

Employee HAND BOOK



 **gulfmadhyamam**

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Profile of the Author

Mr V. K. Thomas is an Indian Advocate living in the Kingdom of Bahrain since May 1977. He holds Master Degree in Arts (Political Science) and Law Degree both from India. He is a member of the Indian Bar Council, an Associate of the Chartered Institute of Arbitrators, United Kingdom, member of the International Bar Association, London and a member of the Bahrain National Committee of the International Chamber of Commerce. He is a Legal Consultant specialized in corporate matters and has his own office in association with a local Bahraini Law Office/Associate after a long period of service with a leading local Law Firm.

He is involved in various voluntary, social and charitable activities. He is the Coordinator of the Legal Aid Cell of the Indian Community Relief Fund (ICRF) operating under the Patronage of the Indian Embassy; he held various positions in the past including Hon. President of the Bahrain Keraleeya Samajam, Hon. Secretary of the St. Mary's Orthodox Parish, Vice Chairman of the World Malayalee Council (WMC), Hon. Assistant Secretary of Coordination Committee of the Indian Associations (CCIA).





His Majesty
King Hamad bin Isa Al Khalifa
The King of the Kingdom of Bahrain



His Royal Highness
Prince Khalifa bin Salman Al Khalifa
Prime Minister



His Royal Highness
Prince Salman bin Hamad Al Khalifa
The Crown Prince, Deputy Supreme
Commander & First Deputy Prime Minister

IMPORTANT

CONTACT NUMBERS

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Ministry of Labour	:	17873777
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MESSAGE

I am happy to learn that an Employees' Handbook, in Malayalam and English, is being brought out by Advocate V.K. Thomas in association with the Gulf Madhyamam. The Handbook, which contains general information on the aspects of rights and obligations and the applicable rules and regulations regarding employment in a nutshell, is expected to be useful for the Indian expatriates working in the Kingdom of Bahrain.

I wish Adv. V.K. Thomas and the Gulf Madhyamam all the best in their endeavor to assist the Indian expatriates, especially the low income workers.



A handwritten signature in black ink that reads "Mohan Kumar".

Dr. Mohan Kumar
Ambassador of India
Bahrain

A bright crown on legal knowledge



The world of migrant workers is now in the process of very delicate changes. The migrant workers, in particular, large number of Malayalees, are those who leave their homes and relatives to work in unfamiliar circumstances in jobs with no experience and with people, who are unknown to them. They migrate to Gulf in their journey to lead a better life prepared to work in any job. Many of them either fall down on their journey or return to their homes as failures empty-handed.

Some of those who stayed in the Gulf overcoming all these hardships and difficulties have achieved great success in their life. We will come to know the true life of darkness, brightness, ups and downs, if we talk to the migrant workers in the Gulf.

There are various problems the migrant workers face. It differs from place to place. Compared to their western counterparts, the migrant workers in the Gulf are those who never break their lifestrings with their birth place. They protect the family relationship at all times, so their earnings are spent for solving the hardships and burdens of their families at home. Most of them do not have their family with them. The social, cultural and economic issues therefore create lot of hardships for them. In addition, they also face problems at work place, with employers and coworkers. In spite of all these, they live here. They are surrounded by people, who cheat them and there are others who cheat them by pretending as friends. The main issues faced by migrant workers are legal issues. The reality is that both educated and uneducated people are trapped into delicate and completed legal issues.

There is no doubt that the basic general information on the laws, rules and regulations affecting the migrant workers in the Kingdom of Bahrain written by Adv. V K Thomas will be useful. I hope this Handbook containing the published responses on queries of readers of Gulf Madhyamam will be used as a handbook by each and every migrant worker to derive benefit from it. I wish this Handbook to be a crown on the writer's outstanding legal knowledge.

Mr. V.K. Hamzah Abbas,
Chief Editor, Gulf Madhyamam Daily

PREFACE

This Handbook contains general information of the laws, rules and regulations of the Labour Market Regulatory Authority (LMRA), Ministry of Labour, Social Insurance Organization (SIO) and the Immigration and Passports Directorate, which are relevant or applicable to expatriate employees.

It is a compilation of the articles published in Malayalam in Gulf Madhyamam Newspaper Help Desk for last few years. The tremendous response of the readers to the articles encouraged me to compile them into a handbook in English and Malayalam, with the hope that it will be useful to all Indian expatriate employees.

It does not contain any legal advice on any laws, rules or regulations of any authority, but is general information for the benefit of the Indian expatriate. For any specific legal assistance, advice of a Bahraini Advocate may be sought.

I take this opportunity to express my sincere thanks to the rulers of this Kingdom for their whole-hearted support to the Indian expatriate community. I also take this opportunity to thank all those who have assisted me to compile this handbook, including Indian Embassy, Gulf Madhyamam, KIMS -Bahrain Medical Center, State Bank of India, New India Assurance Co. Ltd, Mr. T.V. Sidheeq (Dubai), Mr. K.P. Venu (Dubai), Mr. K. Georgekutty, Adv. Madhavan Kallath, Adv. Tinju Thomas, my Bahraini colleague Adv. Wafa Al Ansari and staff of my office.

Adv. V.K. Thomas



Introduction

An Indian national, who comes to Bahrain to work should be aware of the basic law, rules and regulations applicable to him/her and the concerned authorities in relation to his/her employment. Basic knowledge of these will avoid getting into any troubles during his/her stay in Bahrain. Mainly the laws applicable to all expatriate employees and authorities dealing with such matters are:

- (a) Labour Market Regulatory Authority Law (LMRA)
- (b) Labour Law for the Private Sector of the Ministry of Labour.
- (c) Social Insurance Law (GOSI) of Social Insurance Organization (SIO)
- (d) General Directorate of Nationality Passports and Residence (GDNPR) (Immigration Directorate).

