

Regulation No. (5) of 2021 regarding Determining the Form of Companies that Sports Clubs May Take, the Rules Governing their Work and the Mechanism of their Control

The Minister of Youth and Sport Affairs:

Having reviewed the Commerce Law promulgated by Legislative Decree No. (7) of 1987, as amended;

Law of Associations, Social and Cultural Clubs, Private Bodies Working in the Field of Youth and Sports and Private Institutions promulgated by the Legislative Decree No. (21) of 1989, as amended;

Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001, as amended, and its Implementing Regulation promulgated by Decision No. (6) of 2002, as amended;

Law No. (18) of 2012 regarding Brand Names;

And Legislative Decree No. (27) of 2015 regarding Commercial Register, as amended by Legislative Decree No. (52) of 2018;

And after coordination with the Minister of Industry, Commerce and Tourism;

Hereby Decides:

Chapter One

Definitions

Article (1)

In applying the provisions of this Regulation, the following words and expressions shall have the meanings assigned to them below, unless the context requires otherwise:

Kingdom: The kingdom of Bahrain.

Ministry: The Ministry concerned with sports affairs.

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Competent Directorate: Directorate of Legal Affairs and Licenses at the Ministry.

Club: The sports club established in the form of a commercial company or its entity is changed to that in accordance with the provisions of the Societies, Social and Cultural Clubs and Private Institutions in the Field of Youth, Sports and Private Institutions, promulgated by Legislative Decree No. (21) of 1989.

Club Administration: The Board of Directors of the company, its Directors or its Board of Managers, according to the form of the company.

Chapter Two

Establishment of the Club

Article (2)

In the establishment of Clubs, the rules and provisions stipulated in the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001, Legislative Decree No. (27) of 2015 regarding Commercial Register and the decisions issued by the Minister concerned with commerce affairs shall be followed.

Article (3)

a- It shall be permissible for Clubs to take one of the following forms:

- 1- A limited liability company, which shall be permitted to be a non-profit company.
- 2- Closed joint stock company.

b- Clubs shall not convert from one form of company to another or merge except with the approval of the Ministry.

Chapter Three

Licensing the Club to Work in the Field of Sports

Article (4)

a- Clubs shall not work in the field of sport except with a licence issued by the Ministry.

b- The legal representative of the club shall submit the request for license to the Ministry concerned with commerce affairs, and it shall include all the required data and documents in accordance with the forms prepared for this by the Ministry.

Article (5)

The license shall be subject to the following conditions:

- 1- Submitting a copy of the company's Articles of Association project and its charter, if any, provided that it shall include the following:
 - a) The name of the Club, which is used in all its correspondence and transactions, and shall not be changed or amended by deletion or addition except with the permission of the Ministry, and

without prejudice to the provisions stipulated in Law No. (18) of 2012 regarding Brand Names, and it shall not be permissible in all cases for the Club to take a name that calls for confusion between it and another Club.

b) The purposes for which it was established and its headquarters, provided that it shall be in the Kingdom.

c) The financial resources of the Club.

2- Fulfilment of the conditions stipulated in Article (11) of this Regulation in the Club founders.

3- Submission of a letter from the partners or the legal representative of the legal person specifying who is responsible for its management.

4- Payment of the prescribed fees.

5- Submission of the security approval from the Ministry of Interior.

6- Presentation of any other information or documents that the Competent Directorate deems to be necessary to decide on the request for the license.

Article (6)

The Ministry shall be decide on the request for license within thirty days from the date of its submission, and the Ministry shall have the right to reject the request for license in the following cases:

1- Absence of any of the conditions mentioned in Article (5) of this Regulation.

2- If the community does not need the services of the Club.

3- The existence of other sports Clubs that meet the needs of the community with regard to the activities that will be practised.

4- If the establishment of the Club is inconsistent with the public interest.

5- Invalidity of the Club's headquarters or the place of practising its activity in health, social or sports terms.

6- If the Club was established with the intention of reviving another previously dissolved Club or having its license revoked, as the case may be.

