Naar Saudi

GUIDE · COMPANY FORMATION

Setting up a company in Bahrain

Step-by-step plan, lead times and actual costs in BHD and euros, for the Dutch entrepreneur.

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Bahrain is one of the most accessible markets in the Gulf for foreign entrepreneurs. No corporate income tax on non-oil activities, no personal income tax, 100% foreign ownership for most activities, and no minimum capital for the most popular legal form. This document sets out the steps and the actual costs.

1. The legal form: the WLL is the standard choice

The WLL (With Limited Liability, comparable to a Dutch BV, i.e. a private limited company) is by far the most popular structure for foreign entrepreneurs. Since reforms in 2020 and 2021, a WLL can be formed by a single shareholder, there is no minimum capital requirement, and 100% foreign ownership is possible for most activities. Your personal assets remain separate from the company's debts.

Alternatives

- **Branch office:** an extension of your existing business, not a separate legal entity. The parent company remains fully liable.
- **Closed Joint Stock (BSC-c):** higher capital required, limited transferability of shares. For larger structures.
- **Representative office:** market exploration without commercial activity.

Please note: not every activity is open to full foreign ownership. Sectors such as construction and domestic retail have their own requirements, sometimes involving a Bahraini partner. Always check the specific ISIC activity code before you start.

2. The process in seven steps

Step 1 – NPRA security clearance

Security screening of all foreign shareholders, directors and authorised representatives by Nationality, Passports and Residence Affairs. This is the first and most critical hurdle: this is where most delays arise.

Lead time: 3–5 working days

Step 2 – Reserve a trade name

Submit three preferred names via the Sijilat portal of the Ministry of Industry and Commerce (MOIC). One name is approved.

Lead time: 3–5 working days

Step 3 – Register the office address

A lease agreement plus an EWA bill and photographs of the premises. A business centre or flexible workspace is often sufficient, provided it is approved by the municipality.

Lead time: 1–3 working days

Step 4 – Draft and notarise the articles of association

The Memorandum and Articles of Association set out the structure, ownership and management. Signing and notarisation.

Lead time: 1–2 working days

Step 5 – Commercial Registration (CR)

MOIC reviews the application and issues the CR certificate digitally. This is the legal identity of your business.

Lead time: 2–3 working days

Step 6 – Bank account and capital deposit

Present your CR at a Bahraini bank. In practice, this is often the step with the longest lead time and the strictest compliance requirements.

Lead time: 5–10 working days

Step 7 – Follow-up registrations

LMRA (labour market, required for work permits), GOSI (social insurance) and eKey for access to the government portals. NBR registration for VAT where applicable.

Lead time: 3–4 working days

Realistic total lead time: 11 to 21 working days for a standard WLL with complete documentation. Including the bank account, in practice this often extends to four to six weeks.

3. The costs: government fees

Below are the costs you pay directly to Bahraini government bodies. These are kept strictly separate from any advisory or service fees.

Government item	Cost (BHD)
NPRA security clearance *Per foreign shareholder or director*	BHD 250
Registration and licence fees (Sijilat/MOIC) *Fixed government fees, uniform for a standard CR*	± BHD 432
Trade name reservation	± BHD 50
Notarisation of articles of association	BHD 50–150
Municipal follow-up processing	± BHD 10
LMRA registration	± BHD 20
GOSI registration	Free of charge
eKey (access to government portals)	± BHD 60
Indicative total government fees	**± BHD 850–1,000**

> **Important to know**
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> GCC nationals (Bahrain, Saudi Arabia, UAE, Kuwait, Oman, Qatar) are exempt from the NPRA security clearance. That saves BHD 250 per shareholder or director and speeds up the process considerably. For a Dutch entrepreneur, however, the clearance does apply.

