

'Unacceptable'

Shura Council rejects draft laws to shift state-linked company profits to general budget

Mohammed Darwish
TDT | Manama

Two draft laws to move more state-linked profits into Bahrain's general budget were rejected by the Shura Council yesterday after members heard that the plan ran against current law, cut into company independence and could leave state firms borrowing to meet budget payments.

The two draft laws, both based on proposals first sent by Parliament, sought to send more public money into the state's main account.

One would have changed Article 10 of Decree-Law No. 39 of 2002 on the general budget so that the revenues of all public authorities and institutions, along with the State's net profits from wholly owned companies and its share of profits in other firms after the legal reserve was set aside, would go into the public account.

The other would have required at least 50 per cent of the State's net profits from Bahrain Mumtalakat Holding Company and Bapco Energies to be entered in the general budget after the legal reserve was deducted.

Route

Opening the case against the bills, Financial and Economic Affairs Committee chairman Khalid Al Maskati said the committee agreed with the aim of using public income, "especially non-oil revenues", to help cut the budget deficit, but said the route taken in the bills was



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wrong.

Fixing a set share of Mumtalakat and Bapco Energies' net profits, he said, would mean "the institutions would have to borrow what they need to meet their obligation to the budget".

He added: "That is not acceptable to the committee, nor to the council."

First deputy chairman Jamal Fakhro said the plan cut against the whole purpose of creating public bodies and state firms with their own finances.

"If we create a public institution, that means it is responsible for its revenues and expenses," he told the chamber.

"How can I tell that institution to transfer its revenues to the government and then bear its own expenses?"

Funds

He said such bodies were created in part so the Finance Ministry would not have to handle all those funds itself, asking what sense there was in pulling all their money into the state budget only to send money back to them later.

"I believe the draft law has not been studied sufficiently," he said.

After studying both drafts and hearing from the Ministry of

Finance and National Economy, Mumtalakat and Bapco Energies, the committee said the purpose behind the proposals was already met under laws now in force.

It said state-owned companies were already subject to the National Audit Office and were already required to submit their budgets and final accounts to the Finance Ministry, meaning the draft laws would repeat rules already in force rather than bring in a new form of control.

Al Maskati also objected to the part dealing with financial statements, saying government company accounts were already prepared in line with internationally recognised accounting rules and reviewed through the current system.

Warning

"There is no need to burden the legislative authority with these reports," he said, warning against adding steps that would restrict work. He also spoke of his trust in the Finance Ministry's role.

The committee said the proposed amendment ran against the budget law, which already excludes some funds from remittance where other laws provide for that, and could affect the financial and administrative independence granted by the Constitution to public bodies and institutions.

In the committee's view, the draft laws took a course at odds with Bahrain's current financial order.

Five 'spies' for Iran arrested

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The Ministry of Interior announced that the General Directorate of Criminal Investigation and Forensic Science has arrested five individuals and identified a sixth, a fugitive abroad, for their involvement in collecting and passing sensitive information to Iran's Revolutionary Guard Corps (IRGC) through terrorist elements based in Iran.

Authorities said the suspects were also involved in recruiting terrorist operatives to participate in plots targeting Bahrain.

These acts were intended to undermine the state's sovereignty, target security authorities and economic entities, spread fear and panic among citizens and residents, and risk the country's security and safety.

The arrestees are: Abbas Abdullah Habib (39), Yousif Ahmed Mansoor Sarhan (25),

Mohammed Fadhel Hameed (39), Sahlan Abdulredha Ali (27), Mohammed Hadi Hassan (37), and Ahmed Yousif Jassim Sarhan (37, fugitive abroad).

According to the confession of the first suspect, whose criminal record indicates his involvement in terrorist crimes during previous years, he had received intensive training at IRGC camps in trafficking persons and recruiting operatives to participate in implementing terrorist plots.

Locations

He and the other suspects also photographed and recorded coordinates of several vital locations, as well as certain hotels in Bahrain, and sent those images and coordinates to the IRGC, which assisted in the targeting of those sites during the Iranian aggression.

Legal proceedings were taken, and the five arrestees were referred to the Public Prosecution.