Article (7)

The licence shall include the name and registration number of the Club. The license is granted for a period of one year, renewable for other similar terms.

Article (8)

The Competent Directorate shall undertake registering the Club in the register prepared for this purpose at the Ministry after licensing it, and a decision shall be issued by the Minister to publish the registration number in the Official Gazette.

Article (9)

a) It is permissible for the Minister, by a decision issued by him, to revoke the license or suspend it for a period not exceeding six months, in the following cases:

- 1- If the Club fails to achieve the purposes it was established to achieve.
- 2- If the Club disposes of its funds in a manner other than those specified for it in accordance with its objectives.
- 3- If the Club commits a serious violation of the law or violates the public order or morals.
- 4- If the public interest so requires.

b- The Minister shall communicate his decision to the Club by a registered letter, and it shall be implemented by the Club Administration as soon as it becomes aware of it.

c- The decision shall be registered in the register prepared for this purpose in the Competent Directorate and shall be published in the Official Gazette.

d- It is prohibited for any person to participate in the Club's activity after the publication of the decision to cancel the license in the Official Gazette.

Chapter Four

License to Own Stocks and Shares

Article (10)

Ownership of stocks and shares in Clubs shall be limited to Bahrainis only, and this shall be through a personal license issued by the Ministry, and it is not permissible to waive it to others except after the approval of the Ministry.

Article (11)

The founders of Clubs or those who wish to own stocks or shares in them are required to have the following:

a- For natural persons:

- 1- Shall be of a Bahraini nationality.
- 2- Shall not be under eighteen years old.
- 3- Shall be of good conduct and behaviour, and have not been previously convicted of a felony or misdemeanour of any crime or offence involving honour or integrity unless he has been rehabilitated.
- 4- Shall not be affiliated with any political association.

b- For legal persons:

- 1- The legal person shall have the Bahraini nationality and shall be wholly owned by individuals of Bahraini nationality.
- 2- Companies in which the Kingdom, public institutions and bodies participate are permitted to obtain a license to own stocks in Clubs, in a manner that does not conflict with the laws and legislations regulating them.

Article (12)

The founders of Clubs or those wishing to own shares in them shall submit an application to the Competent Directorate, completing the data and documents, as follows:

a- For natural persons:

- 1- A copy of the identity card or passport.
- 2- Security approval from the Ministry of Interior.
- 3- A certificate of good conduct and behaviour issued by the competent authority in the Ministry of Interior.
- 4- A statement of previous experiences in the field of sports, administration, entertainment or media supported by the relevant documents, if any.
- 5- Any other data or documents that the Competent Directorate deems to be necessary to decide on the request for license.

b- For legal persons:

- 1- A copy of the company's Article of Association and its charter, if any.
- 2- A copy of the registration certificate in the commercial register for companies.
- 3- A letter from the partners or the legal representative specifying who is responsible for managing the person.
- 4- A statement of the previous experiences of the legal person or those in charge of it in the sports, administrative, entertainment or media field supported by the indicative documents, if any.
- 5- Security approval from the Ministry of Interior.
- 6- Any other data or documents that the Competent Directorate deems to be necessary to decide on the request for license.

Article (13)

The Competent Directorate shall decide on the request for the license within thirty days from the date of its submission. In case of rejection, it shall be reasoned, and the lapse of the period without a response shall be considered as an implicit rejection of the application.

Article (14)

- a- The licence shall include the name of the licensee and his registration number.
- b- The licensee shall submit a copy of the licence to the Ministry concerned with commerce affairs in order to take the necessary measures.

Article (15)

The licensee shall comply with the following provisions:

- 1- Notifying the Ministry of any change in its data on the basis of which the license was issued.
- 2- Not transferring the ownership of stocks and shares except with the approval of the Ministry.
- 3- Merges or acquisitions shall be prohibited without obtaining the approval from the Ministry.