LMRA is a coordinating authority. It coordinates the activities of various departments or Ministries in order to streamline the labour market and process the paper work speedily. Its main responsibilities, as far as an expatriate employee is concerned, are to issue work permits on the basis of which residence permits (which also serve as re-entry visas) are endorsed on the passport by the Immigration Directorate, medical appointment, CPR appointment, renew work permits of employees and their families and facilitate change of job from one employer to another.

The relationship between an employer and employee in the Kingdom of Bahrain is governed by the Labour Law. The Labour Law contains the basic terms and conditions of employment, basic contents of employment contract, entitlements of employees, rights and obligations of employees and employers, and the provisions for settlement of labour disputes. The Ministry of Labour issues and renews work permits for domestic workers and protects the interest of the expatriate employees.



Social Insurance Law contains provisions relating to compulsory insurance applicable to expatriate employees, who are here to work and it is handled by Social Insurance Organization (SIO). Mainly two branches of Social Insurance Law are currently applicable to expatriate employees (i) insurance against industrial accident and (b) insurance against unemployment. GOSI receives contributions payable by the employers and employees, handles claims under the insurance against industrial accidents; all dealings and claims with GOSI are normally through employers.

Immigration Directorate directly deals with visa matters, which are not coordinated by the LMRA, namely: issue and renewal/extension of (a) business/visit visas; (b) visas for investors and their dependents, (c) visit visas for parents/relatives, (d) visas of dependent children over 18 years of age, (e) artists visas, (f) visas of domestic workers on the basis of work permits issued by the Ministry of Labour.

On orders from the Court or on request from the Public Prosecution, it imposes travel ban on foreigners. No restriction on travel in and out of the Kingdom of Bahrain is imposed on any expatriate employees, without a court order or an order of the Public Prosecution. There may be restrictions on employment or travel to the Kingdom of Bahrain for expatriates involved in criminal cases and against whom a criminal judgement is issued and executed in the Kingdom of Bahrain. Travel ban if any, will only be removed by an order of the court or the Public Prosecution.



LABOUR MARKET REGULATORY AUTHORITY (LMRA)

Services offered by LMRA to expatriate employees through the employer:

- Issue and renew work visas on the basis of which residence permits and re-entry visas are endorsed in the passports of the employees, their wives and children;
- Make appointments for CPR and Medical checkup;
- Regulate transfer of employment from one employer to another.
- Coordinate these functions with relevant authorities, namely Central Informatics Organisation (CIO), CPR Office, Ministry of Labour, Immigration Directorate, and Ministry of Health.

Before arrival in the Kingdom of Bahrain, an expatriate employee must:

- Check work visa status through LMRA website by entering work visa details
- Ensure to carry the following documents:
 - Original passport
 - A copy of the work visa issued by LMRA
 - A copy of the employment contract
 - Marriage Certificate or Contract (in case of bringing family members)
 - Driving License (if any)
 - Academic and experience certificates (if any)
- Check with Indian Embassy or others as to the background of the prospective employer.

Upon arrival in the Kingdom of Bahrain, an expatriate employee must:

- Visit LMRA office at the Airport and present work visa and passport;
- LMRA will coordinate with relevant authorities to issue a CPR/ID Card, residence/re-entry visas and make an appointment for medical checkup.
- LMRA will take fingerprints, photo and an e-signature at



the Airport. If these processes are not done on arrival, visit LMRA within one month from the date of arrival and complete these processes.

- Attend medical checkup at the Health Centre on the appointment date.
- Obtain CPR/ID Card

An employee must strictly observe the following rules of LMRA:

- Work only with the employer in the job that is specified in the employment contract at the place of work stated on the work visa.
- Cooperate with LMRA employees and inspectors.
- Keep passport and CPR. Do not give them to anyone. Have them with you at all times. Keep copies of these documents safely.
- If the employer insists on keeping the passport with him and will not allow you to work otherwise, insist on a receipt that the employer is holding the passport.
- Carry out your duties as per your employment contract.
- DO NOT pay any money to obtain a work visa or to change your employer.
- Follow the laws of the Kingdom of Bahrain and respect the traditions and custom of the people of Bahrain.
- Do not be absent from work without the employer's permission. If you are absent for more than 10 days, your employment can be terminated under the Labour Law. If you are absent for more than 15 days, you can be reported to LMRA as "absent from work".
- Please update your personal information such as mobile number and address with LMRA if there is a change.
- If you are reported to LMRA as "absent from work", you will receive a message on your mobile to that effect from LMRA.
- You should check your visa status (preferably once a week) either on LMRA website or by sending an sms to LMRA. If your CPR number is 851223123, the format for



sending sms is CPR 851223123 and this sms should be sent to 90168 if you are a Batelco mobile user and to 77070 if you are a Zain mobile user. You will get an immediate response from LMRA by sms giving your visa status.

- If you find that you are reported as absent from work at LMRA, you should immediately contact LMRA. If the "absent from work" is not removed from LMRA records within a month, it would be recorded as "confirmed absent from work" and thereafter nothing can be done.
- The "absent from work" status can be changed only if (a) you are continuing to work with the same employer; or (b) you are not going to work for any genuine reasons which can be established by documentary evidence.
- Irrespective of the number of days you are absent, you can be reported to the Police as "absent from work".
- Any labour problems with your employer, please contact the Ministry of Labour.
- If you are attacked physically please lodge a complaint with the Police immediately, in any case within 24 hours.
- Do not work without a valid work visa issued by LMRA. You should not continue working with your employer if your visa is not renewed. If you are forced to work without renewing the visa, you should lodge a complaint with LMRA in writing.