Shura Council rejects nursery licensing bill

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Shura Council members rejected a bill yesterday that would have made it a clearer criminal offence to open a nursery without a licence, run one without approval, or change its site or specifications without the Ministry of Education's consent.

The council concluded that a new law already covers those acts, making the proposed bill unnecessary.

The proposed amendment to Bahrain's Child Law was meant to spell out, in plainer terms, which nursery-related breaches would bring punishment and to link them more clearly to the penalties in the law.

But the Women and Child Affairs Committee said those same matters are now governed by the Private Educational Institutions Law, issued as Law No. 4 of 2026 on 28 January.

Breaches

Presenting the committee's report, rapporteur Hala Ramzi said the bill aimed to "enhance the supervisory role of the Ministry over nurseries" by defining more clearly the breaches that warrant punishment.



Hala Ramzi

Ramzi also said that it would "expressly criminalise the establishment of nurseries without a licence, their operation, or changing their location or specifications without the approval of the Ministry of Education".

The lawmaker told members the committee had still urged rejection because the legal ground had shifted while the bill was under study.

Provision

During that period, she said, the Private Educational Institutions Law was issued, and Article 5 of its promulgation text repealed earlier rules on private educational institutions and "every provision that conflicts with its rules", showing a move to place the sector under one legal frame.

Ramzi said the newer law had brought nurseries within one rulebook.

Ministers oppose fixed state firm levy

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Ministers pushed back against a draft law to fix the share of state-owned company profits paid into the state budget. They said they support the idea of public firms contributing to the treasury but have concerns about implementing a rigid legal rate.

Officials argued that tying the payment to a fixed percentage in law could create problems during market fluctuations, making it difficult for companies to adjust to changing economic conditions.

Minister of Cabinet Affairs, His Excellency Hamad Al Malki, said the government's dispute was with the method in the bill, not the main idea behind it.

Budget

He said there is already an agreed way for government-owned companies to pay into the general budget during preparation of the state budget every two years, with the legislature taking part in that process.

The Minister said a fixed share written into law would not take enough account of the ups and downs faced by companies and the way results change



H.E. Hamad Al Malki

from one year to the next.

He said the current way allows a set amount to be agreed after looking at trading conditions and company performance, and added that it is reviewed from time to time with the legislative authority involved.

Mechanism

"The government agrees with the principle of state-owned companies contributing to the general budget of the state," H.E. Al Malki said. "But we differ with the draft law in the mechanism proposed."

He said fixing a share of net profit in law would hurt company growth plans and would also make it harder for the Ministry of Finance and National Economy to work out the budget with



H.E. Mohammed bin Daina



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precision.

"Setting a fixed percentage of companies' net profits would have a negative effect on their expansion plans," he said, adding that it would also affect the

ministry's ability to determine budget figures accurately.

H.E. Al Malki said Mumtalakat Holding Company has paid BD240 million into the state budget since 2017.

Sum

He said the sum began at BD10 million in 2017, rose over time and reached BD40 million in 2024, with another BD40 million paid in 2025.

Oil and Environment Minister, H.E. Mohammed bin Daina, said state-owned firms already pass through layers of financial review and legal scrutiny.

He said each board of directors draws up its company's budget, which is then approved by the board, checked by internal auditors and audited by outside auditors before going to the shareholder, the Ministry of Finance and National Economy, for approval.

"Each board of directors is responsible for setting the company's budget," H.E. Bin Daina said. "The budget is approved by the board of directors, and there are internal auditors for all company accounts, audited by external auditors."

He said company accounts also fall under the Companies Law and that all accounts are audited.

Safe return



The Ministry of Foreign Affairs is intensifying efforts to facilitate the return of Bahraini citizens abroad through land ports, as part of its ongoing monitoring of regional developments and commitment to citizen safety and security. These efforts are being carried out in coordination with relevant Bahraini authorities, Gulf Cooperation Council (GCC) counterparts, and Bahraini embassies abroad. The embassies continue to monitor conditions of Bahraini citizens in GCC countries and provide support to ease border-crossing procedures and ensure their safe and efficient return.