



License
Application
Guide

Owners
Association
Managers

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1. What Owners Association Managers Need to Know	1
2. Applying for an Owners Association Managers License	3
2.1 Owners Association Manager Application Process	4
3. Ongoing Obligations of Licensed Owners Association Managers	7
4. Owners Association Manager Activities.....	8
4.1 New Resolution for Owners' Associations	8
4.2 Owners Association Manager duties in the Joint Property Regulation	8

1. What Owners Association Managers Need to Know

Comprehensive information available on www.rera.gov.bh

Full information regarding the Real Estate Regulation Law 27 of 2017, Resolutions, application forms, information on Continuous Professional Development (CPD) and Frequently Asked Questions (FAQ's) can be accessed on the RERA website www.rera.gov.bh.

This Owners Association Managers Guide provides information about:

- The application form for an Owners Association Manager 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.

You Need a License to operate as an Owners Association Manager in Bahrain: Owners Association Managers will be required to have a RERA Owners Association Manager license to operate in Bahrain based on Decision No. (4) on Licensing the Management and Operation of Real Estate Properties (the Resolution) which was published in the Gazette on 5 July 2018. It provides a process for the issuance of Owners Association Manager and Property Manager licenses as authorised by Article 66 of Law 27 of 2017.

Articles 3 and 9 of the Resolution empowers RERA to issue Owners Association Manager and Property Manager licenses for the management and operation of real estate properties in Bahrain. The Resolution outlines the role and responsibilities of the Owners Association Manager /Property Manager as:

The tasks the Owners Association /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.

Article 66 of Law 27 of 2017 permits RERA to issue a property manager's license which includes the provision of Owners Association management functions subject to the licensee meeting agreed competency and experience criteria and the completion of RERA specified Continuous Professional Development (CPD) training. In the event that an Owners Association Manager undertakes the role and duties of a Property Manager, he must disclose in writing any potential conflicts of interest to the Owners Association Board of Directors and the parties to the property management contract. Similarly, the same rule applies to a Property Manager undertaking the role and duties of an Owners Association Manager. 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.

NOTE: As a guideline an Owners Association Manager should not provide Property Manager services in the same building /development where he fulfils the role of Property Manager functions unless he discloses in writing any potential conflict of interest to the Owners Association Board of Directors and the parties to the property management contract in advance of taking up such duties. An Owners Association Manager can provide property management services in another building/development where there is no conflict of interest.

Property Managers with relevant 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. The reciprocal arrangement also applies where an Owners Association Manager wishes to have the additional practice of property management recorded on the license.

Sample Application Forms - Two application forms are available:

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

Supporting documentation required for applications: All license applications require supporting documentation to provide proof of experience in owners association management together with relevant competencies and qualifications. It is important to have all the necessary documentation ready before submitting an application.

Application processes for Owners Association Manager licenses - the application forms may be downloaded from the RERA website www.rera.gov.bh , then 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, competencies and qualifications of the applicant. If the applicant also establishes property management experience, then the license may be issued with an annotation

that the applicant is also authorised to provide property 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 - Owners Association and 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 Owners Association and 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 within 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 on a regular basis as guidelines will be posted from time to time to address important issues as they arise.

2. Applying for an Owners Association Managers License

Owners Association Managers 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 owners association management functions for suitably qualified and experienced applicants. Similarly, an owners association manager license can be extended to include property management functions for suitably qualified and experienced applicants.

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

Where RERA considers the applicant to have the relevant experience, competencies and qualifications to fulfil the duties of a professional Owners Association Manager, RERA will issue an Owners Association Manager License card and certificate to the applicant.

The following are key Licencing guidelines (subject to meeting RERA requirements):

- A full license to applicants with more than 3 years' relevant experience (with an undertaking to complete RERA CPD within 12 months).
- A transitional license for applicants with 6 months to 3 years' experience (with an undertaking to complete RERA CPD requirements within agreed timeframes).
- A full license annotated with the additional function of property management where the applicant has proven relevant competencies and experience as a property manager and who meets the RERA CPD requirements.

2.1 Owners Association 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 owners association manager engaged by the company must apply for an Owners Association Managers 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 an Owners Association Manager License Card to include the license number and the company license number.

On the Application form 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 owners association management
- ✓ Anti-money laundering contact person's details.

