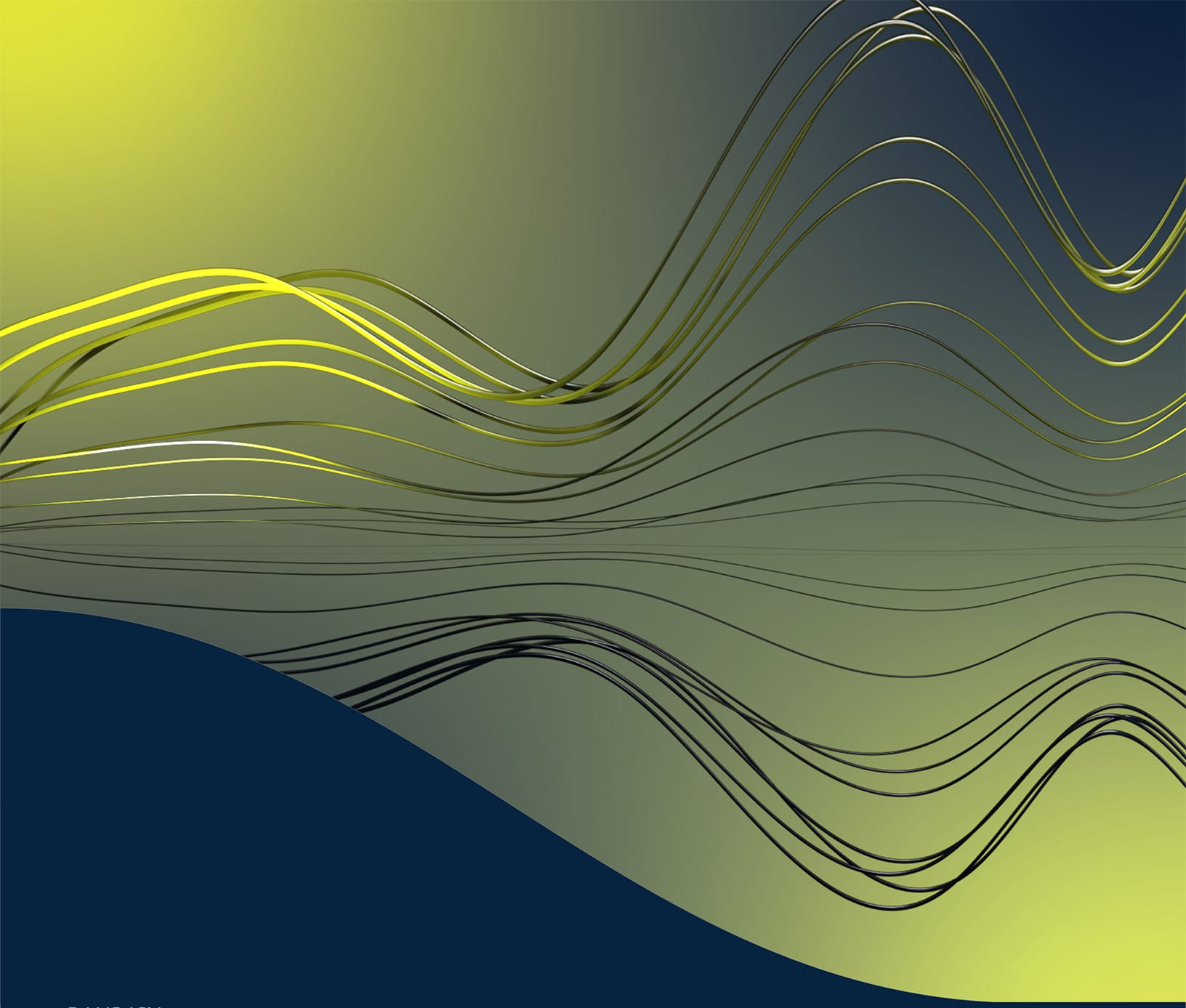


BAHRAIN

Global Expansion Guidebook: Employment

DLA PIPER

Introduction



Welcome to the 2026 edition of DLA Piper's *Global Expansion Guidebook – Employment*.

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics that companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

Employment

As business grows more global, the challenge for in-house counsel and HR professionals responsible for workforce issues and employment law compliance is intensifying. This guide is designed to meet that challenge head on and has been produced in response to feedback from clients in both established and emerging international businesses. We hope it will become an invaluable resource for you.