4. What comes on top

The government fees are only part of your actual start-up budget. In addition, allow for:

- **Office address:** mandatory and approved by the municipality. A flexible workspace or business centre is the cheapest route.
- **Capital deposit:** no statutory minimum for a WLL, but in practice banks often expect a deposit (guideline from BHD 1,000). This remains your own equity; it is not a cost item.
- **Professional support:** set-up firms typically charge BHD 1,200 to 2,150 for a full package, which includes the government fees. Legal advice separately: BHD 500 to 2,000.
- **Activity-specific licences:** sectors supervised by the CBB (financial), RERA (real estate) or TRA (telecoms) have their own, additional licence costs.
- **Work permits:** the LMRA charges around BHD 105 to 125 per work permit.

Annual recurring costs: CR renewal BHD 50 to 150, bookkeeping BHD 400 to 800 and, depending on your activity, an annual licence fee. Indicatively BHD 300 to 700 a year in government costs.

5. Total cost overview: BHD and euros

To give a realistic picture of your total start-up budget, the costs are shown below side by side in Bahraini dinars and euros. The amounts are indicative and converted at a rate of approximately 1 BHD = 2.45 euros. The dinar is pegged to the US dollar, which keeps the exchange rate stable.

One-off set-up

The set-up is handled by a specialist firm that arranges the entire process, including the government fees. This is the most popular and most reliable route for a foreign starter.

Item	BHD	Euro (±)
Set-up package (government fees included)	± 1,200–2,150	± 2,950–5,300
Office address (flexible workspace, first year, indicative)	± 600–1,200	± 1,500–2,950
Work permit (per person, LMRA)	± 105–125	± 260–310
Total one-off	**± 1,900–3,500**	**± 4,650–8,550**

Annual recurring

Item	BHD	Euro (±)
CR renewal	± 50–150	± 125–370
Bookkeeping and compliance	± 400–800	± 980–1,960
Government costs and licence (indicative)	± 300–700	± 735–1,715
Total per year	**± 750–1,650**	**± 1,840–4,050**

For comparison with Saudi Arabia

A comparable company set-up in Saudi Arabia realistically comes to around 14,000 to 20,000 euros in the first year, partly because of the capital that must be demonstrated and the higher office and visa costs. Bahrain is clearly below that, which makes it an attractive stepping stone or alternative, especially for those who want to enter the Gulf without immediately facing the higher Saudi cost level.

The minimum capital (guideline from BHD 1,000, around 2,450 euros) is not a cost item and remains your own equity. It has therefore not been included above. Amounts exclude any activity-specific licences and legal advice.

6. Tax in Bahrain

Tax	Rate
Corporate income tax (non-oil)	0%
Personal income tax	0%
Capital gains tax	0%
Withholding tax	0%
VAT on domestic sales	10%
VAT on export of services	0%
VAT registration threshold	BHD 37,500 turnover

Please note: since 2025, Bahrain has applied a Domestic Minimum Top-up Tax of 15% to very large multinationals (turnover above EUR 750 million). This does not apply to SMEs. Companies with certain activities must also file an Economic Substance Return each year.

7. Common mistakes

- Underestimating the NPRA security clearance. This is the most common cause of delay and of rejection.
- Choosing the wrong ISIC activity code, only to find out afterwards that full foreign ownership is not permitted.
- Underestimating the lead time for the bank account. Compliance requirements are strict and this can take weeks.
- Assuming that 0% corporate income tax means there are no administrative obligations. Bookkeeping, CR renewal and any Economic Substance reporting remain mandatory.

> ### Want to talk through your situation?
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> Bahrain is accessible, but the details determine whether it runs smoothly or drags on for months. Book a no-obligation call via naarsaudi.nl.

This document is for information only and does not constitute legal, tax or financial advice. Amounts are indicative and based on publicly available rates as of 2026; government fees may be revised without notice and vary by activity and structure. The euro amounts have been converted at an indicative rate of 1 BHD = 2.45 euros and may fluctuate. Always consult the official sources (moic.gov.bh, Sijilat portal) and qualified local advisers before making decisions. No rights can be derived from the amounts and timeframes stated.

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