Note: Requirements for individual license applications are outlined in the table below

Checklist: Supporting documents for an Owners Association Manager license application

#	Supporting Documents	Notes
1	For a company: Copy of commercial registration certification with requisite owners association management activity.	The certificate should display the owners associations management activity. RERA will also require the applicant to lodge an extract of the MOICT record of the CR, which will demonstrate that no

#	Supporting Documents	Notes
		infringement notices are recorded. This notice should be less than a week old.
2	For a company, the 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 be the named nominee on the license and authority to complete the application form.	Power of attorney or letter from the 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 on behalf of 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	<p>For the individual:</p> <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	<p>For all applicants: Document setting out experience as an Owners Association Manager: (See the Supplementary Template provided as an addendum to the Owners Association Manager Application form) This documentation should include: An up-to- date CV, copies of relevant owners association 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 property management activities, evidence of experience as a property manager is required.</p>	<p><i>If more than three years' experience</i> - an applicant establishing 3 years' relevant experience in owners association management will be issued a full license (subject to the completion of the RERA CPD mandatory training within agreed timeframes). 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 -commercial, residential, mixed use etc), size, number of units managed etc. The applicant should record any academic qualifications, competencies, training and any other relevant information 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</p>

#	Supporting Documents	Notes
		<p>approved training courses during that 6-month period. Full details of the relevant experience must be provided and RERA will record on the license that it is conditional upon completing the Continuing Professional Development (CPD) courses specified by RERA.</p> <p>Less than 6 months experience - applicants must complete the RERA CPD Foundation in Owners Association Management Course, provide references on completion of 6 months verifiable experience in an owners association management related role before being eligible to apply for a Transition license.</p>
7	For those applying for the Property Management annotation on the license	Additional documentation is required to establish at least 12 months' experience in property management functions. This should detail the property managed, duration of contract, size of property, nature and number of units (residential, commercial, mixed use), 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 section to be completed by the authorised representative/applicant as follows:

- 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 conflicts of interest policies.
- 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 Owners Association Managers to be licensed.
- The company agrees that all its Owners Association Managers will participate in and comply with the RERA CPD requirements

3. Ongoing Obligations of Licensed Owners Association Managers

The ongoing obligations of the licensed Owners Association Manager 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 materials, brochures, social media, business cards, website etc.
- manage the collection of annual subscriptions /service charges and banking arrangements to the operational and reserve accounts as per the association/ board mandate and rules.
- An owners association manager shall not represent a client if he has an interest in the activities of that client that limits the impartiality of the owners association manager (see more details in Article 24 of the Resolution and RERA Code of Conduct.)
- Professional Indemnity Insurance - Owners Association 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 provision of owners association management services. This includes:
 - names of parties/owners associations;
 - date and terms of contract;
 - nature of service provided;
 - contract price;
 - details of any disclosed conflict of interest;
 - other material facts relevant to the fulfilment of the owners association 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 RERA Certificate in Owners Association Management. This is a mandatory requirement for all license applicants.
 - Holder of a full Owners Association Management license and Property management annotation/extension must complete the Certificate in Property Management and the RERA Certificate in Owners Association Management.

- Transitional Licensee - complete the RERA Certificate in Owners Association 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 Owners Association Management and may apply for a Transitional License after completing a minimum of 6 months experience.

4. Owners Association Manager Activities

4.1 New Resolution for Owners' Associations

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 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 Owners Association Manager. These duties include:

- i. work with the board to develop strategies for the management of the common areas;
- ii. implement strategies, programs and plans set by the board;
- iii. represent the owner's 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. manage the collection of annual subscriptions /service charges and banking arrangements to the operational and reserve accounts as per the association/ board mandate and rules;
- viii. arrange for tenders and facilitate the entry into contracts on behalf of the owners association;
- ix. supervise the performance of contractors and suppliers to the owners association and report to the board or general assembly;
- x. prepare annual budgets for the approval of the board;
- xi. address queries and complaints of the Owners;
- xii. process insurance claims;
- xiii. undertake basic credit control processes;
- xiv. supervise legal proceedings including any proceedings under Article 68 (b) of the Law;
- xv. ensure all proposed Works are compliant and supervise such Works;

- xvi. collect, update and safeguard all information of the owners association including a roll of all owners and their addresses;
- xvii. be independent of the developer or any Owner in the Joint Property;
- xviii. follow lawful instructions of the owners association or board;
- xix. disclose to the board or the general assembly any conflicts of interest;
- xx. act honestly fairly and transparently in dealings with the board and Owners.
- xxi. Have a written contract with the owners association setting out:
 - a. The name and contact details of the Owners Association Manager;
 - b. The name of the Association
 - c. The duration of the contract, which must not exceed two years unless it is within a Special Management Scheme;
 - d. The management fee payable for the total contract period;
 - e. The functions delegated by the owners association
 - f. The contractual terms
 - g. The steps for terminating the agreement;
 - h. An undertaking by the Owners Association Manager to disclose any conflict of interest or remuneration or benefit received as a result of a contract entered into by or on behalf of the owners association during the term of the contract;
 - i. Provisions relating to the banking of association Annual subscriptions into the Operational Account and the Reserve Account;
 - j. Any agreement concerning the audit of accounts.

An Owners 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.