This 2026 edition of our popular guide covers all of the employment and labor law basics in 63 key jurisdictions across the Americas, Asia Pacific, Europe, the Middle East and Africa. From corporate presence and payroll set-up requirements, language rules, minimum employment rights, business transfer rules, through to termination and post-termination restraints, we cover the whole employment life span.

We have used our global experience and local knowledge to bring you this newest edition of our guide. With over 300 lawyers, DLA Piper's global Employment group is one of the largest in the world, with one of the widest geographical footprints of any global law firm. We partner with our clients, wherever they do business, to find solutions and manage risk in relation to their legal challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to take advice in relation to specific matters. If you wish to speak to any of our contributors, their contact details are set out towards the back.

We hope that you find this guide valuable and we welcome your feedback.



This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that employment law is dynamic, and the legal regime in the countries surveyed could change.

Global key contact



Ute Krudewagen
Partner
Chair, International Employment practice
ute.krudewagen@us.dlapiper.com
Full bio

Bahrain

LAST MODIFIED 7 JUNE 2026



Legal system, currency, language

Civil law system. Employment matters are governed by Law No. 36 of 2012 (Labor Law) as amended. The official currency is the Bahraini Dinar (BHD). The official language is Arabic.

Corporate presence requirements & payroll set-up

A foreign employer cannot directly engage employees in Bahrain without being registered under the Commercial Registry in the Ministry of Industry and Commerce.

Foreign employers are required to register at the Labor Market Regulatory Authority (LMRA). Following the registration process, work permits are then allocated – the number of which will depend on the type of activity of the establishment – through the Expats Management System (EMS).

As stipulated in LMRA law, establishments are required to pay monthly fees on each expatriate employee working for it.

There has been a move towards requiring payment in local currency into local bank accounts through local payroll, but this is not yet strictly enforced.

Pre-hire checks

Required

Foreign employees must receive prior approval from the LMRA and Ministry of Interior before they may be hired on local employment contracts. The level of background checking and screening carried out by Bahrain authorities varies according to the nationality and proposed position of an individual.

Permissible

Generally, employers in Bahrain are not able to obtain the same level of information from background checks as they can in other jurisdictions and, in most cases, the

employees themselves are required to provide this information. As such, a Certificate of Good Conduct from the Criminal Investigation Directorate is the most commonly requested document.

Immigration

In order to legally work and reside in Bahrain, all employees except Bahrain and Gulf Cooperation Council (GCC) nationals are required to have a residence visa and work permit under the sponsorship of their employer, which must have an entity registered in Bahrain.

When an employee is only required to work in Bahrain for a short period of time, there are alternative permits and visas that may be applied for, including the 72-hour visa, 7-day visa and business visas.

Hiring options

Employee

Unlimited or fixed-term. Part-time employment is legally possible but is not common.

Independent contractor

There is no concept of a consultant, unless individuals have established their own professional license and business.

Agency worker

There is no general concept of an agency worker or "temp" in Bahrain. Some Bahraini-owned employment agencies are licensed to provide manpower on a temporary basis; such employees remain under their sponsorship.

Employment contracts & policies

Employment contracts

Unlike some other GCC countries, Bahrain does not require the signing of a government contract. However, the contract entered into between the employer and the employee must be registered with the LMRA in order to obtain the employee's work permit and residence visa. Under the Labor Law, the contract should be in Arabic, but in practice, where contracts are drafted in another language, an Arabic-translated version may be attached to fulfill this requirement.

Probationary periods

Generally, a duration of 3 months is allowed, although this may be increased up to a maximum of 6 months in respect of certain occupations.

Policies

Employees should be provided with any relevant staff handbook and the employer's policies, if applicable, on commencement of employment. The Labor Law specifies that company policies and internal regulations must be openly displayed to employees.

Third-party approval

The employment contract must be registered with the LMRA to obtain the employee's work permit and residence visa. Strictly speaking, any contractual changes should be notified to the LMRA and amended on the filed employment contract copy.

Language requirements

Pursuant to the Labor Law, all employment contracts and records must be in Arabic. Where a contract has been drafted in a foreign language, an Arabic-translated version may be attached to fulfill this requirement. If a document is registered in a dual language format and a dispute arises, then the Arabic version of the document will prevail.

Working time, time off work & minimum wage

Employees entitled to minimum employment rights

All employees. Additional rights are also available to minor workers (*ie*, those under the age of 18) and women.

Working hours

The maximum ordinary working hours is 48 hours per week at the rate of 8 hours per day. During the month of Ramadan, the maximum working hours is 36 hours per week at the rate of 6 hours per day.

Overtime

Not to exceed 2 hours per day.

