

Solution spotlight | SME classification

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The Ministry of Industry, Commerce & Tourism (MoICT) launched an online registration system for small and medium enterprises (SMEs) in April 2019. The system was designed to enhance investment opportunities for SMEs and promote the growth of startups in the Kingdom of Bahrain. SMEs can use the system to obtain a classification certificate indicating their size.

Benefits

Classification certificates give holders access to development initiatives and programmes. Other benefits include:

- Preferential access to government procurements and tenders - 20% (by value) of government tenders have been earmarked for SMEs
- Preferential treatment when bidding for service contracts with government departments - except for tenders and auctions of a special nature
- Access to **Export Bahrain** services - including export finance and credit insurance, advice and access to workshops

Eligibility

All legal entities are entitled to apply (including individual establishments) - provided their commercial registration status is active and that they are not offering banking, insurance and re-insurance or other credit activities. Under the scheme, SMEs are categorised as micro, small or medium enterprises.

How to apply

Keypoint's statutory and corporate advisory team has helped a number of SMEs with the classification process which can only be completed using MoICT's online portal. Please contact the SCA team if you want your SME to benefit from this scheme.

Classifications

Size	Employees	Annual revenue
Micro	<6	<BHD50,000
Small	6-50	BHD50,000 - BHD1,000,000
Medium	51-100	BHD1,000,001 - <BHD3,000,000

Classification is based on the total number of employees and total annual revenue of all active and deleted by law branches. The size of active and deleted by law subsidiaries – if any – are also taken into account. SME classification certificates will not be awarded if:

1. The enterprise holds a stake of 20% or more in a large enterprise
2. An enterprises' shareholders or partners also own shares in a large enterprise (even if they own less than 20% of the shares)

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