

BIG STORY
big story

More losers, less winners in routine CR gamble

Sometimes expats emerge winners, while other times Bahrainis emerge winners in this outrightly illegal game

● The rental rates for CRs vary between BD200 and BD400 a month, according to the size, nature and location of the business, the sources say.

● The current law in the Kingdom prohibits Bahrainis from renting commercial registrations to foreigners.

TDT|Manama
Thamer Tayfour

Many Bahrainis are in a tight spot after renting out their Commercial Registration (CRs) licences to expats in their bid to make easy money.

Sources say it is quite common for small scale expat businessmen to approach Bahrainis for their CRs as the Kingdom's law doesn't allow them to fully own many businesses.

According to Bahrain Investments Centre, there are more than 90,000 CRs issued by the end of August 2017 to start various businesses and a majority of them are being used by expats, who lock deal with their "Bahraini licence owners".

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But the worst side of the deal is that Bahrainis ultimately become liable for debts and other liabilities created by these expats, who in many cases, have left the Kingdom after borrow-

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SAUD

ing huge amounts or committing fraudulent practices.

Saud Anwar, a Bahraini businessman is one of the victims. “I gave my CR to a Turkish guy to manage restaurants. I was getting BD400 in rents. Things were going smooth until one day when the building owner of one of the restaurants informed me about outstanding rents.”

Saud was devastated after realising that the Turkish national had obtained a lot of debts “in his name”. “The restaurant was closed. Now I had to pay BD260 to LMRA, BD130 in electricity bills apart from the BD3,000 he had cheated.”

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A Bahraini citizen, who doesn't want to be named, said his late father too was a victim. “My father rented out his CR to two Bangladeshi nationals to start a construction businesses. The expats took almost BD13,000 from many people and escaped to their country and now, we sons are paying off debts.”

On the flip side, there are also expats who have been cheated by Bahrainis. Muhannad Ozjan, a Turkish national started his saloon along with a Bahraini friend after investing BD5,000. “After a year of success, we opened another shop and I invested BD7,000 in that. But the honeymoon did not last long. He began raising CR rent with warnings of throwing me out of business. Eventually, I was forced out of the shop. I could not seek any legal mechanisms as there was no official contract between me and him.”

Mohammed Noor, an Indian national, who runs a laundry here, said 90pc of expats successfully run business after taking CRs from Bahrainis. “I never



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had any problems with my CR owner. Apart from CR rent, I pay LMRA fees, electricity fee and shop rent. My business itself is a great example that the deal

works, in fact benefitting both expats and Bahrainis.”

Speaking to Tribune, lawyer Faisal Al Ajman said the current law prohibits Bahrainis from

renting commercial registrations to foreigners. “According to the country's Industrial and commercial law, a Bahraini CR owner can only rent or sell the

CR to another Bahraini. The contracts between Bahrainis and foreigners to rent out CRs is invalid, whether this agreement is between individuals or companies.”

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