Documents required from an employee to obtain work permit:

- A copy of passport valid for minimum 6 months; first 2/3 pages and last page.
- Employment Contract duly signed.
- Qualification/professional certificates, where applicable.
- Medical Report, if you are not in Bahrain at the time of applying for the visa.

Mobility from one employer to another

Mobility is also referred to as "local transfer", the process by which an expatriate employee can join another employer without cancelling his/her existing residence permit or with-



out travelling out of the Kingdom of Bahrain.

An expatriate employee can transfer his/her work visa to another employer without the consent of the current employer, provided he/she has worked at least one year in his/her current employment with the current employer. The employee and his new employer must follow the rules and procedures of mobility of LMRA.

Once "mobility" is registered, the current employer will not be able to renew the work permit.

Conditions of Mobility

- Mobility process is only available while the expatriate employee's visa is valid for at least 3 months at the time the new employer is applying for work visa.
- If the consent of the employee's current employer is obtained electronically in LMRA EMS system through the "allow mobility function" the approval of the new visa will be instant. This can be done either before or after the new employer applies for the visa.
- If the current employer does not consent for the transfer, the procedure is as follows:
 - (a) send a resignation letter to the building/municipal address of the employer shown on the commercial registration by registered post along with an acknowledgement card. The notice should be according to the period specified in the letter of appointment or employment contract, if it is three months or less. If no period is specified or the period specified is more than three months, the notice should be for three months.
 - (b) when notice period is over and the acknowledgement card or the undelivered letter is received back, the new employer can apply for the visa with the required documents.
- Expat employees with expired residence permits cannot transfer or apply for new work permit while in Bahrain,



unless they have already registered their "Mobility Intention" – at least 30 days before expiry of the visa.

- Mobility can also be registered within 5 days of cancellation of the visa if it was not registered earlier. Once the mobility is registered when the visa is valid, it is not necessary to register again after cancellation of the visa.
- An employee can stay in Bahrain for a maximum period of 30 days after expiry / cancellation of the visa.
- In case the "mobility intention" has been registered either before or after cancellation of the visa, the new employer should obtain a visa within 30 days from the cancellation or expiry date. This period may be extended by the Immigration Directorate on an application at their discretion. The application for extension should be made by the current employer. However, if a visa application by the new employer is under consideration, he may apply for an extension.
- If visa is not obtained within 30 days or the officially extended period, as the case may be, the employee must travel out of the country first, before the new employer can apply for a visa for him / her.
- Mobility registration is done at LMRA customer services on the ground floor at LMRA's headquarters in Sanabis.

Documents required for applying for work permit under mobility

- A copy of the passport of the employee with minimum validity of six months,
- A copy of the employee's CPR.
- A copy of the "job offer letter" or contract between the new employer and employee on the company's letterhead or on a government stamp paper. It must include the following information:
 - Names and addresses of the employer and the employee,
 - Passport number/ID Number and nationality of the employee
 - Occupation of the employee,



- Salary and method of salary payment
 - Term of employment and notice period for termination.
- It should be signed by employer and employee and bear the rubber stamp of the employer and made subject to obtaining work visa.
 - If the employee has dependents (spouse and children) in Bahrain, provide copies of their passports and CPR cards.
 - For certain specialized occupations, approval letter / no-objection certificate from relevant authority e.g. medical professional: approval from the Ministry of Health.
 - In the absence of consent of the old (current) employer in the system, (through the “allow” mobility option), in addition to the above requirements, the following documents must be presented:
 - Resignation letter/notice (as per the labour law and /or the employment agreement between them) addressed to the current employer. Resignation Letter/ Notice must be sent to the employer in accordance with the provisions of the employment agreement or Labour Law. Minimum notice 30 days and maximum 90 days.
 - Post office “registered mail” notification card (pink card) / slip acknowledged by the (current) employer having received the resignation / notice letter . If the letter has been returned by the post office undelivered, the unopened envelope would be sufficient. Resignation Letter/Notice must be sent to the employer’s physical address registered in the Commercial Registration (C.R.) and not to a P.O box or mailing address.
 - In case the notice period is less than 90 days, provide copy of the notice page of the employment agreement.



An expatriate worker may not be allowed mobility / transfer in the following cases:

- If the worker ceases to comply with one or more of the conditions for issuing the permit.
- If a final criminal judgment is passed against the worker for a felony or a crime that violates honor or honesty.
- If the worker violates the terms under which his work permit was issued.
- If the new employer does not have the required Bahrainisation quota or has a violation which prevents him from applying for mobility.
- If the worker has a violation which prevents his mobility.
- If the date of the mobility request falls within the last three months of the validity of the work visa. (In cases where mobility is without the consent of his employer)

Conditions for issuing family visa

- Expatriate employee's monthly salary registered at GOSI must be BD 250/- or more.
- If dependents are already in the Kingdom on a visit or any other type of visa; such visa must be valid for a period of not less than 7 working days when submitting application.
- For children above 18 years old, visas will be issued by the Immigration Directorate on a case by case basis at their absolute discretion.

Required documents to be submitted:

- Copies of passports of employees wife and children (first 2/3 pages and last page) valid for at least 6 months.
- A copy of the child's birth certificate (in Arabic or English) legalised by the Ministry of Foreign Affairs, Bahrain
- A copy of the employee's CPR.
- Marriage certificate in Arabic or English legalised by the Ministry of Foreign Affairs, Bahrain.
- In case visa for a child is applied by the working mother in Bahrain: a no objection letter from the child's father must be presented. In case the parents are divorced, the



divorce certificate and a document proving the mother's custody of the child, is required; if the father is not living, a copy of the death certificate is required. All these documents should be legalised by the Bahrain Ministry of Foreign Affairs.