Wages

Bahrain has established minimum wage rates, which differ for Bahraini nationals and non-Bahraini workers.

Vacation

Employees are entitled to 30 days' vacation, where the employee's period of service is at least 1 year accrued at a rate of 2.5 days a month. If an employee's period of service is less than 1 year, leave is calculated on a pro-rated basis.

Sick leave & pay

Employees are not entitled to statutory sick leave until they have completed 3 months' service and provided they have proven their sickness with a certificate from a physician approved by the employer. Employees are entitled to 55 days of sick leave per year of service thereafter (*ie*, 15 days at full pay, 20 days at half pay and the remaining 20 days

without pay). The entitlement of a worker to sick leave on full or half pay may be accumulated for a period not exceeding 240 days.

Maternity/parental leave & pay

60 days' maternity leave at full pay. A female employee may take a further 15 consecutive or non-consecutive days without pay.

A male employee is entitled to 1 day of paternal leave at full pay for the birth of their child.

Female employees are entitled to take 6 months' unpaid childcare leave to take care of a child up until the child has reached the age of 6. A female employee is entitled to take childcare leave up to a maximum of 3 times during her service with her employer.

Other leave/time off work

Employees are also entitled to paid leave on all Bahraini public holidays, which include the usual public holidays from the region (a mix of New Year and religious holidays totalling 13 days). If Friday corresponds with any public holiday, another day in lieu is to be granted to the employee. If the employer usually observes Saturday as a day of rest, an official holiday that coincides with Saturday must be compensated in the same manner as well.

If an employee is required to work on a public holiday, they are entitled to their salary for that day and an additional pay equivalent to 150 percent of that salary, or the employee must be granted another day's leave.

Employees are also entitled to paid or unpaid leave such as bereavement leave, childcare leave, carer leave for a disabled dependent, and emergency leave.

Discrimination & harassment

Employees are also entitled to paid leave on all Bahraini public holidays, which include the usual public holidays from the region (a mix of New Year and religious holidays totalling 13 days). If Friday corresponds with any public holiday, another day in lieu is to be granted to the employee. If the employer usually observes Saturday as a day of rest, an official holiday that coincides with Saturday must be compensated in the same manner as well.

If an employee is required to work on a public holiday, they are entitled to their salary for that day and an additional pay equivalent to 150 percent of that salary, or the employee must be granted another day's leave.

Employees are also entitled to paid or unpaid leave such as bereavement leave, childcare leave, carer leave for a disabled dependent, and emergency leave.

Whistleblowing

While there is no standalone whistleblowing law, provisions in the Labor Law encourage employees to raise concerns about corporate wrongdoing. In addition, the

Corporate Governance Code of the Kingdom of Bahrain provides that employers should implement whistleblowing policies under which employees can confidentially raise concerns about possible improprieties in financial or legal matters.

Benefits & pensions

Bahraini nationals are entitled to a state retirement pension, and certain contributions on a monthly basis must be made by the employer and employee to the relevant authority. Typically, expatriate employees have their own individual pension arrangements. Some employers also provide contributions depending on the employer's policy and employee hierarchy, although there is no legal obligation to do so. From May 2022, an employer’s contributions have increased by 2 percent and will continue to be subject to a subsequent annual 1 percent increase at the start of each year from January 2023 to 2028.

Data privacy

Personal data privacy is protected under Law No. 30 of 2018 with respect to Personal Data Protection (PDPL). Employees must be notified prior to processing their personal data, and their prior written consent should be obtained (unless exceptions stipulated under the relevant legislation are present) for such processing and transfer of their personal data.

Transfers of personal data out of Bahrain is prohibited unless the transfer is made to a country or region that provides an adequate level of protection to personal data. There are 83 countries, including the UAE, Saudi Arabia, Oman, Jordan, Egypt, India, all EU countries, the USA and the UK that are listed as adequate for transfers.

Rules in transactions /business transfers

No automatic transfer principles and no laws covering business transfers. Employees transfer through termination and rehire in an asset deal.

Employee representation

Trade unions are permissible in Bahrain, and employers are required to consult with them in the event that an employee is retrained to perform different job duties from the work originally agreed upon. Employees are also entitled to strike in defense of their interests according to the Labor Law.

Termination

Grounds

Termination is possible on the following grounds: during the probationary period, on the expiry of a fixed-term contract, dismissal with notice provided it is for a valid reason, failure to improve performance after reasonable opportunity (*ie*, 60 days), resignation, incapacity or death, redundancy, retirement (age 60) and summary dismissal by reason of any of the grounds listed in Article 107 of the Labor Law.

