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Council of Ministers

Resolution No. (13) of 2011 on Amending Article One of Decision No. (43) of 2003 regarding the Ownership by Non-Bahrainis of Built Properties and Land in the Kingdom of Bahrain as amended by Decision No. (67) of 2006

Prime Minister:|

Having reviewed Legislative Decree No.(2) of 2001 regarding Ownership by Non-Bahrainis of Built Properties and Land;

And the Central Bank of Bahrain and the Financial Institutions Law promulgated by Law No. (64) of 2006;

Decision No. (43) of 2003 regarding the Ownership by Non-Bahrainis of Built Properties and Land in the Kingdom of Bahrain as amended by Decision No. (67) of 2006;

Decision No. (43) of 2006 regarding the Exemption of Certain Restrictions From Real Estate Registration Fees;

And upon the submission of the Minister of Finance,

And after the approval of the Council of Ministers,

Hereby Decides:

Article One

A new paragraph shall be added to Article One of Decision No. (43) of 2003 regarding the Ownership by Non-Bahrainis of Built Properties and Land in the Kingdom of Bahrain as amended by Decision No. (67) of 2006, the text of which is as follows: -

"Traditional foreign retail banks shall also be allowed to temporarily own built properties or land that they finance according to principles of Islamic finance in Bahrain, subject to compliance with the standards, regulations, decisions and guidelines issued by the Central Bank of Bahrain, based on the following conditions:

1- The bank shall obtain written approval from the Central Bank of Bahrain before engaging in such transaction.

2- Ownership shall be for the purpose of resale to a customer through real estate financing, while adhering to the controls stipulated in this Decision when the customer is not a Bahraini national.

3- The bank's ownership of the built property or land shall be limited to the financing period only.

4- In the event that the customer fails to fulfil his financial obligations towards the bank, the latter shall sell the property within one year from the date of contract termination. The Central Bank of Bahrain may extend this period for an additional year only.”

Article Two

This Decision shall be published in the Official Gazette and shall come into force from the day following the date of its publication.

Prime Minister

Khalifa bin Salman Al Khalifa

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Corresponding to: 29 March 2011