All these information / details are available in the website of LMRA: www.lmra.bh, which are subject to change from time to time.



LABOUR LAW FOR THE PRIVATE SECTOR

Applicable Law

Labour Law for the Private Sector, Decree Law No. 36 of 2012 and the Implementing Rules and Regulations issued thereunder ("the Labour Law") and the authority is Ministry of Labour.

General provisions

Any condition or agreement of a contract of employment which is contrary to the provisions of the Labour Law shall be null and void. Any better benefit or condition shall continue to be effective, if it is established or stipulated in any contract of employment, internal regulations or according to custom and practice.

Any settlement, that involves undermining or discharging an employee's rights arising from a contract of employment during its validity or within 3 months from the date of its expiry, shall be unlawful, if it contravenes the provisions of the Labour Law.

Court fees are not payable for any labour claim filed by an employee or beneficiaries. However, if the claim is dismissed, the employee shall be liable to pay court fees. No fees are payable by an employee or beneficiaries for any certificates or copies.

Total or partial winding up, liquidation or closure of an employer, scaling down its business activities or declaring its bankruptcy will not release the employer from any obligations under the Labour Law. Merger of an employer with another or its transmission by way of inheritance, will, gift or sale, even if by a public auction, lease or such other disposal shall not result in termination of a contract of employment. Successors shall be jointly liable.

Employees have the right to go on strike in defence of their interests according to the guidelines determined by law.



However, exercise of such right shall result in suspending the contract of employment during the period of strike.

An employer shall deliver to an employee a receipt for all the documents, certificates or items deposited with the employer by the employee. Upon termination of employment, the employer shall return to the employee all such items. During the validity of a contract of employment or upon its termination, an employer shall give to an employee upon request and free of charge, a service certificate.

The Labour Law is applicable to domestic workers also, with the exception of certain provisions. The Labour Law defines domestic workers as gardeners, security guards, nannies, drivers and cooks of the Household.

Dependents of an employee in Bahrain are not allowed to work, except in certain specialized fields e.g. teaching, nursing, banking and highly educated professionals, subject to obtaining required work permit from LMRA or from the Ministry of Labour.

Contract of Employment

Contract of Employment shall be in Arabic and in writing; if in any other language e.g. English, Arabic translation should be provided. It should contain the following minimum basic information:

- Name, address and C.R. number of the employer;
- Name, date of birth, qualifications, position or occupation, residential address, nationality and personal particulars of identification of the employee;
- Position and term of the contract, if it is for a definite term;
- Wage, method and time of payment and all the cash and in kind benefits agreed upon.
- Other particulars, if any.



Probation

Contract of Employment may provide for probation of maximum three (3) months. During the probation, either party may terminate the contract by giving one day's notice to the other.

Change of Status of Employment Contract

A contract of employment shall be deemed for an indefinite period in the following events:

- If it is concluded without fixing its duration.
- If it is concluded for a period of more than five years.
- If the duration of the original and renewed contract is more than 5 years.
- If the parties to a contract made for a definite duration continue its performance after the expiry of its term without an express agreement to renew it.
- If it is made for the completion of a certain work and where it continues for more than 5 years.
- If it is made for completion of a specific work is renewed and where the period of completion of the original work and the works for which the contract is renewed continues for more than 5 years.
- If it is made for completion of a specific work and its parties continue to implement it following the completion of such work without an express agreement to renew it.

Transport

An employer shall provide his employees with suitable transport facilities, meals and accommodation, if the place of work is in a remote place.

Conditions of Employment

An Employer shall not (i) contravene the conditions laid down in the individual or collective contract of employment; (ii) require any Employee to perform any work other than that agreed in the employment contract, unless necessitated



by an emergency and on a temporary basis. An employer may (i) assign to an employee any work other than that agreed, provided it does not differ basically therefrom and is not intended to prejudice the employee's rights; (ii) train and qualify the employee to perform other work to be in line with technological development.

Employment of Women

Female employees shall be subject to all the provisions of the Labour Law without any discrimination.

A female employee shall be entitled to (a) maternity leave on full pay for sixty (60) days which shall include the period before and after her confinement, provided she produces a medical certificate attested by a government health centre or one of the clinics approved by the employer stating the expected date of her confinement; (b) may obtain additional leave without pay because of her confinement for a period of fifteen (15) days. It is prohibited to employ a female employee during the forty (40) days following her confinement. An employer shall not dismiss or terminate a female employee because of her marriage or during maternity leave.

A female employee shall be entitled to take leave without pay for a maximum period of six (6) months to provide care for her child, who is not more than six years old. It may be taken for maximum three (3) times throughout the period of her service.

A female employee shall (a) be entitled after her maternity leave and until her child is six (6) months old to two periods of one hour each to suckle her newly born child; (b) two periods of care for 30 minutes each until her child is one year old; and (c) have the right to combine these two periods. The employer shall fix the time of the care period.

A Muslim female employee is entitled to one month's leave on full pay if her husband dies. She is also entitled to



complete the death Eddah from her annual leave for three months and ten days. If she does not have annual leave balance, she is entitled to leave without pay. An employer may request the employee to provide evidence to prove it.

An employer shall display internal regulations concerning employment of women in a prominent place.

Wage

Wage shall be fixed in the employment contract or internal regulations of an employer. Wage may be calculated by hour, day, week, month, piece-rate or production. No discrimination on wage on the basis of sex, ethnic origin, language, religion or belief. Wage shall be paid in Bahraini Dinar. Payment of wage in another foreign currency may be agreed. Wage shall be paid on a working day. Method/time of payment of wage shall not be changed without the consent of the employee.

