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Review of implementation of the United Nations
Convention against Corruption

Executive summary: Bahrain

Note by the Secretariat

The present conference room paper is being made available to the Implementation Review Group in accordance with paragraph 36 of the terms of reference of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption (Conference of the States Parties resolution 3/1, annex). The summary contained herein corresponds to a country review conducted in the second year of the second review cycle.

* Reissued for technical reasons on 27 November 2019.



II. Executive summary

Kingdom of Bahrain

1. Introduction: overview of the legal and institutional framework of Bahrain in the context of implementation of the United Nations Convention against Corruption

The Kingdom of Bahrain (Bahrain) signed the Convention on 8 February 2005 and ratified it on 4 February 2010. Bahrain deposited its instrument of ratification on 5 October 2010.

Bahrain's implementation of chapters III and IV of the Convention was reviewed in the fourth year of the first review cycle, and the executive summary of that review was published on 26 May 2015 (CAC/COSP/IRG/I/4/1/Add.12).

Bahrain has adopted the principle of direct implementation of international conventions (Constitution, art. 37).

The national legal framework against corruption includes the Penal Code (PC), Criminal Procedure Code (CPC), Anti-Money Laundering Law (AMLA), Judicial Authority Law (JAL), Law on the Regulation of Tenders and Government Purchases (Tender Law), Financial Disclosure Law and Civil Service Law (CSL). Bahrain is a party to several international agreements on international cooperation, crime control and crime prevention.

Entities involved in the prevention and countering of corruption include: the General Directorate of Anti-Corruption and Economic and Electronic Security at the Ministry of the Interior (GD), the Financial Intelligence Directorate (FID), Public Prosecution, Judicial Authority, Ministry of Justice and Islamic Affairs, Ministry of Finance, National Audit Office (NAO), Civil Service Bureau (CSB), Tender Board, and the Financial Disclosures Authority (affiliated to the Supreme Judicial Council).

Bahraini law enforcement authorities cooperate through different mechanisms and networks, including the Middle East and North Africa Financial Action Task Force (MENAFATF), the Egmont Group of Financial Intelligence Units, INTERPOL and the Gulf Cooperation Council (GCC). The Ministry of Justice and Islamic Affairs plays a key role in the field of international cooperation.

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)

Bahrain had a national anti-corruption strategy adopted by the Minister of the Interior on 9 December 2013 for a five-year term that ended on the 9 December 2018. The strategy included several areas, such as: strengthening the role of national anti-corruption campaigns and involving the public and private sectors in their development, establishing a competent authority to combat corruption, developing educational curricula with integrity and anti-corruption components, and issuing a special anti-corruption law. The strategy also covered the amendment of public and private sector codes of conduct.

The strategy did not provide timeframes for the implementation of its objectives or indicators to measure progress in achieving these objectives, nor did it specify who is responsible for its implementation.

GD coordinated and followed up on the implementation of the strategy and is currently working, in cooperation with the Legislation and Legal Opinion Commission, on developing a strategy for the coming five years, to be adopted by the Council of Ministers.

The Parliament discussed the possibility of establishing an anti-corruption authority, which was included in the previous strategy and decided not to proceed with this proposal.

Since the adoption of that strategy, many efforts have been made in the area of preventing corruption, in addition to the adoption and amendment of laws. Special emphasis was placed on the preparation of national campaigns and lectures to promote integrity and combat corruption, as well as the inclusion of integrity topics and values in school and university curricula. A number of hotlines have been established to report corrupt practices and a Corporate Governance Charter was launched in 2010.

Bahrain periodically evaluates legal instruments and administrative measures related to preventing and combating corruption. In addition, some legislative amendments were proposed after the conclusion of Bahrain's first cycle review, including the drafting of a specialized anti-corruption bill.

Bahrain contributes to promoting regional and international cooperation, particularly through its regular participation in relevant conferences, meetings and forums, as well as its membership in the International Anti-Corruption Academy and the Arab Anti-Corruption and Integrity Network (ACINET). National authorities have also signed bilateral cooperation agreements and participate trainings and information exchange with foreign counterparts on anti-corruption.

