

Privatization Decree

Legislative Decree NO.41 of 2002 with Respect to Policies and Guidelines of Privatisation

We, Hamad bin Isa Al Khalifa King of the Kingdom of Bahrain.

Having examined the Constitution,

And upon the submissions of the Minister of Finance and National Economy, and with the approval of the Council of Ministers,

Hereby Decree the following:

Article 1

Privatisation is a part of the economic policy of the Kingdom of Bahrain.

Article 2

The Council of Ministers shall draw up, upon a proposal of the Minister of Finance and National Economy, and after seeking the opinion of the Economic Development Board, the Policies and Guidelines of Privatisation for which an Edict of the Prime Minister shall be issued.

Article 3

The Council of Ministers shall delegate the Ministry of Finance and National Economy, in co-ordination with the Economic Development Board and the concerned Ministry, to make the administrative and technical preparations to implement the Privatisation Scheme, and launch the projects which are needed to privatize them for the Private Sector according to clear and declared standards and rules.

Article 4

The Privatisation Programme shall include the service and manufacture Sectors, and in particular the tourism sector, communications sector, transport, electricity and water, the ports and airport service, oil and gas sector, postal service and any other service and production sectors.

Certain tourist areas may be privatized and call it Tourist Areas within the regulations which shall be drawn up, and which shall control the organization, finance and manner of management of these Tourist Areas, in accordance with the standards and the bases of development of international tourism.

Article 5

Gradual privatization shall be observed in order to achieve absorbing the

economic and social changes and any other effects, in consistency with stable and steady growth of the economy, and to achieve social peace and security.

Article 6

The projects which are needed to be privatized shall be restructured in accordance with the means decided by the Council of Ministers, in conformity with the international trends in this respect.

Article 7

The financial revenues resulting from privatization operations shall be deposited in the general reserve of the State, provided that these revenues shall be used by a resolution of the Council of Ministers, and in particular for the following purposes:

To spend on the restructuring operations of the projects which are needed to privatize them, and to free them of any due debts.

To finance establishing new economic projects which contribute to achieving development.

To finance requalification of the staff in the projects which were privatized, and to settle their financial dues.

Article 8

The Council of Ministers may establish a separate share to which some private rights shall be attached in order to protect the national interest, and this is in exemption from the general rules applicable to the companies.

Article 9

The Ministers, each in his capacity, shall implement this law, which shall come in effect from the date of its publication in the Official Gazette.

Signed: Hamad bin Isa Al Khalifa

King of the Kingdom of Bahrain

Khalifa bin Sulman Al Khalifa

Prime Minister

Abdulla Hasan Saif

Minister of Finance and National Economy

Issued at Riffa Palace

On: 8th Shaban 1423 Hijra,

Corresponding to: 14th October 2002