If employment is terminated by an employer, the employee shall be paid his wage and all the amounts due thereto immediately. If an employee leaves his employment, the employer shall pay his wage and all other entitlements within seven (7) days. If an employer delays payment of wages to an employee beyond the date of payment, a compensation ranging between 6% - 12% per annum shall be payable. It is prohibited to compel an employee to purchase foodstuffs, goods or services from the employer or any third party.

An employer shall not deduct more than ten percent (10%) of the wage of an employee in repayment of a loan; 25% of the wage may be deducted if it is a housing loan; no interest to be charged, but an administrative fee may be charged. If an employee terminates his contract of employment before repayment of a loan, an employer shall be entitled to deduct the loan amount or the balance remaining thereof from the employee's entitlements. No attachment or assignment of



wages except to the extent of 25% of the wages; which may be increased to 50% for payment of alimony. Alimony shall receive first priority, in case of multiple debts.

Entitlements to leaving indemnity, amounts due for balance of annual leave and the compensation shall be calculated on the basis of the employee's most recent basic wage in addition to the social allowance, if any. If employed on a piece-rate or production basis or receives a fixed wage in addition to a commission or percentage, the calculation of such entitlements shall be on the basis of the average wage during the last three months.

Wages and amounts to which an employee or his beneficiaries are entitled according to the provisions of the Labour Law shall have a lien over all the employer's movable and immovable property and shall be satisfied in priority to any other debt, including the debts owed to the Government.

Working Hours and Periods of Rest

An employee shall not be employed for more than eight (8) hours a day or 48 hours per week; the basic and extra hours of work shall not exceed ten (10) hours per day or 11 hours a day with one hour break, unless special permission is obtained from the Ministry. During the holy month of Ramadan, working hours for Muslim employees shall be six (6) hours per day or 36 hours per week. Hours of work may be reduced or increased for certain categories of employees as required by their particular conditions or nature of work.

An employer may employ an employee to work for extra hours if required. Overtime shall be payable at the rate of wage plus minimum of twenty five percent for each extra hour worked during the day (7am – 7pm) and fifty percent for each extra hour worked during the night (7pm – 7am).

Authorized agents of the employer, employees engaged in duties that must be completed before or after the end of



the usual working hours, security guards and cleaners are exempt from payment of overtime.

If an Employee works during his weekly off or on a public holiday, he shall be entitled to overtime at the rate of wage plus 150% of such wage or shall be given another day off in lieu thereof as selected by the employee. An employee shall not be required to work during his weekly holiday for more than two successive times without his written consent.

Friday is a weekly holiday and an employer may give another day off in lieu. An employee shall be entitled to leave on full pay on Eid and other public holidays as declared by the Government.

Annual Leave

An employee, who has completed at least one year of service, shall be entitled to annual leave on full pay for a period of not less than 30 calendar days. If an employee's period of service is less than a year, he shall be entitled to leave in respect of the period of his service in that year; meaning if an employee works 6 months, he is entitled to 15 days' leave. An employee may not waive his entitlement to leave but may receive cash consideration in lieu thereof. During a year, an employee must take annual leave for a minimum period of fifteen (15) days including no less than six (6) consecutive days. An employee shall also be entitled to take from his annual leave six (6) days leave for any contingency reason with a maximum of two (2) days in each case.

Payment for balance annual leave, if any, shall be made every two years at the maximum. If the employment relationship is terminated before an employee exhausts the balance of his annual leave, he shall be entitled to receive wages for such balance leave. An employee is not allowed to take up another employment during leave. To attend educational examination, an employee may schedule his leave, provided 30 days' advance notice is given to the employer.



Compassionate Leave

An employee is entitled to 3 days' leave in case of marriage (only once during the employment), death of the spouse or any of his relatives up to the fourth degree of relationship and relatives of the spouse up to the second degree and one day up to the fourth degree of relationship; one day in case of birth of a child. An employer may request the employee to provide evidence to prove any of the above.

Sick Leave

After the probation period, an employee shall be entitled in each year to sick leave at the rate of fifteen (15) days on full pay; twenty (20) days on half pay and twenty (20) days without pay. The entitlement to sick leave on full or half pay may be accumulated for a period not exceeding 240 days. An employee who is sick may make use of his balance annual leave, in addition to the sick leaves to which he is entitled. Sickness must be certified by one of the government health centres or a clinic/hospital recognized by the employer. In case of disagreement as to the limitation of the duration of medical treatment, the Medical Commission shall determine such duration.

Haj Leave

A Muslim employee who has served his employer for a continuous period of 5 years shall have the right to leave on full pay for 14 working days to perform his pilgrimage obligation. Such leave shall be granted once to the employee during his service period unless he has taken it during his employment with another employer.

Employees' Duties and Penalties

An employee shall:

- exercise due care expected from an ordinary person and personally carry out the duties assigned to him properly and honestly;
- carry out the orders and instructions of the employer;



- be punctual in reporting for duty and shall comply with the required proceedings in the event of absence from work or failure to comply with the fixed times thereof;
- keep in safe custody all the items, equipment, records, documents or other things kept by the employer in his custody and shall do everything to ensure that they remain safe and for this purpose he shall exercise due care expected from an ordinary person;
- show due respect to his seniors, colleagues and juniors at work and shall co-operate with them;
- treat the employer's customers properly;
- observe the business integrity and ensure conducting himself properly;
- comply with the rules laid down for maintaining the establishment's safety and security;
- maintain the business confidentiality so that the business information shall not be disclosed;
- notify the employer of the information related to his residence address, social status and all the other details and shall inform him in due course of any changes to such particulars;
- observe the rules laid down by the employer for development of the employee's professional skills and experience or qualification to undertake his job duties in compliance with employer's technological development;
- return whatever items, equipment, records, documents, papers or other non-consumables that relate to the work after the termination of the contract of employment.