Several bodies, such as GD, NAO, CSB and other agencies are tasked with preventing corruption. GD primarily contributes to preventive measures by raising awareness through national campaigns to promote integrity and combat corruption and dissemination of knowledge and education. GD has adequate training and resources. Although in practice GD has operational and financial independence, no measures are in place to provide for legal independence to ensure continuity of such operational and financial independence in the future.

Bahrain was reminded of its obligation to inform the Secretary-General of the United Nations of the updated information on the name and address of the authority or authorities that may assist other States Parties in developing and implementing anti-corruption measures.

Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)

CSL, its executive regulations and instructions regulate the appointment, recruitment, promotion and retirement of civil servants. The staff of several government agencies, including NAO and the Central Bank of Bahrain (CBB), are not subject to the provisions of CSL nor to the authority of CSB. The staff of these agencies are governed by special regulations. Civil servants in military bodies are subject to the provisions of CSL but not the authority of the CSB.

Civil Service Instruction No. (3) of 2014 establishes requirements for advertising, applications, exams and scheduled interviews for vacant posts. Vacancies are publicly advertised if there are no suitable candidates registered in the CSB Job Information Center, which is available to all citizens of Bahrain and GCC countries.

Article (13) of the Executive Regulations requires CSB to establish an institutional performance management system that promotes professionalism, integrity and

transparency. Criteria for promotion have been established (art. 14, CSB Instruction No. (4) of 2014). Retirement is subject to the provisions of CSL (art. 26).

Special measures on recruitment, promotion and end of service are applied to senior officials, such as members of the Shura Council, undersecretaries, and directors of departments.

Training is mandatory for all staff (art. 18, CSL) and includes integrity and anti-corruption components.

Bahrain has not identified public positions that are vulnerable to corruption or established procedures for the selection, training and rotation of individuals for such positions.

Article 30 of CSL provides a mechanism to address the grievances of public officials against administrative decisions that affect their functional rights, which is not applicable, however, to applicants for public office.

The Constitution (art. 57), Decree-Law No. (15) of 2002 concerning the Shura and House of Representatives (art. 11) and the Municipalities Law (art. 7) cover respectively the criteria for candidacy to the House of Representatives and the Municipal Council. Decree-Law No. 14 of 2002 on the exercise of political rights prevents candidates who have been sentenced to a criminal penalty or imprisonment for intentional offenses for more than six months from serving in the House of Representatives.

Law No. 26 of 2005 on political associations and Minister of Justice Decision on the State's contribution to providing material support to political associations regulate the financing of political parties which enjoy the status of associations in Bahrain. Political associations may not accept contributions, advantages or benefits from any foreigner, foreign body, international organization or anonymous person. The State's financial contributions are linked to the effective participation of political associations in the House of Representatives.

NAO reviews, on a regular basis or upon request of the Minister of Justice, the books and accounts of political associations and prepares annual reports thereon for the Minister of Justice. Associations should send copies of their annual budgets and final accounts to the Minister of Justice and publish them in the Official Gazette.

The funds of political associations are considered to be public funds and the administrators and employees of the party are considered public servants in the application of the provisions of the PC. The provisions of the Financial Disclosure Law also apply to the elected leaders of political associations.

The Executive Regulations of CSL provide some rules for preventing conflicts of interest. Article 34 prohibits an employee from having any interest in works, undertakings or tenders related to the performance of his or her job. Civil servants may perform work for others with or without remuneration outside official working hours, provided that such acts do not conflict with the nature of their work or impair the dignity of the office. The Constitution also prohibits members of the Shura Council or the House of Representatives from being appointed to the board of directors of any company or to engage in certain transactions (art. 98). The Municipalities Law provides similar prohibitions (art. 14).

Bahrain has prepared a proposed law on conflict of interest which would include a wider scope of conflicts related to the employee's personal or material interests; however, this proposal failed with the end of the parliamentary session in 2012.

