the right to compensation or reduction in the purchase price for any reduction in the unit area, value or benefit.

Deposit and Reservation Agreement

On the signing of the sale contract, the buyer shall pay a deposit of 10%. Any payment made under a reservation agreement shall be counted towards the deposit.

7.5 Undertaking by developer

Where an application is made for a development license and some parts of the template are non-compliant, RERA may accept an undertaking from the developer to bring the template into compliance before applying for an advertising permit.

Appendices

The appendices are available on RERA website: www.rera.gov.bh

Contact details

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