Restriction on doing certain acts

An employee shall not, either personally or through another person, do any of the following acts:

- Maintain for his own benefit any records, documents or papers related to the work.
- Work with a third party whether with or without wage without the employer's approval.
- Borrow from the employer's customers or from persons



who engage in similar business to that of the employer. This restriction shall not be applicable to borrowing from banking institutions.

- Accept any commissions, gifts, rewards, sums of money or other items of any description in the course of carrying out his job duties without the employer's consent.
- Collect money or donations, distribution of leaflets, collecting signatures or holding meetings inside the workplace without the employer's approval and in breach of the provisions of the Labour Law.

Disciplinary Penalties

An Employer may impose disciplinary penalties as follows:

- Verbal reprimand.
- Written warning.
- Postponement of the date of entitlement to the annual increment for a period not exceeding 3 months, if there is an increment system
- Suspension from work in addition to deduction from the salary for a period not exceeding one month in a year and no more than 5 days on each occasion.
- Postponement of the promotion upon being entitled thereto for a period not exceeding one year.
- Dismissal from service according to the provisions of the Labour Law.

Compensation for Employment Injuries & Occupational Diseases

The provisions of compensation for employment injuries and occupation diseases shall be applicable to employees who are not subject to the provisions of the Social Insurance Law (GOSI), mainly domestic servants.

If an employee dies or sustains injury that compels him to absent from work, due to his job duties, the accident shall immediately on its occurrence be reported to the police station in the area and within 24 hours to the Ministry of Labour and the Ministry of Health.



The employee is entitled to treatment at a Government Hospital or a private facility at the expense of the Employer.

Disputes that may arise regarding the medical expenses are to be settled by the Medical Commission. The Commission may decide on the following:

- Whether or not a worker has suffered an occupational disease.
- Whether the injured worker has been disabled and the degree of disability.
- Whether the treatment has concluded.
- Settle disputes regarding treatment and costs of treatment.

An injured Worker is entitled to pay during treatment. If the period exceeds six months, he is entitled to half the pay till he recovers or his disability is established.

No compensation

A worker is not entitled to compensation if the injury or death was caused due to the following reasons:

- Self Inflicted injury.
- Accident caused due to misbehaviour or caused due to being intoxicated or under the influence of drugs or narcotics.
- Disregard to safety instructions.

Termination of Contract of Employment

A contract of employment made for a period of definite duration or for performance of a specific work shall automatically terminate at the end of the period or completion of the work. A contract of employment made for a definite duration may be renewed upon its expiry by an express agreement between the parties thereto for a further term(s). A contract of employment concluded for completion of a particular work may be renewed by an express agreement between the parties thereto for completion of any other work(s).



Either party to a contract of employment for an indefinite term may terminate it upon giving to the other party thirty days' prior notice in writing.

An Employee shall be entitled to compensation for the employer's termination of the contract of employment unless termination is due to a legitimate cause.

An employer shall not terminate the contract of employment during the employee's approved leave.

Unfair dismissal

Termination of a contract of employment shall be deemed as unfair dismissal if it is for any of the following reasons:

- Sex, colour, religion, belief, social status, family responsibilities, a female employee's pregnancy, child birth or suckling her infant.
- membership of a trade union or his lawful participation in any of its activities as prescribed by the relevant laws and regulations.
- representation in a trade union organization or his previous engagement in such activities or seeking to represent employees.
- Filing a complaint, report or court case against the employer unless the complaint, report or court case is of a vexatious nature.
- exercise of his right to leave according to the provisions of the Labour Law.
- Placement of an attachment upon the employee's entitlements held by the employer.

Termination by Employee without notice

An employee may terminate the contract of employment without notice in any of the following events:

- (i) Assault by the employer or his representative against the employee, during or because of the work, by words or deeds that are punishable by law;



- (ii) An act committed by the employer or his representative that is considered as immoral against the employee or a member of his family.

Termination of contract in both cases shall be deemed as unfair dismissal by the employer.

Termination by Employee with notice

An Employee may terminate the contract of employment upon giving notice to the employer in the event of:

- Employer's breach of contract of employment or regulations of work;
- Fraud by the employer or his representative towards the employee with respect to the employment terms and conditions.

The Employee shall, before giving notice for termination of the Contract of employment, request the Employer in writing to remove the aforesaid breach or fraud during a period not exceeding 30 days from the date of submitting the request. If such period expires without meeting the employee's request, he shall be entitled upon giving the aforesaid notice to terminate the contract of employment.

Termination of Employment without notice or compensation

An Employer may terminate a contract of employment without notice or compensation in any of the following instances. If the employee has:

- assumed a false identity or submitted false certificates or testimonials.
- committed a fault that caused serious material loss to the employer.
- despite a written warning, fails to comply with written instructions regarding safety.
- absents himself from work, without legitimate cause, for more than twenty (20) intermittent days in one year or for more than ten (10) consecutive days.
- fails to perform his essential duties under the contract of employment.



- discloses, without a written permission from the employer, the secrets related to the work.
- has been finally sentenced for a crime or misdemeanour involving dishonour, dishonesty or public morals.
- has been found during the hours of work to be under the influence of alcohol or drugs; or if he has committed an immoral act at the place of work.
- assaulted his employer or his responsible manager or commits a serious assault upon any of his supervisors of work during the course of employment or for reasons connected therewith.
- failed to comply with the legally prescribed rules concerning the exercise of the right to strike.
- become unfit to do his work subject to the contract due to a cause attributed thereto such as cancelling his permit to practise his work or loss of the qualifications authorizing him to do the mutually agreed work.