In 2016, CSB issued a Code of Conduct and Public Service Ethics which includes a section entitled "Conflict of interest" according to which, civil servants should notify

their direct manager in writing in the event of a conflict between their personal and public interest, and the public interest must be taken into consideration when dealing with such conflict. However, this Code does not apply to public employees not under the authority of CSB.

Civil servants are further prohibited from accepting any gift, bonus, commission or loan in return for performing their duties (art. 34, Executive Regulations). The CSB's Code of Conduct states that each body should have a register for gifts and should clarify how to deal with them.

In addition to the Code of Conduct and Ethics of the Public Service which covers conflict of interests and the acceptance of gifts, among other issues, several bodies have issued codes of conduct for their staff. Each body is entrusted with enforcing its own codes of conduct.

The CSB has the power to take disciplinary action against offending employees on the basis of CSL and its executive regulations, without prejudice to criminal or civil liability.

Article 48 of CPC and article 230 of PC require civil servants and officers entrusted with a public service to report crimes they become aware of immediately to the Public prosecution or a judicial arrest officer. CSB receives administrative reports and complaints through various channels and GD operates a national anti-corruption hotline. All these channels are available to the public and public officials.

JAL provides rules and conditions for the appointment and qualification of judges (arts. 22–25), and for their accountability, immunity and termination (arts. 34–43).

The law also establishes a Supreme Judicial Council (SJC) whose competence includes judges and the public prosecution. SJC supervises the proper functioning of the courts and its auxiliary bodies and recommends the appointment and promotion of judges and members of the prosecution (arts. 69–73).

Article 44 of JAL establishes a Judicial Inspection Department attached to the President of the Court of Cassation to inspect the work of judges. Judges are held accountable by a Disciplinary Board which may impose disciplinary sanctions.

To avoid conflicts of interest, article 27 of JAL prohibits judges and prosecutors from carrying out any business or act incompatible with the dignity and independence of the judiciary.

Bahrain has also established an electronic system that automatically distributes cases to the competent courts.

JAL provides the rules and conditions for the appointment, qualification, termination and accountability of members of the Public Prosecution, a core division of the judiciary (arts. 57–66).

A Judicial Inspection Department attached to the Public Prosecutor inspects the work of members of the Public Prosecution.

SJC Decree No. (49) of 2014 regulates the affairs of judges and members of the Public Prosecution. The SJC issued in 2007 a Code of Conduct for Judges and Prosecutors and the competent authority to implement this code is the Judicial Inspection Department.

Public procurement and management of public finances (art. 9)

Bahrain has a centralized system of procurement. Public procurement is regulated in accordance with the Tender Law, its Implementing Regulations and related administrative decisions. Separate procurement rules are in place for the Bahrain

Defence Force, Public Security forces and the National Guard (article 1). Procurements of a military, security or confidential nature or those related to the public interest are exempt from the Tender Law (article 3).

Contracts for the purchase of goods or construction shall be concluded by the public tender method, while contracts with respect to services shall take place by way of requesting the submission of proposals. Pursuant to a reasoned decision of the Tender Board, procurements may be done in exceptional cases by other forms of closed competition (article 4, Tender Law). Reasons for decisions with respect to the award of public tenders, limited tenders, cancelling tenders or ignoring bids, shall be publicly displayed on a designated board for a period of one week (article 64).

Oversight over procurement decisions is carried out by the Tender Board (article 10), which enforces penalties and decides upon complaints (article 96, Implementing Regulation). The Tender Board, whose seven members are appointed by royal Decree, is an independent entity that reports directly to the Council of Ministers (art. 8, Tender Law).

NAO conducts financial, administrative and compliance audits. Audit results are referred to the procuring entities for corrective action and followed up on by the Tender Board.

Complaints or appeals may be submitted by suppliers or contractors to the procuring entity prior to the contract coming into effect (art. 56) or to the Tender Board thereafter. Complaints to the Tender Board shall be filed within 10 days in respect of local tenders and 20 days in respect of international tenders from the date of becoming aware of the decision or action (art. 57). Recourse may be had to the competent court within 30 days from the date of notification of the Board's decision (art. 58). Complaints regarding procurement violations may also be reported to NAO.

