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

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## **Resolution No. (4) of 2018 Regarding Licensing of Property Management and Operation**

Chairman of the Board of Directors of the Real Estate Regulatory Authority:

Having perused Law No. (27) of 2017 With Respect to Promulgating the Real Estate Sector Regulation Law and the Decree No. 69 of 2017 with respect to the organization of the Real Estate Regulatory Authority (“RERA”);

Resolution No. (5) of 2018 on determining the fees of services, applications and licenses issued according to the Real Estate Sector Regulation Law; and

According to the proposal put forward by the Chief Executive Officer of the Real Estate Regulatory Authority and after the approval of the Real Estate Regulatory Authority's Board of Directors;

Resolved:

### **Chapter 1 - General - Section I**

#### **Definitions**

##### **Article (1)**

In application of the provision of this Resolution, the terms and expressions contained herein shall have the same meanings ascribed thereto in the Law No. (27) of 2017 With Respect to Promulgating the Real Estate Sector Regulation Law and the

following terms and expressions shall have the meanings assigned to each of them unless the context otherwise requires:

**Law:** Law No. (27) of 2017 With Respect to Promulgating the Real Estate Sector Regulation Law

**Application:** The application submitted to the Real Estate Regulatory Authority ("RERA") to obtain a license to practice property management and operation according to the form prepared by the RERA for this purpose.

**Applicant:** Each natural or artificial person who files application before the RERA to obtain a license to practice property management and operation.

**License:** The final approval issued in writing by the RERA for the Applicant.

**Property Manager:** The natural or artificial person licensed to practice property management and operation.

**Register:** Property manager register issued under Article (23) of this Resolution.

**Code of Ethics:** The rules of conduct that RERA issues and the property managers should abide by.

**Continuing Professional Training:** The RERA-approved training programs including lectures, training, etc.

**Property Management and Operation:** The business of managing and operating real estate property on behalf of the owners including preparing and executing maintenance and repair schedules for the real estate property, equipment and facilities, leasing, developing, cleaning, securing, preparing budget, contributing to the management of the bank accounts thereof, and doing the accounting and preparing the financial and technical reports related to the real estate property.

**Owner Association Management Functions:** The functions undertaken by the property manager under authorization from the owner association in certain powers such as facilitating meetings, coordinating with the board of directors of the association, supporting the development and execution of owner association operation rules and the development of the annual budget of the association, preparing the technical and financial reports, and any such tasks as may be assigned to it.

## **Section II**

### **Scope of Application**

#### **Article (2)**

The provisions stated herein shall apply to the licenses issued by the RERA to practice property management and operation.

## **Chapter 2 - Licenses - Section I**

### **Licensing Authority**

#### **Article (3)**

The RERA shall issue licenses for practicing property management and operation in the Kingdom.

#### **Article (4)**

No natural or artificial person may practice property management and operation except after obtaining a license from the RERA.

## **Section II - License Requirements**

### **I. General Conditions**

#### **Article (5)**

Subject to the special conditions of obtaining a license to practice property management and operation referred to in Article (6) of this Resolution, the applicant shall attend the continuing professional training approved by the RERA in this regard. The applicant shall be exempted from attending the continuing professional training, if it has a local or international experience of at least 3 years in property management and operation and the RERA may such applicant a license as it may deem appropriate in this regard.

If the applicant has experience of at least six months, the RERA may grant such applicant a six-month temporary license, provided that it should pass the training courses approved by the RERA within the term of the temporary license in order to get the final license.

## **II. Special Conditions**

### **Article (6)**

The applicant shall meet the following requirements:

1- For a natural person:

- A. The applicant shall not be convicted by a final verdict in a felony or misdemeanor involving a breach of trust and honor, unless rehabilitated.
- B. The applicant shall have not been declared bankrupt by a final verdict, unless rehabilitated.

2- For an artificial person:

- A. The applicant shall not have been declared bankrupt by a final verdict.
- B. The directors of the applicant shall not have been declared bankrupt or shall not have been acting as directors of a liquidated company.
- C. The property managers of the applicant shall obtain a license to manage and operate the real estate property.

## **Section III**

### **Application Process**

#### **Article (7)**

The application shall be submitted to the RERA and shall enclose the following information and documents:

1- For a natural person:

- A. A copy of the registration certificate in the commercial registry including the business sought to be licensed and this condition shall not apply to the application for a license to work for a licensed property manager.
- B. A copy of a valid ID card or passport.
- C. New personal photo.
- D. Profile details including the address, phone numbers, workplace and branches, and website, if any, of the applicant.
- E. A proof of payment of the prescribed application fee.

F. Any other documents or information as may be requested by the RERA.

2- For an artificial person:

A. Copy of the certificate of registration in the commercial registry including the business sought to be licensed.

B. Documents that show the Company's organizational structure, names of directors and representatives before the RERA

C. A proof of payment of the prescribed application fee.

D. Any other documents as may be required by the RERA.

#### **Section IV**

##### **Licensing Foreigners**

###### **Article (8)**

If the applicant is a foreigner, the provisions regulating the practice of property management and operation for non-Bahrainis shall be observed when licensed.

#### **Section V**

##### **License of Owner Association Management Functions**

###### **Article (9)**

The applicant, who desires to perform the owner association management functions, may request the RERA to include its desire in the license granted to the applicant to practice property management and operation. The RERA may include this if it finds that the applicant is capable of doing such functions.

#### **Section VI**

##### **Issuance of License**

###### **Article (10)**

The RERA shall consider the application after completing all the documents and information required and shall issue its decision whether to approve or reject the application within five working days from the date of submission.