Dismissal from Employment

An employer shall not terminate a contract of employment

- (a) for disciplinary reasons without complying with the provisions of the Labour Law, orders issued for its implementation, internal/disciplinary regulations;
- (b) due to the employee's illness unless the employee exhausts the balance of his annual and sick leave entitlements; and
- (c) because of the employee's poor efficiency or decline thereof except upon giving him notice of the aspects of inefficiency or lack of such efficiency and giving him a reasonable opportunity and time for at least 60 days to achieve the required level. If the employee fails to comply, the employer may terminate the contract of employment after giving appropriate notice to the employee.



Termination upon closure of employer

A contract of employment may be terminated due to total or partial closure of an employer, scaling down its business or replacement of the production system by another that may affect the size of the workforce, provided that the contract's termination shall not take place except upon giving notice to the Ministry of labour concerning the reason for termination 30 days before the date of giving an Employee notice of termination. In case of termination for any of these reasons, an Employee shall be entitled to receive an extra compensation.

Compensation

An employee shall be entitled to compensation, if an employer terminates his/her contract of employment for:

- indefinite duration within the first 3 months from the effective date thereof, the employee shall not be entitled to any compensation unless the termination is an unfair dismissal, in which case, the employee shall be entitled to compensation equivalent to one month's wage.
- indefinite duration without cause or for an unlawful cause three months after the commencement of employment, he shall compensate the employee at the rate of two days' wage for each month of service with minimum one month's wage and up to a maximum of twelve months' wage. If the termination is considered as unfair dismissal according to the provisions of the Labour Law, the employee shall be entitled to an additional compensation equivalent to one half of the compensation, unless the contract provides for a higher compensation.
- definite duration without cause or with an unlawful cause, he shall pay the employee as compensation wage for the remaining period of the contract unless the parties mutually agree at a lesser compensation, provided that the agreed compensation shall not be less than three months' wage or the remaining period of the contract, whichever is less. If the termination is considered as unfair dismissal



according to the provisions of the Labour Law, the employee shall be entitled to an additional compensation equivalent to one half of the compensation, unless the contract provides for a higher compensation.

- performance of a specific work: without cause, or for an unlawful cause, he shall pay the employee as compensation wage for the remaining period required for completion of the agreed work according to the nature of such work unless the parties agree upon a lesser compensation, provided that the agreed compensation shall not be less than 3 months' wage or the remaining period thereof required for performance of the work, whichever is less.

Compensation payable to Employer

Without prejudice to any obligations provided for in any other law, if an employee terminates the contract of employment, he shall not be obliged to indemnify the employer except if the termination

- (a) takes place at an inopportune time for the business conditions in a manner that makes it impossible for the employer to obtain a qualified replacement;
- (b) is intended to cause damage to the employer; and
- (c) causes serious damage to the employer.

In all cases, an Employer's entitlement to compensation shall be conditional upon the Employee's termination of the contract of employment without complying with the notice period.

Other circumstances of termination of employment contract

(a) Upon death of an employee

An employment contract will be terminated upon death of an employee. The Employer shall pay two month's salary, provided the employee is employed with the employer for more than one year and the employment agreement is valid.

(b) Disability/Sickness

If total disability is established, the employment contract will



be terminated. If partial disability, the contract is not terminated; in this case, the employer should offer another job to the employee. If there are no such jobs, the employment contract may be terminated.

(c) Death of Employer

Upon death of a professional employer and if it is not possible to continue that profession, or if the employed is hired for personal work of the employer e.g. driver, employment agreement of such employee shall be terminated. It does not mean that in the case of death of one of the owners/partners of the employer, the employment contract will be terminated.

(d) Retirement

Upon an employee reaching the age of 60, an employer may terminate his/her employment without compensation. If both employer and employee agrees, the employee may continue in the work.

(e) Sickness

It is not possible to terminate an employment during sickness until after sick leave and annual leave entitlements are exhausted. Before 15 days of expiry of the leave entitlement, the employer may give a notice of his intention to terminate the employment contract. If the employee recovers during the notice period, his services cannot be terminated.

Leaving Indemnity

An employee who is not subject to the provisions of the Social Insurance Law shall be entitled upon the termination of his employment to a leaving indemnity at the rate of half month's wage for each of the first three years of employment and one month's wage for each of the following years in service. An employee shall be entitled to receive his leaving indemnity for fractions of a year in proportion to the period spent in the employer's service.



Continuous Employment

All contracts of employment entered into by the employer with the same employee shall be deemed as one and the same contract if there is no time difference between each contract or the difference is less than 30 days. If the new contract contains terms or conditions that are considered better, they shall be deemed as an amendment to the previous contract of employment.

Details to be included in the Certificate of Service

On completion of employment, an employee is entitled to receive a certificate of service from the employer with the minimum details such as name, occupation, duration of employment and last salary.

Individual Labour Disputes

The Individual Labour Disputes Settlement Authority at the Ministry of Labour shall undertake amicable settlement of any dispute between the employee and the employer with the mutual consent of both parties and before having recourse to the Courts.

The Labour Case Administration Office at the Court shall handle all labour cases and claims can be filed directly in the Court without going to the Ministry of Labour. The Labour Case Administration Judge shall propose to the parties an amicable settlement of the dispute based upon the conclusion in his report within two months. Should they agree to the proposal, he shall confirm their agreement in a statement to be incorporated in the Minutes of the meeting. Once they are signed by the parties to the case or their representatives and by the Labour Case Administration Judge, it shall have the force of an execution deed. If the Parties do not agree for a settlement within two months, the Judge shall submit his report to the High Civil Court.