Some conflict of interest measures are in place, which inter alia restrict Board members and any person involved in tender activities from taking part in tender procedures, government auctions or sales if they have a "direct interest" in the proposed transaction, as defined in article 16 of the Tender Law.

There is no specific mechanism for the periodic rotation of staff in procurement functions. The term of office of members of the Tender Board shall be two years, which is renewable once only.

Bahrain has established detailed procedures for the adoption of the national budget and timely reporting requirements on revenue and expenditure, pursuant to Law No. 39 of 2002 concerning the State budget.

According to article 49 of this law, all ministries and government organisations shall issue annual consolidated financial statements, prepared in accordance with Generally Accepted Accounting Standards (GAAS) which are published in the Official Gazette, upon approval by the House of Representatives and the Shura Council.

Auditing and oversight are carried out by NAO (article 116, Constitution). NAO conducts regulatory (compliance) audits, performance audits and administrative audits (article 5, Decree-Law No. 16 of 2002 on the NAO) and may prescribe measures for corrective action (articles 16 and 17). In addition, government agencies have established internal audit units or departments.

Bahrain has adopted measures to preserve the integrity of accounting books, records and financial statements related to public expenditure and revenue and to prevent the falsification of such documents.

Public reporting; participation of society (arts. 10 and 13)

There are no special procedures or regulations on public access to information. The Bahraini authorities have prepared a draft law on the right to information.

Bahrain has taken several steps and measures to simplify administrative procedures and facilitate public services delivery, including through government websites and electronic applications that simplify procedures, expedite public services delivery and allow for the provision of information.

Bahrain makes data on corruption available primarily in the form of annual statistics on crime and corruption published by NAO, GD and the Public Prosecution, as well as through awareness campaigns, the media and government websites. There have been no recent studies or assessments of corruption risks in the public administration.

Bahrain has taken steps to encourage the participation of society in national anti-corruption campaigns, public awareness and reporting corrupt activities.

GD receives corruption reports, including anonymously, through various communication channels, including by hotline and email.

Private sector (art. 12)

Bahrain has taken steps to prevent corruption and strengthen financial controls in the private sector.

The Commercial Companies Law promulgated by Decree-Law No. (21) of 2001 (CCL) and its executive regulations provide for compliance with accounting, auditing, internal and external auditing standards, as well as the obligation of companies to submit audited financial reports annually to the Ministry of Industry, Trade and Tourism. The Commercial Law also provides for the retention of regular accounting records (art. 20).

The Ministry of Industry, Trade and Tourism acts as registrar for business and also conducts periodic onsite inspections of licensed audit offices. Information on owners, managers and ultimate beneficiaries of private entities is available on the Commercial Registration Portal (www.sijilat.bh).

GD also awards financial rewards to anyone who collaborates and reports on illegal and corrupt practices.

Ministerial Decision No. 19 of 2018 on corporate governance requires boards of directors of joint-stock companies to establish reporting programmes that allow employees to report irregularities internally, and to develop written policies to deal with conflicts of interest and codes of conduct. External auditors verify the implementation of these obligations.

There are no regulations to limit the professional activities of former public officials after resignation.

There are no taxes imposed in Bahrain.

Measures to prevent money-laundering (art. 14)

The anti-money laundering (AML) legal regime consists principally of the AMLA, as well as rules, regulations, resolutions and circulars issued by CBB and other supervisory authorities. These measures apply to banks, non-bank financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs), including natural or legal persons that provide formal or informal money value transfer services (MVTs) specifically licensed as such. The requirements cover

customer/beneficial owner identification, record-keeping and the reporting of suspicious transactions.

The risk-based approach (RBA) to AML has been applied to FIs since 2014. In 2017, Bahrain finalized its first national risk assessment and adopted a national action plan to implement the RBA. Supervisors also carry out risk-based compliance inspections and supervision.