Article (16)

a- A serial and indexed register dedicated to the owners of the stocks and shares in Clubs shall be established in the Competent Directorate.

b- The register shall include, in particular, the names of licensees, the registration number and any other data or observations that the Competent Directorate deems necessary to include.

c- It is permissible for those concerned to view the register and obtain from it a certificate stating their registration in it.

d- The Competent Directorate shall maintain the register, and it is prohibited to dispose of or destroy it. The Directorate shall establish an electronic archive of this register containing all contents referred to in Article (12) of this Regulation.

Chapter Five

Club Administration

Article (17)

a- The Club's affairs are managed by a Board of Directors, a Director or a Board of Managers in accordance with the charter or the company's Articles of Association and in accordance with the provisions set forth in the Commercial Companies Law, promulgated by Legislative Decree No. (21) of 2001. The Club shall establish an administrative structure to serve all its administrative affairs and sports activities.

b- A register shall be established in the Competent Directorate in which the names of the members of the Clubs Administrations shall be registered. The provisions contained in Clauses (c) and (d) of Article (16) of this Regulation shall apply to this register.

c- The Club Administration shall notify the Ministry of any amendment in the Club Administration within fifteen days from the date of its occurrence.

Article (18)

a- Without prejudice to the provisions of Article (240) of Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001, and the provisions of the Law of Associations, Social and Cultural Clubs, and Private Bodies Operating in The Field of Youth, Sports and Private Institutions promulgated by Legislative Decree No. (21) of 1989, the members of the Clubs Administrations shall meet the following conditions:

1- The member shall be of a Bahraini nationality having all his civil and political rights. A non-Bahraini shall be permitted to be a member of a Club Administration after the approval of the Supreme Council for Youth and Sports based on the recommendation of the Minister.

2- Shall be interested in sports.

3- Shall not be affiliated with any political association

b- The provisions of the preceding Paragraph shall be without prejudice to the rights of the owners of stocks and shares to take over the management of the Club.

Article (19)

The person nominated for a position in the Administration of the Club shall be approved in writing by the Ministry.

Article (20)

a- It is permissible for the Ministry to delegate whomever it deems fit to attend the meetings of the Club Administration or the general assembly.

b- It is permissible for the Club Administration to be invited to an emergency meeting at the request of the Ministry or the Ministry concerned with commerce affairs if necessary.

Article (21)

It is not permissible to combine the Club Administration work with the work of any position in one of the other Clubs.

Article (22)

It is permissible for the Club Administration to appoint an Executive Director with a remuneration who meets the conditions specified by the Ministry. It is permissible to invite the Director to attend meetings of the Board of Directors without having the right to vote, and the Director is not permitted to carry out any other work for remuneration or without remuneration except with the permission of the Club Administration and the approval of the Ministry.

Article (23)

The Club Administration shall undertake the following competences:

1- Laying the foundations and programs that help to raise the technical level of the sports teams in the graded age groups that represent them in the matches of the participating sports federations within the limits of the general policy set by the competent sports federation.

- 2- Establishing the internal regulation, the sports activity regulation and the health regulation.
- 3- Forming permanent or temporary committees to discuss and organize the various affairs and activities of the Club, whether from among the members of the Club Administration or the members of the Club, and it is permissible to seek the assistance of experts from outside the Club.
- 4- Drafting the annual report of the various aspects of activity in the Club, and informing the Ministry of a copy of it.
- 5- Examining the proposals and complaints submitted by the members.
- 6- Appointing the employees of the Club, determining their wages and taking disciplinary action against them.
- 7- Any other competences stipulated in the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001 and the decisions issued in implementation thereof.