Employees subject to termination laws

All employees are subject to the Labor Law, save for domestic servants and persons regarded as such, including agricultural workers, security house-guards, nannies, drivers and cooks.

Prohibited or restricted terminations

Employees who have not exhausted their statutory sick leave entitlement are protected from dismissal on grounds of health, unless their full sick leave entitlement has been taken (*ie*, 55 days per year of service). The worker may accumulate the balance of sick leave on full or partial pay to which the worker is entitled for a period not exceeding 240 days. Female employees are protected from dismissal during maternity leave and by reason of their marriage.

Third-party approval for termination/termination documents

Any office closures must be reported to the Ministry of Labor. Bahrain nationals are generally entitled to higher protection from dismissal in such circumstances and may accordingly be awarded higher compensation payments by the authorities.

Mass layoff rules

Governed under Article 110 and 111 of the Labor Law.In addition to notification to the Ministry of Labor, individual consultation is recommended.

Notice

Permanent employees are entitled to 30 days' notice of any termination or payment in lieu of notice (unless the termination is for a reason specified in Article 107 of the Labor Law, or they are dismissed during their probation period). Employees may be entitled to further notice if they have a longer contractual notice period. Employers must notify the Ministry of Labor 30 days before the date of notification of the termination to the employee.

Statutory right to pay in lieu of notice or garden leave

Depends on the Labor Law and contract of employment.

Severance

Unless terminated under Article 107 of the Labor Law, employees are entitled to salary and benefits up to the termination date, notice (or payment in lieu), payment in lieu of accrued but untaken annual leave, the cost of an airline ticket to repatriate the employee to their home country unless the employee has obtained alternative sponsorship to remain in Bahrain, an end-of-service gratuity payment (EOSG) and reimbursement of unpaid business expenses.

In case of employer termination, employees are eligible for payment of an EOSG which accrues at the rate of half a month's wage for each of the 1st 3 years of service and 1 month's wage for each of the following years of service. The calculation is pro-rated for any fractions of a year of service that have not been completed.

Post-termination restraints

Permanent employees are entitled to 30 days' notice of any termination or payment in lieu of notice (unless the termination is for a reason specified in Article 107 of the Labor Law, or they are dismissed during their probation period). Employees may be entitled to further notice if they have a longer contractual notice period. Employers must notify the Ministry of Labor 30 days before the date of notification of the termination to the employee.

Covenants must be restricted in relation to their duration (which must not exceed 1 year), geographical scope and the nature of the business to be protected.

Parties are permitted to include a liquidated damages clause in the contract of employment, as it is difficult to obtain an injunction in Bahrain, but contractual provisions imposing a penalty (rather than a genuine estimate of the loss incurred) are likely to be unenforceable.

Non-competes

Typically no longer than 6 to 12 months.

Customer non-solicits

Typically no longer than 6 to 12 months.

Employee non-solicits

Permissible.

Waivers

Waiver agreements are commonly used, but there is no clear data to illustrate their positive effect.

Remedies

Discrimination

An employer's termination shall be deemed automatically unfair if it is based on the employee's sex, race, religion, belief, social status or family responsibilities and, in the case of female employees, on pregnancy, childbirth or nursing an infant. The employee is entitled to compensation as detailed in the “Arbitrary dismissal” section.

Arbitrary dismissal

The employee is entitled to compensation equivalent to 3 days' wages for each month of service and no less than 1.5 month's wages up to a maximum of 18 months' wages.

Failure to inform & consult

Not applicable.

Criminal sanctions

Criminal sanctions may be imposed for a variety of reasons, including but not limited to the breach of health and safety obligations, breach of immigration laws, breach of data protection laws and breach of confidentiality.

Employment lawyers



Mohamed Toorani
Partner
Head of Bahrain Office
DLA Piper
mohamed.toorani
@dlapiper.com
View bio

For more information

To learn more about DLA Piper, visit dlapiper.com or contact:



Ute Krudewagen
Partner
Chair, International Employment practice
ute.krudewagen@us.dlapiper.com
Full bio

About us

DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific, positioning us to help companies with their legal needs around the world.

dlapiper.com

This publication is for general information only. The information presented is not legal advice, and your use of it does not create a lawyer-client relationship. All legal matters are unique and any prior results described in this publication do not guarantee a similar outcome in future matters. DLA Piper is a global law firm operating through DLA Piper LLP (US) and affiliated entities. For further information, please refer to dlapiper.com. Attorney Advertising. Copyright © 2026 DLA Piper LLP (US). All rights reserved.