The National Committee for the Development of Policies to Prevent and Prohibit Money Laundering and Financing of Terrorism (NPC) is responsible for establishing AML prevention and prohibition policies, including inter-agency coordination mechanisms. A national AML strategy has been developed.

Authorities such as FID and CBB can provide mutual legal assistance (MLA) for money-laundering and associated predicate offences. Authorities also cooperate through INTERPOL and the Egmont Group.

Bahrain has established a cross-border disclosure system to detect and monitor the movement of cash and bearer negotiable instruments. Competent authorities may restrain cash and bearer negotiable instruments where there is a suspicion of money-laundering, where a false disclosure was made, and when no disclosure is made.

Bahrain has adopted enforceable measures in the CBB Rulebook dealing with electronic transfers and alternative remittances which require FIs and MVTS to include accurate and meaningful information on the originator and to maintain such information throughout the payment chain. Enhanced due diligence (EDD) is required in case of inward wire transfers containing incomplete information on the originator (FC-3.1.14). However, intermediary and beneficiary banks are required to exercise only reasonable scrutiny in the case of cross-border wire transfers containing incomplete originator information (FC-3.1.16 and FC-3.1.18).

Bahrain has made significant efforts to bring its AML regime in line with FATF requirements. Some defects in the regulation of financial institutions and DNFBPs were identified in the June 2018 FATF/MENAFATF mutual evaluation. Bahrain is continuing efforts to address these findings.

Bahrain contributes to the development and strengthening of regional and international cooperation on AML, particularly through its participation in the MENAFATF.

2.2. Successes and good practices

- National campaigns to promote integrity and combat corruption (art. 5(2));
- Establishment of an electronic system to automatically distribute cases to the competent courts (art. 11(1)).

2.3. Challenges in implementation

It is recommended that Bahrain:

- Adopt a national anti-corruption strategy which provides timeframes for the implementation of its objectives, identifies indicators to measure progress in achieving these objectives, and identifies those responsible for its implementation (art. 5(1));
- Take measures to grant GD the legal independence to ensure continuity of its operational and financial independence in the future (art. 6(2));

- Endeavour to adopt legislative measures to establish a clear mechanism to address grievances of applicants for public office relating to administrative decisions on recruitment (art. 7(1));
- Endeavour to identify public positions considered especially vulnerable to corruption and to establish procedures for the selection and training of individuals for such positions and their rotation, where appropriate (art. 7(1));
- Continue efforts to expand the legislation on conflict of interest to include a wider scope of conflicts related to the employee's personal and material interests (arts. 7(4) and 8(5));
- Consider establishing a reporting obligation for public officials beyond those under the authority of CSB to declare relevant interests that may result in a conflict with respect to their public functions (art. 8(5));
- Regarding public procurement, (1) consider extending the applicable timeframes for filing complaints or appeals, (2) consider specifying in the law or implementing regulation on what criteria Tender Board members are appointed, and (3) consider adopting measures for the periodic rotation of procurement personnel, including limiting the term of office of members of the Tender Board (art. 9(1));
- Continue efforts to adopt legislative or other measures to regulate public access to information (art. 10(a)) and to strengthen corruption risk assessments through relevant studies and assessments (art. 10(c));
- Continue to strengthen measures to prevent corruption in the private sector, including by enhancing accounting and auditing standards and considering adopting restrictions on the professional activities of former public officials (art. 12(2)(e));
- Consider strengthening beneficial owner identification and verification requirements for DNFBPs (art. 14(1)(a));
- Adopt measures to require financial institutions (including intermediary and beneficiary institutions) to apply enhanced scrutiny to outgoing and incoming wire transfers containing incomplete information on the originator (art. 14(3));
- Continue efforts to address the results of the joint FATF/MENAFATF evaluation (art. 14(4)).

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)

Bahrain does not have specialized legislation on MLA or asset recovery. Requests are executed on the basis of the CPC and international conventions or principles of reciprocity or international comity. Bahrain entered into several bilateral and multilateral treaties and agreements on judicial and legal cooperation that can be used in the context of asset recovery. Bahrain also considers the Convention as a basis for MLA.