The High Civil Court shall hear the labour case, based on the report of the Labour Case Administration Judge within next



30 days. Judgments handed down by the High Civil Court in respect of labour cases shall be final. They may only be appealed in the Court of Cassation (Supreme Court) within 45 days from the date of judgment. Such court will only consider any issues of law or procedures.

Time limit for filing claim

An employee's claim in respect of compensation for termination of the contract of employment shall not be heard if filed after more than 30 days from the date of the contract's termination. Labour claims arising out of a contract of employment (other than confidential matters) shall not be actionable after the lapse of one year from the date of the expiry/termination of the contract of employment.

Documents required for filing claim

- Valid CPR;
- Employment Contract
- Full geographical address of the employer;
- Any other relevant documents
- Verbal or written Complaint in Arabic
- Claim can be filed personally or through a Bahraini Advocate.

All documents submitted to the court must be in Arabic or Arabic translation to be submitted.



SOCIAL INSURANCE LAW (GOSI LAW)

GOSI Law is applicable to all expatriate employees, who are in Bahrain on a work permit. Currently only two branches of the social insurance are applicable for expatriate employees namely (a) Insurance against Industrial Accident and (b) Insurance against unemployment.

Contribution for insurance against Industrial Accident is 3% of the salary, which is payable by the employer. Such insurance covers any accident in the work place during duty time and travel to and from home to work place.

In case of accident, disability or death of an expatriate employee due to industrial accident, the employee gets salary, medical treatment and compensation for disability and death. Employer must report the accident to the Police as well as Social Insurance Organization (SIO) within 24 hours. Reporting to SIO must be done on the prescribed form. Compensation for disability depends on the report of the Medical commission. Compensation for death is calculated on a scale depending on the subscribed salary of the expatriate employee at the SIO. Compensation is not payable, if the employee injured himself deliberately or the injury is attributable to a serious and wilful misconduct of the employee, unless the injury results in death or a permanent disability exceeding 25%. Such conditions must be proved by investigation by the Police. Immediately upon death of an employee, a death grant of six month's salary is paid by SIO to the heirs of the deceased employee. A funeral grant is also payable. Application for compensation upon death of an employee must be accompanied by various documents, including heir certificate issued by the relevant authority in India duly legalized by the Bahrain Embassy/Consulate in India or Home Department of a State and then by the Indian Embassy and in all cases finally by the Ministry of Foreign Affairs in Bahrain.

Contribution against unemployment is 1% of the salary,



which is payable by the Employee. Employer deducts this from employee's salary and pays to SIO.

Domestic workers are not currently covered by Social Insurance Law.

Processing of all claims on insurance against industrial accident is the responsibility of the Employer. Claims for benefit under the unemployment benefit are processed by the Employee. There are various conditions to be fulfilled by expatriate employees to get benefits under the insurance against unemployment. Applications must be submitted in a prescribed form to the Ministry of Labour.



IMMIGRATION DIRECTORATE

Immigration Directorate directly deals with visa matters, which are not coordinated by the LMRA, namely: issue and renewal/extension of (a) business/visit visas; (b) visas for investors and their dependents, and (c) visit visas for parents/relatives, visas of dependent children over 18 years of age, artists visas, visas of domestic workers.

Documents required to be filed for obtaining visas from Immigration Directorate for visas other than investors visa:

- Prescribed Application Form duly completed and signed by the Employer/Sponsor
- Passport copy of the visitor/businessman
- Passport copies of the employee and his family, if application is for visit visa for dependents or blood relations.
- Certificate from SIO to establish salary, if required
- C.R. Copy
- Certificate from the School/College for children over 18 years of age
- Work permit issued by the Ministry of Labour to Domestic Workers.

The following documents must be submitted for Investors' Visa:

- Prescribed Application Form
- Passport copy of the investor and dependents.
- CID clearance.
- Proof of Investment e.g. investment over BD 100,000/- in the name of the applicant in the CR or title deed of any property in Bahrain with minimum value to be stipulated from time to time.
- Health Insurance for the applicant and his family
- Proof of Income in Bahrain
- Certificate of Deposit for an amount stipulated by the Immigration Directorate from time to time

On orders from the Court or on request from the Public Prosecution, it imposes travel bans on foreigners. No restriction



on travel in and out of the Kingdom of Bahrain is imposed on any expatriate employees, without a court order or order of the Public Prosecution. There may be restrictions on employment or travel to the Kingdom of Bahrain of expatriates involved in criminal cases and against whom a criminal judgement is issued and executed. Travel ban, if any, will be removed only by an order of the Court or the Public Prosecution.

Work and residence permit of expatriates having travel ban are renewed on a case by case basis by the Immigration Directorate.



With sincere gratitude to all our valued clients



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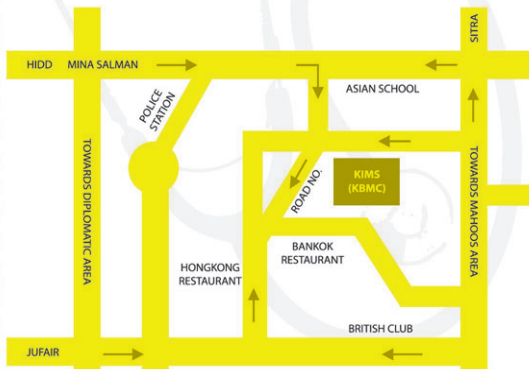


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