REGULATORY OVERVIEW

Compliance for automotive dealers in Bahrain

The 13 areas every dealership, workshop and spare-parts operation should audit. Many fines are fixed amounts, but they stack: charged **per worker** or **per day**, and many breaches can also mean **closure or removal from the commercial register**.

Prison + per worker
LMRA work-permit breaches: 3–12 months and BD 1,000–2,000 for each worker.

BD 1,000,000
Maximum fine under Environment Law 7/2022, doubled on repeat.

BD 1,000 / day
Consumer protection daily fines, plus closure and public naming.

#	AREA	MAIN LAW	REGULATOR	HEADLINE PENALTY
01	**Consumer protection** Pricing, invoices, promotions	Law 35/2012 (as amended)	MOIC · Consumer Protection Directorate	• SEVERE Daily fines up to **BD 1,000** (BD 2,000 on repeat), capped at **BD 20,000** per breach · closure up to 3 months (renewable) · CR suspended · publicly named
02	**Agency obligations** Warranty & spare parts	Decree-Law 10/1992 + Law 35/2012	MOIC	• HIGH Agents must honour the maker's warranty (incl. imported cars), supply spare parts and after-sales service, and issue dated invoices showing the warranty period
03	**Promotions & discounts** Incl. social media	Law 35/2012 (as amended)	MOIC	• HIGH Promotions need a licence; discounts must be genuine · same daily-fine and closure regime as consumer protection
04	**Competition** Prices, territories, tenders	Law 31/2018	MOIC (no separate authority yet)	• HIGH Up to **1 year prison** and fines up to **BD 50,000** · law largely untested
05	**Data protection** Customer data & marketing	PDPL · Law 30/2018	Personal Data Protection Authority	• HIGH Up to **1 year prison** and/or **BD 1,000–20,000** · orders to stop processing · customers must be told if data is used for marketing
06	**Work permits** LMRA	Law 19/2006, art. 36	LMRA	• CRITICAL **3–12 months prison and BD 1,000–2,000, per worker** · repeat: 6 months–2 years, BD 2,000–4,000 · closure up to 1 year or strike-off from the CR
07	**Employment** Contracts, wages, leave	Labour Law 36/2012 + WPS	Ministry of Labour	• HIGH Per-worker fines for wage, leave and contract breaches (approx. **BD 200–500 per worker** – verify) · salaries must be paid through the Wage Protection System
08	**Workshop safety** Workshop & bodyshop	Labour Law 36/2012 + ministerial orders	Ministry of Labour	• HIGH Per-worker fines, possible closure · summer midday outdoor-work ban carries fines and possible prison

#	AREA	MAIN LAW	REGULATOR	HEADLINE PENALTY
09	**Fire safety** Premises certificate	Civil Defence rules	General Directorate of Civil Defence	• MODERATE Fire safety certificate needed for the commercial registration · closure / licence not renewed (fine amounts not clearly published)
10	**Environment** Oils, batteries, paint	Environment Law 7/2022	Supreme Council for Environment	• CRITICAL **BD 500 up to BD 1,000,000** plus possible prison · maximums double on repeat · violator pays clean-up costs
11	**VAT (10%)** Invoicing & filing	Decree-Law 48/2018	National Bureau for Revenue	• SEVERE Up to **BD 10,000** late registration · **5–25%** of tax late filing/payment · up to **BD 5,000** invoicing or VAT-inclusive price display · evasion: **3–5 years prison** and 1–3× the tax
12	**Anti-money laundering** Cash & suspicious deals	Decree-Law 4/2001	FIU · Public Prosecution	• MODERATE Criminal law covers every business · car dealers are not a named supervised sector, so there is no dealer-specific cash rule (unlike Kuwait)
13	**Vehicles** Registration, plates, odometer	Traffic Law 23/2014 + anti-commercial fraud law	General Directorate of Traffic · MOIC	• HIGH Registration, transfers and test plates · odometer tampering or misdescribing a car is **commercial fraud**

WHAT STANDS OUT FOR DEALERS

- **Work permits** are the biggest exposure: prison on the first offence, fines multiplied per worker, and possible strike-off.
- **Consumer protection** now has teeth: daily fines, closure and public naming.
- **Environment** carries the biggest single number: BD 1 million.

CAVEATS

- The MOIC circular for vehicle sellers, garages and spare-parts traders is the most dealer-specific document and should be read in full.
- Employment and workshop-safety fine amounts, and fire-safety penalties, should be checked against the law texts.
- Amounts are statutory maximums; actual penalties depend on the case.

Sources: MOIC circular on vehicle sales, maintenance and spare parts (moic.gov.bh) · GDN: consumer protection law amendments (gdnonline.com) · Daily Tribune: dealers must honour warranties on imported cars (newsofbahrain.com) · Mondaq: Bahrain competition law · DLA Piper: Bahrain data protection · LMRA: penalties (lmra.gov.bh) · Labour Law 36/2012 · Zu'bi & Partners: Environment Law 7/2022 · Zoho: Bahrain VAT penalties · MOIC: AML/CFT supervision.

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