Article 9.1 of AMLA and Egmont principles allow FID to exchange information on money-laundering and predicate offences with foreign counterparts on its own initiative or upon request. The Riyadh Arab Agreement on Judicial Cooperation and other treaties include provisions on special cooperation. However, the power of other

authorities, such as CBB, to spontaneously exchange information is not specified in the legislation.

There have been no completed cases where confiscated assets were returned to a requesting State. Bahrain has never refused a request related to asset recovery to-date.

Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)

Based on AMLA and enforceable provisions of the CBB Rulebook, FIs must adopt internal procedures for establishing and verifying the identity of their customers and the source of their funds, including beneficial owners. The requirements include applying EDD on high-risk customers, accounts and transactions, including politically exposed persons (PEPs), their family members and close associates. There are some weaknesses in the identification and verification of beneficial owners in practice.

The measures apply with a view to detecting suspicious transactions.

The Financial Crime Module of the CBB Rulebook (FCM) and relevant advisories issued by CBB and FID provide further guidance for complying with AML/CFT obligations across the financial sector. Bahrain has also developed a national PEPs list.

Record-keeping requirements in AMLA, as specified in FCM, require FIs to keep customer identification and transaction records for five years after the customer relationship has ended or the transaction was terminated.

The licensing procedures for FIs stipulated in CCL prevent the establishment of shell banks. Pursuant to FCM, FIs must not establish business or correspondent banking relationships with shell banks or with banks that provide correspondent services to shell banks.

The Financial Disclosure Law No. 32 of 2010 requires specified categories of public officials to submit financial disclosures to the Financial Disclosure Examination Authority every three years and upon leaving office. This system remains, however, limited because disclosures are submitted in paper form and remain sealed, unless a criminal investigation is opened. Previous disclosures are not retained but returned to the reporting person upon submission of new ones. The information cannot be sent via MLA unless a domestic investigation is open, and provided that the envelope is opened in the presence of the reporting person.

Bahrain has not adopted measures requiring public officials to report their interest in or control over foreign financial accounts and to maintain appropriate records thereto.

Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)

The Civil and Commercial Procedure Law (CCPL) allows any injured party to initiate a civil action in the courts to establish title to or ownership of property or to intervene in ongoing civil proceedings as a third party. There are no restrictions on who qualifies as a plaintiff in the domestic courts.

Moreover, a party may claim compensation in criminal proceedings during the preliminary investigation or in court (art. 22 et seq. CPC). The courts are authorized to adjudicate the claim and issue orders for payment of compensation or damages (arts. 32, 35 CPC; arts. 9, 18, 256 CCPL).

Article 12 of the PC provides for the *direct* enforcement of foreign confiscation orders, provided the offence is recognized in Bahrain. The enforcement of a foreign confiscation order requires a final judgment by the foreign court. The dual criminality requirement imposes limitations in cases of requests involving Convention offences not criminalized in Bahrain.

Articles 426 to 428 of CPC regulate the procedure for judicial assistance in criminal matters generally. However, these articles are limited to investigative measures and are not specific to asset recovery.

Articles 64 of PC and 3.2 of AMLA allow Bahraini courts to confiscate property of foreign origin located in Bahrain through a local court decision on a money laundering offence.

The rights of bona fide third parties are protected (art. 64 PC, art. 113 CPC, art. 3.2 AMLA).

Non-conviction based confiscation is possible in a number of cases within the context of criminal proceedings, such as when the suspect dies or absconds, at the time of handing down the judgment for the offence (art. 64 PC, arts. 17, 113 CPC) and before conviction in money-laundering cases (art. 3.2 AMLA).

Articles 426–428 of CPC allow for making requests to take the full range of investigative measures authorized under the CPC (arts. 55–103). A request for interim measures can be executed on the basis of foreign investigative papers evidencing the constitutive crime (art. 426 CPC). Dual criminality is not required to implement investigative measures based on a foreign request (art. 427 CPC). For money-laundering offences, FID will seek a warrant from the prosecution (art. 8 AMLA).

