

Regulatory Alert



7 December 2025

Bahrain Updates Foreign Ownership Framework

Bahrain has issued Decision No. 71 of 2025, amending Decision No. 40 of 2021 and further liberalizing its foreign ownership regime. The update expands the activities eligible for full or increased foreign ownership.

Key changes

New Bahraini shareholder requirement:

The activity of “Retail sale outside shops, kiosks, and markets - via vending machines” (ISIC4 Code 4799) now requires at least one Bahraini shareholder holding at least one share.

Seven activities mentioned below are now eligible for 100% Foreign Ownership, subject to some conditions, the main one being:

Minimum capital of BHD 100,000 and a parent company with revenue of at least EUR 750,000,000 or its equivalent in Bahraini Dinars.

- Renting and leasing of recreational and sports goods (ISIC4 Code 7721)
- Passenger rail transport, interurban (ISIC4 Code 4911)
- Freight rail transport (ISIC4 Code 4912)
- Cutting of glass and mirrors (ISIC4 Code 231052)
- Ship recycling services (ISIC4 Code 383003)
- Renting/operational leasing of machinery and equipment (ISIC4 Code 77301)
- Renting/operational leasing of office machinery and equipment (ISIC4 Code 77307)

Five additional activities permitted for up to 100% foreign ownership:

- Data monitoring and data protection consultancy (ISIC4 Code 6203)
- Electric power generation (ISIC4 Code 351001)
- Electric power transmission and distribution (ISIC4 Code 351002)
- Management and operation of ports and private jetties (ISIC4 Code 52220-1)
- Real estate brokerage (ISIC4 Code 682-2)

These amendments further strengthen Bahrain's position as a regional investment hub by widening market access and enabling greater flexibility for foreign investors.

KPMG Bahrain can support in assessing eligibility under the new framework and provide end to end assistance with company setup and regulatory compliance in Bahrain.

Should you have any questions or require support, please do not hesitate to reach out.

Best regards,

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