

BAHRAIN

ISSUES FOR NON-US COLLECTION AGENCIES & LAWYERS:

- 1. Are there any problems with a US claimant pursuing a claim against a debtor in your country?**

No, it depends on the country of the debt or where the case can be raised as per the jurisdiction mentioned on the agreement.

- 2. The outstanding invoices are in dollars. Can the claim made in court proceedings be in dollars?**

The amount has to be converted by an officially registered Exchange Company and a certificate will be issued showing the converted amount.

- 3. If there is no contractual right to interest, can interest nonetheless be claimed and if so at what rate?**

If interest is mentioned within the claim it can be claimed, but if not mentioned, this is solely based on the Judge's decision in Civil courts. If interest is not included, it cannot be added in Sharia Law courts.

- 4. Can agency lawyers in your jurisdiction work upon a contingency fee basis and if so, typically what are the rates?**

Yes, some Lawyers are willing to work on a contingency basis and the rate usually starts at 10% and can go higher or less depending on the amount of the case. This does not include the charges such as court fees, legal administrative fees and so on that has to be paid upfront before registering the case.

- 5. How do court costs compare with the US?**

There is not much significant difference between the cost of both courts.

- 6. What language would the court proceedings be in and do documents have to be translated?**

Arabic is the official language of the court in Bahrain. Yes, all documents have to be translated and all court sessions are recorded in Arabic. Translators are available in courts, if needed.

- 7. Will witnesses be required to visit your country for depositions in the trial?**

Witnesses are required to attend the court as per the Judge's request. In rare cases, a witness may give testimony abroad.

- 8. What are the rules regarding enforcement of a US judgment in your country?**

Since the US is a member of The Hague Apostille Convention, a judgement from the US can be enforced in Bahrain, but applying for the apostille stamp which is a specialized certificate issued by the Secretary of State and attached to the original judgement to verify it is legitimate and authentic and can be applied in another member country.

- 9. What personal liability is there on the offices of a corporation that has issued cheques which have not been honoured?**

If a corporate has issued bounced cheques, the cheques can be registered at the police station as bounced cheques are considered a criminal offence.

In such situations, a personal case can be registered against the individual who signed on the cheque.

10. What liability do officers of the corporation have if the corporation goes into bankruptcy?

If the corporation registers in the court for bankruptcy, the officers will not be liable, only the company bank account is blocked and the assets of the company are frozen.

11. Do agencies and lawyers operate a trust or client account for monies recovered from a debtor?

Any monies collected are directly transferred to the Client based on the contractual arrangement for transferring funds to the Client. If monies are received directly by the court, the lawyer will have to retrieve the money from the court and accordingly the collected monies will be transferred to the client.

12. Is this requirement mandatory or voluntary?

This requirement is based on contractual relation between the parties.

13. What fidelity or malpractice insurance do you have?

NCS MENA currently has fidelity and money insurance on all employees handling and dealing with cash collections.

ISSUES FOR NON-US COLLECTION AGENCIES
AND LAWYERS TO ANSWER:

1. Are there any problems with a US claimant pursuing a claim against a debtor in your country? **NO**
2. The outstanding invoices are in dollars. Can the claim made in court proceedings be in dollars? **YES**
3. If there is no contractual right to interest, can interest nonetheless be claimed and if so at what rate? **5.7%**
4. Can agency lawyers in your jurisdiction work upon a contingency fee basis and if so, typically what are the rates? **AMICABLE - 10%/12% / COURT BY AGREEMENT WITH THE CLIENT OR 10%/15%**
5. How do court costs compare with the US? **USA = 200 USD ISRAEL: 2.5% FROM C**
6. What language would the court proceedings be in and do documents have to be translated? **HEBREW. YES - TRANSLATION - UNLESS THE LAWYERS AGREE WITHOUT TRANSLATION**
7. Will witnesses be required to visit your country for depositions in the trial? **IF THE LAWYER OF THE DEFENDANT ASKS IT.**
8. What are the rules regarding enforcement of a US judgment in your country? **WE HAVE TO FILE SPECIAL MOTION TO THE COURT**
9. What personal liability is there on the offices of a corporation that has issued cheques which have not been honoured? **NO PERSONAL LIABILITY ON CORPORATION.**
10. What liability do officers of the corporation have if the corporation goes into bankruptcy? **LIABILITY IF THEY MADE FRAUDULENTY OR DAN TO THE CORPORATION.**
11. Do agencies and lawyers operate a trust or client account for monies recovered from a debtor? **YES.**
12. Is this requirement mandatory or voluntary? **MANDATORY.**
13. What fidelity or malpractice insurance do you have? **According to the ISRAELI BAR 1.100,000,- USD.**

YECHIEL YARON, ADVOCATE