In case of rejection, the rejection decision shall be reasoned. Should the period

prescribed for deciding on the application lapse with no reply being given by the RERA, the application shall deem to be implicitly rejected.

The relevant party may complain against the decision issued to reject the application according to the conditions prescribed in the Law.

#### **Article (11)**

The RERA shall issue the license after payment of the prescribed fees.

#### **Article (12)**

The license shall be valid for one calendar year as of the date of issuance.

#### **Article (13)**

The property manager may not assign or transfer the license to third parties.

### **Chapter 3**

#### **Property Manager Obligations**

#### **Article (14)**

1- The real estate manager shall practice real estate management and operation business pursuant to the provisions of this Resolution and the code of ethics and it shall carry out its work with integrity and honesty.

2- The property manager shall present the license issued to him in a visible place at his work place.

#### **Article (15)**

The property manager may not carry out any work or activity contrary to the purpose of the license granted thereto. In case of breach, the RERA may take the measures prescribed in the Law.

#### **Article (16)**

The property manager shall notify the RERA of any changes or amendments to its profile details. Failing to notify the RERA of the same, all the correspondence directed

to the property manager using its profile details kept with the RERA shall be valid against it and have all the legal effects thereof.

#### **Article (17)**

The property manager shall notify the RERA of any changes or amendments to the information of registration in the commercial registry within seven days thereof.

#### **Article (18)**

The property manager shall keep the records related to the details of its financial transactions, invoices, accounts, statements, lists and other documents related to the property management and operation for at least five (5) years of the date of transactions.

### **Chapter 4**

#### **Regular Report**

#### **Article (19)**

The property manager shall submit a regular report to the RERA before submitting a renewal application using the form approved by the RERA for this purpose and the same shall have the details of all the property management and operation contracts it concluded within the period prior to the renewal and shall, in particular have:

- 1- The information of the parties to the contract.
- 2- Date and duration of the contract.
- 3- Nature of the service provided.
- 4- Value of the contract.
- 5- Disclosure of conflict of interests and shall mention the type and details of this conflict, if any.

### **Chapter 5**

#### **License Renewal and Cancellation - Section I**

#### **License Renewal**

#### **Article (20)**

The property manager shall submit a license renewal application on the form

prepared by the RERA for this purpose at least sixty days before the expiry of the license with the following documents and information being enclosed:

- 1- A copy of a valid certificate of registration in the commercial registry.
- 2- A proof of payment of the prescribed fee for license renewal.
- 3- A proof of completing the continuing professional training program.
- 4- Any other documents or information as may be required by the RERA.

The renewal applicant shall not be granted endorsement of the license it has to perform the owner association management functions unless it provides a proof of passing the CPD training program approved by the RERA in this regard.

### **Article (21)**

The RERA shall consider the renewal application after completion of all the documents and information required and it shall pass its decision whether to approve or reject the renewal within five working days as of the date of submission.

In case of rejection, the rejection decision shall be reasoned. Should the period prescribed for deciding on the application lapse with no reply being given by the RERA, the application shall deem to be implicitly rejected.

The relevant party may complain against the decision issued to reject the renewal application according to the conditions prescribed in the Law.

## **Section II**

### **License Cancellation**

#### **Article (22)**

The license shall be cancelled if:

- 1- The RERA finds that the property manager has obtained the license by way of fraud or misrepresentation by submitting untrue information or documents or by hiding information that is critical in this regard;
- 2- The property manager loses one or more conditions of the licensing;
- 3- The property manager assigns or transfers the license to a third party;
- 4- The licensed artificial person enters into a merger without a prior notice to the



RERA;

5- The real estate property so requests;

6- The licensed artificial person is liquidated; and/or

7- The property manager is removed from the commercial registry.

## **Section VI**

### **Property Manager Register**

#### **Article (23)**

1- The RERA shall create a hardcopy or softcopy register called (property manager register) including all the data and information of the property managers.

2- The register shall contain such data and information as the RERA may deem necessary, especially:

A- The name, address, and license number of the property manager;

B- The profile details of the property manager especially its head office, phone numbers, website, workplaces and branches, if any, and the date of issuance and expiry of the license and the details of the legal representative, if any.

3- The property manager shall within five working days notify the RERA of any change in information and data contained in the register.

4- The information contained in the register shall deem to be valid unless the RERA has a proof of forgery or misrepresentation thereof.

5- The register shall be accessible to the stakeholders who may extract copy thereof after paying the legally prescribed fees.

## **Chapter VII**

### **Conflict of Interests**

#### **Article (24)**

The licensed property manager may not represent the principal if it has a direct or indirect interest that would conflict with the requirements of its tasks as a property

manager or that would render the manager unable to provide services in a fair, honest and objective way unless the principal agrees to let the property manager continue to do its job and represent the principal after the disclosure or discovery of the conflict of interests.

Except for the fee or commission payable to the property manager, it may not make any personal gains from the business it runs for the principal and the personal interest shall include this of the property manager's wife, children or a relative, up to the fourth degree, in such business.

## **Chapter 8**

### **Interim Provisions**

#### **Article (25)**

Upon the enforcement of the Law, any natural or artificial person who practices property management and operation shall file an application to bring its situation in compliance with the law within six months from the date of enforcement of this Resolution.

The RERA may exempt the compliance applicant from certain licensing requirements and an interim license may be granted for one calendar year. This license shall not be renewable.

#### **Article (26)**

This Resolution shall be executed by the Chief Executive Officer and shall be effective as of the day following the date of publication in the Official Gazette.

Chairman of the Real Estate Regulatory Authority

Salman bin Abdullah bin Hamad Al Khalifa

Issued on: 21 Shawwal 1439 AH

Corresponding to: 5 July 2018 G