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Bahrain's Enhanced WPS: What Employers Must Do Now

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IN SHORT

Bahrain's enhanced Wage Protection System is mandatory. The LMRA announced on 21 October 2025 that private-sector salaries must run through the LMRA WPS portal — a direct bank transfer alone no longer counts as compliant payment. Employers had until the end of Q1 2026 to comply and until 1 February 2026 to appoint a Wages Responsible Person. Penalties include fines, blocked LMRA services and exclusion from Bahrainisation quota counts.

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What actually changed

Bahrain has had a WPS on paper since 2019, but enforcement was thin and many employers simply paid salaries by bank transfer. The October 2025 announcement closed that gap: wage payments must now be evidenced **through the LMRA's enhanced WPS portal**, so the LMRA can match what was paid against each registered worker.

The practical shift is from "pay salaries" to "pay salaries and file the proof": the transfer still happens through your bank, but the salary data goes into the LMRA portal where it is reconciled per CPR number.

The dates and duties

BAHRAIN ENHANCED WPS OBLIGATIONS

Obligation	Deadline	Detail
Appoint a Wages Responsible Person (WRP)	1 February 2026	A named person accountable for wage filings, registered with the LMRA
Run salaries through the LMRA WPS portal	End of Q1 2026	Direct transfers alone no longer accepted as compliant payment
Keep filings current each month	Ongoing	Late or missing filings trigger the penalty ladder

- Both compliance windows have now closed — an employer not yet filing through the portal is late, not early
- Penalties go beyond fines: blocked LMRA services (work-permit transactions) and exclusion from Bahrainisation quota counts, which hits your ability to hire

The monthly flow, step by step

Once registered, the recurring work is a monthly file. The flow in practice:

- **1. Close the payroll run.** Gross to net per employee, with each person's CPR number on record (plus the LMRA work permit number if your file layout uses that column)
- **2. Export the WPS salary file.** In ERP HRM Solution this happens after the run is approved — approval also posts the run to the ledger, so the filing and the books cannot drift apart
- **3. Upload in the LMRA portal** and pay the salaries through your bank as usual
- **4. Keep the confirmation.** The portal record is your evidence of compliant payment; the WRP owns the follow-up on any mismatch

About the file layout — a caution worth having

The LMRA has not published an official column-by-column file specification the way the UAE publishes the SIF format. Portals and banks have been onboarding employers with layouts that can differ in column order and naming.

That is why the Bahrain salary file in ERP HRM Solution is **configurable** rather than hard-coded, and why our standing advice is: **verify your first file with the LMRA** before treating the export as routine. Any vendor claiming an "LMRA-certified" file format is claiming a certification that, as far as the LMRA's published material shows, does not exist.

While you are in there: Bahrain's end-of-service also moved to the SIO

Employers overhauling Bahrain payroll for WPS usually need the second 2024 change too: for expatriate service from 1 March 2024, the employer pays the Social Insurance Organization (SIO) a monthly contribution — 4.2% of wage for an employee's first three years, 8.4% after — and **the SIO pays the end-of-service benefit** when the employee leaves.

- The employer still owes a true-up: if pay rises faster than the contributions assumed, the shortfall against the old formula is the employer's to pay
- Bahrainis get no gratuity — they are covered by SIO pension instead
- Pre-March-2024 service stays on the old employer-paid formula (half a month per year for the first 3 years, then a month per year)

A compliance checklist to close this out

- WRP appointed and registered with the LMRA
- Every employee's CPR number captured in payroll master data
- Monthly WPS file exported from the approved payroll run and uploaded in the portal
- First file verified with the LMRA; layout locked in payroll settings after that
- SIO contributions (pension, unemployment, and the 4.2%/8.4% end-of-service scheme) in the rate table with effective dates — and marked for a rate check with the SIO before the first run

Frequently asked questions

Is Bahrain's WPS mandatory now?

Yes. Following the LMRA's 21 October 2025 announcement, private-sector salaries must run

through the LMRA WPS portal, with the compliance window ending in Q1 2026. A direct bank transfer alone no longer counts as compliant wage payment.

What is a Wages Responsible Person?

A named person each employer had to appoint by 1 February 2026, registered with the LMRA and accountable for the company's wage filings in the WPS portal.

What are the penalties for not using the Bahrain WPS?

The announced consequences include fines, blocked LMRA services and exclusion from Bahrainisation quota counts. Confirm the current enforcement position with the LMRA for your own case.

Is there an official LMRA salary file format?

No official column specification has been published. File layouts vary, which is why the layout should be configurable and the first file verified with the LMRA before you rely on it monthly.

Who pays end of service in Bahrain now, the employer or the SIO?

For service from 1 March 2024, the employer pays the SIO 4.2% of wage for an employee's first 3 years and 8.4% after, and the SIO pays the benefit. The employer still pays any shortfall caused by pay rises, and the old formula applies to pre-March-2024 service.

Sources

- LMRA: about WPS 2.0
  https://www.lmra.gov.bh/en/page/show/633
- LMRA: WPS documents
  https://www.lmra.gov.bh/en/page/show/641
- Social Insurance Organization (SIO): end-of-service benefits
  https://www.sio.gov.bh/en/end-of-service-benefits
- KPMG Bahrain: regulatory alert on the mandatory enhanced WPS (November 2025)
  https://assets.kpmg.com/content/dam/kpmgsites/bh/pdf/2025/11/regulatory-alert-lmra-to-launch-mandatory-enhanced-wages-protection-system.pdf

If Bahrain payroll is still a spreadsheet plus a bank template, the WPS filing is where it breaks. **ERP HRM Solution** exports the LMRA salary file from the approved run, keeps the layout configurable until the LMRA confirms your first file, and calculates the SIO end-of-service true-up.
https://erphrmsolution.com/guides/bahrain-enhanced-wps-guide