Bahrain refuses assistance if execution of the request would conflict with the public order (art. 427 CPC). Apart from this, no grounds for refusal are specified in the legislation. However, certain domestic legal principles and internal rules require the judicial authorities to refuse requests, inter alia, on the grounds of undue delay by the requesting State, insufficient evidence, or requests pertaining to the seizure of salaries prohibited by principles of domestic law.

Bahrain has some procedures and legislative provisions relating to the administration of seized items that could be taken in the framework of international cooperation (arts. 98–99 CPC; 8.2(c) AMLA; Minister of Justice Decision No. 66 (2017)).

Bahrain has established a Directorate for the management of Preserved Assets, pursuant to Minister of Justice Decision No. 66 (2017). Furthermore, the Public Prosecution is preparing asset management guidelines that would apply to all enforcement agencies in Bahrain.

Bahrain is developing an internal procedures manual for legal assistance and asset recovery that would spell out the steps and procedure in the execution of international cooperation requests.

There is no Asset Recovery Guide or published guidance on the requirements and procedure for making MLA requests, including the competent authorities for receiving requests.

Return and disposal of assets (art. 57)

There is no provision in the law providing for the return of confiscated funds. The CPC permits the returning of *seized* assets, unless they are subject to confiscation (arts. 104–113). Accordingly, Bahrain may return property only during the investigation stage when property has been seized, but not if the property is subject

to confiscation (art. 104, CPC). Confiscated properties are devolved to the Treasury or, in some cases, to the Ministry of Social Development as prescribed by law.

Article 8.6 of AMLA sets forth a permissive provision to give or share the whole or part of any confiscated proceeds under AMLA with a foreign State.

Expenses of MLA are handled on a case-by-case basis in accordance with bilateral and multilateral treaties. Bahrain has never claimed any costs relating to the execution of a request.

Apart from the Arab Anti-Corruption Convention, Bahrain has not entered into any agreements related to asset disposal or taken any other measures for the final disposal of confiscated property in specific cases.

3.2. Challenges in implementation

It is recommended that Bahrain:

- Adopt legislative measures to regulate in detail the issues of international cooperation, including MLA for asset recovery for offences established in accordance with the Convention, in line with the requirements of chapter V (arts. 51, 54, 55, 57). Such legislation should specify the types of assistance that may be requested (including confiscation), procedure and content requirements for making requests, grounds for refusal and other procedural aspects (e.g., the costs of MLA and asset recovery), as well as principles of asset disposal and return (art. 57);
- Continue efforts to strengthen beneficial ownership identification and verification by financial institutions (art. 52(1));
- Strengthen the financial disclosure system to allow for the verification and use of information provided to detect cases of conflict of interest and illicit enrichment in the absence of any criminal investigation, as well as to permit the sharing of relevant information with competent foreign authorities (art. 52(5));
- Consider taking measures to require appropriate public officials to report their interest in or control over foreign financial accounts to appropriate authorities and to maintain appropriate records related to such accounts (art. 52(6));
- Amend the dual criminality requirement stipulated in art. 12 PC to allow for the enforcement of foreign judicial orders for all offences established in accordance with this Convention (art. 54(1));
- Amend the CPC provisions on MLA (arts. 426–428) to allow Bahrain to respond to a wide range of requests for assistance in confiscation, freezing, and seizure, not only requests for assistance in investigations, in line with chapter V of the Convention (art. 54(1));
- Consider developing an asset recovery guide or publication to guide foreign States on the requirements and procedure for making requests. Continue efforts to develop an internal procedures manual on handling MLA requests (art. 55);
- Specify in its legislation the legal powers of other authorities, such as CBB, to spontaneously exchange information with foreign authorities (art. 56);
- Adopt legislation to provide for the return of confiscated property, including to its prior legitimate owners, pursuant to paragraph 3 of article 57. It would also be beneficial to include a reference to the obligations under article 57 in the asset recovery guide (art. 57(1)).