Chapter Six

Regulation of Technical and Administrative Work of the Club

Article (24)

The Club Administration shall set the necessary regulations to regulate the technical and administrative work of the Club as it deems appropriate and in a manner that does not conflict with the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001 and the decisions issued in implementation thereof, and it shall submit these regulations to the Ministry for approval. These regulations shall be as follows:

a) Internal regulation:

It shall include the implementing matters necessary to achieve the objectives and goals of the Club, and it shall include the following matters:

- 1- Rules regulating membership affairs in the Club and mechanisms for complaints and penalties.
- 2- Opening and closing times of the Club.
- 3- Rules and procedures for attendance of the visitors to the club.
- 4- Rules for the use of the Club's facilities and stadiums.
- 5- Rules for organizing the Club's registers, books and archives.

b- Sports activity:

It shall include the following matters:

- 1- Systems and rules of the sports activities at the Club.
- 2- Procedures and conditions for contracting with supervisors and coaches for sports activity in the Club.
- 3- The competencies of supervisors and coaches, their duties, relationship with the Club Administration and the competent their sports federations, and other matters related to the organization of sports activity in the Club internally and externally.

C- Health regulation:

It shall include the general health and prevention rules that apply in the Club and the healthcare systems of the players and their treatment in case of illness or injuries.

Article (25)

a- The Club Administration shall comply to keeping the commercial books in accordance with the provisions stipulated in the Commerce Law promulgated by Legislative Decree No. (7) of 1987 and other relevant decisions. It shall also keep the following registers at the Club's headquarters:

- 1- The registration register of members showing the name of each member, surname, nationality, profession, date of birth, date of admission to membership and his personal number.
- 2- A register in which the records of the Club Administration's meetings shall be recorded, provided that the records shall be signed by the President.
- 3- A register of the records of the meetings of the general assembly.
- 4- Contributions registration book and registration fees.

b- The Council is permitted to establish other registers and books as may be required by the business needs of the Club.

c- Prior to starting work on the registers and books, it is required that each of its pages are numbered with serial numbers and stamped with the seal of the Club.

Article (26)

The Club shall not pay any money to any player or any member of the technical, administrative, medical or arbitration bodies without entering into a contract regulating the relationship between the parties, provided that a clause regulating mediation and arbitration shall be included in the contract, taking into account the relevant rules of the laws and regulations of the sports federations concerned.

Article (27)

A- The Club Administration shall notify the Ministry of a copy of all contracts it enters into, whether with athletes or employees, contracts for the sale or purchase of real estates or land or contracts for the lease or investment of any of these.

b- The Club Administration shall annually submit a copy of the audited financial data to the Ministry.

Chapter Seven

General Provisions

Article (28)

The Club shall operate within the framework of the general policy set by the Ministry and the Ministry concerned with commerce affairs and shall be subject to their control. It shall also commit to following the general policy, programs and directives determined by the sports federations for the game in which the Club participates.

Article (29)

a- It is not permitted for the Club to hold matches with foreign teams, whether inside or outside the Kingdom, except after obtaining permission from the competent sports federation and the written approval of the Ministry. It is also not permitted for the Club to receive funds or gifts from persons or bodies based outside the Kingdom or to send any of this to it except with the written permission of the Ministry and in accordance with the procedures prescribed by law for collecting funds for public purposes.

b- It is not permitted for the Club to belong to, participate in or join an association, authority, club or federation based outside the Kingdom without prior permission from the Ministry. The passage of forty five days without a decision on the aforementioned application for affiliation, participation or accession shall be considered as an implicit rejection of the application.

Article (30)

The Club is prohibited from engaging in political or religious matters.

Article (31)

Employees who are designated by an order issued by the Minister concerned with Justice Affairs, in conjunction with the Minister, shall have the capacity of the judicial officer in the implementation of the provisions of this Regulation, and the clubs shall enable the assigned judicial officer to carry out the inspection work and verify the application of the provisions of this Regulation. They shall also facilitate the inspection procedures and extend full cooperation to the judicial officer in order to enable them to access all the correct data and information necessary to perform their tasks.

Article (32)

The provisions of this Regulation shall not prejudice the right of the Ministry concerned with commerce affairs to supervise and control the administrative and financial affairs of the Club.

Article (33)

The concerned -each within his jurisdiction- shall implement the provisions of this Regulation, and it shall come into force the day following the date of its publication in the Official Gazette.

The Minister of Youth and Sport Affairs

Ayman bin Tawfeeq Almoayed

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