



**Name of Proposed Licensee**



**CENTRAL BANK OF BAHRAIN**

**Form 2:  
Notice of Intent to Establish or Operate a Clearing  
Facility or Central Depository**



**Form 2: Notice of Intent to Establish or Operate a Clearing Facility or Central  
Depository**

**Table of Contents**

	<b>Date Last Changed</b>
<b>Instructions</b>	3/2009
<b>Declaration</b>	3/2009
<b>Contact Information</b>	3/2009
<b>Section I</b>	3/2009
Information on the Notifying Person	
<b>Section II</b>	3/2009
Information on Chief Executive Officer and Directors	
<b>Section III</b>	3/2009
Information on Shareholders and Subsidiaries	
<b>Section IV</b>	3/2009
Fit and Proper Criteria	
<b>Section V</b>	3/2009
Other Information	



**Form 2: INSTRUCTIONS**

1. This form is to be completed by persons wishing to notify the CBB of the intent to establish or operate a clearing house or central depository.
2. Applicants must submit this Form under cover of a letter signed by an authorised signatory of the applicant. Various supporting documentation – specified in the Form – must also be appended to the notice form.
3. The term “notifying person” means a person providing notice of intent to establish or operate a clearing facility or central depository to the CBB through this form.
4. Where the notifying person is:
  - (i) a corporation, this notice is to be signed by 2 directors or a director and a secretary of the notifying person or, in the case of a limited liability partnership, by 2 partners or a partner and manager of the notifying person;
  - (ii) a sole proprietor, this notice is to be signed by the notifying person in the presence of a witness;
  - (iii) a foreign firm, this notice is to be signed by the manager of the foreign firm or the person having direct control of the management of the business of the foreign firm; or
  - (iv) a firm (other than a foreign firm), this notice is to be signed by 2 partners of the firm, and where a corporation is a partner of the firm, by a director and the secretary of the corporation.
5. A notifying person may appoint a representative – such as a law firm or professional consultancy – to prepare and submit the application. However, the notifying person retains full responsibility for the accuracy and completeness of the notification, and is required to certify the notification form accordingly. The CBB also expects to be able to liaise directly with the applicant during the authorisation process, when seeking clarification of any issues.
6. This notice must be accompanied by the following:
  - (i) the relevant documents and information requested in the various parts of this notice;
  - (ii) certified true copies of the notifying person’s articles and memorandum of association, certificate of incorporation and constitution (if any) with all subsequent amendments;
  - (iii) certified true copies of the notifying person’s business rules (if applicable).
7. Complete all sections as fully as possible, attaching supporting documents and continuation sheets where appropriate. Attach annex(es) signed by the signatories, if there is insufficient space for your answers. The notification form should be written in black ink in BLOCK CAPITALS or typed.



**Form 2: INSTRUCTIONS (Continued)**

8. Failure to provide all the required information may result in significant delays in processing the notification. The CBB does not accept responsibility for any loss caused to the applicant by any such delay.
9. Place a tick (✓) in the relevant boxes where appropriate. Where there is an asterisk (\*), delete whichever is inapplicable. If any question is not applicable given your particular circumstances, please clearly indicate by marking 'N/A', with an explanation as to why it does not apply. Please provide a full explanation for any question that cannot be answered at this stage. Please note that failure to provide the required information may prejudice a notification and may cause delay.
10. This notification must be accompanied by the following:
  - (i) certified true copies of the notifying person's Memorandum and Articles of Association, certificate of incorporation and any constitution of documents with all subsequent amendments;
  - (ii) certified true copies of the notifying person's business rules and listing rules; and
  - (iii) a Bahraini Dinar cheque or Bahraini Dinar bank draft drawn in favour of CBB for the non-refundable application fee.
11. All documentation provided to the CBB must be in either the Arabic or English languages. Any documentation in a language other than English or Arabic must be accompanied by a certified English or Arabic translation thereof.
12. The **original** completed form, together with supporting documentation, should be submitted to:

The Director, Capital Markets Supervision Directorate  
Central Bank of Bahrain  
P.O. Box 27  
Manama  
Kingdom of Bahrain
13. Queries may be addressed to the Director, Capital Markets Supervision Directorate, on (+973) 17547909/17547907 (telephone), (+973) 17532957 (fax) and [ali@cbb.gov.bh](mailto:ali@cbb.gov.bh) (e-mail).
14. The notifying person should provide any additional information considered relevant or material to the various parts of this form.
15. If there are any changes in the submitted information prior to the completion of the review of this notice, the Central Bank of Bahrain (CBB) should be notified immediately.
16. Finally, the notifying person is also reminded that providing to the CBB any information which is false or misleading in connection with the submission of this form or any related information may result in the refusal of the notice.



**Form 2: DECLARATION**

We certify that we have read and understood the provisions of the Central Bank of Bahrain and Financial Institutions Law 2006 (and any regulations issued thereunder). In particular, (i) we are aware that it is an offence under the above law fraudulently or negligently to provide to the Central Bank of Bahrain (CBB) any information which is false or misleading in connection with an application for a license or otherwise; and (ii) we are aware that it is an offence to carry on the business for which a license is hereby sought without such license being granted.

We certify that the information given in answer to the questions above is complete and accurate to the best of our knowledge and belief and that there are no other facts relevant to this application of which the CBB should be aware. We are also aware that we may be subject to civil and/or criminal liability or such action that may be taken by the CBB or any other regulatory authority if any of the above stated information is subsequently found to be false or misleading information. We also confirm that no business of the type for which this license is now sought will be carried on by us prior to obtaining such license.

We undertake to inform the CBB of any changes material to the form that may arise while the CBB is considering the notice form. We further undertake that we will notify the CBB of any material changes to or affecting the completeness or accuracy of, the information provided in this form as soon as possible, but in any event no later than that required by the Module.

*The above declaration must be signed by at least two major proposed controllers (with an interest in the future licensee in excess of 10%). In the case of controllers that are legal persons, the declaration must be signed by 2 directors and bear the corporate seal.*

**WHERE THE PROPOSED CONTROLLER IS A NATURAL PERSON:**

_____ Name of applicant (please print name)	_____ Signature of notifying person	_____ Date
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_____ Name of applicant (please print name)	_____ Signature of notifying person	_____ Date
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**WHERE THE PROPOSED CONTROLLER IS A LEGAL PERSON:**

_____ Director (print name)	_____ Signature of director	_____ Date
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_____ Director (print name)	_____ Signature of director	_____ Date
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**Form 2: Contact Information**

*Please provide full contact details of person(s) with whom the CBB can communicate regarding this application. Where a professional adviser is given as a contact point, a principal of the applicant must also be given as a contact point.*

Contact Point 1

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Capacity<sup>1</sup>: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact Point 2 (if applicable)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Capacity<sup>1</sup>: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

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<sup>1</sup> (e.g.: professional adviser to the applicant, proposed director of notifying person.)



**Form 2: Section I – Information on the Notifying Person**

**Please complete all fields:**

1. Name of notifying person:
2. Address, telephone number and facsimile number of the principal place at which the business of the notifying person is/is to be\* carried on:
3. E-mail address and URL of the notifying person's internet web page (if applicable):
4. Registered office (address and country):
5. Form of business structure:
6. Date and place of incorporation:
7. If different from the name of the notifying person, the proposed name(s) of the clearing facility to be operated by the notifying person:
8. Proposed operating hours of the clearing facility or central depository to be operated by the notifying person:
9. If applicable, disclose the notifying person's authorised and paid-up capital, including relevant details of shares issued or to be issued (e.g. types, number and issue price).
10. Attach an organization chart showing the key officers and employees of the applicant, and their reporting lines.
11. Attach an organization chart showing the applicant and its relationships with its related corporation(s) or businesses.
12. State the current operations of the notifying person within the Kingdom of Bahrain.



**Form 2: Section I – Information on the Notifying Person (Continued)**

**Provide relevant information on the notifying person's business plans and operations, including information such as:**

1. Detailed information on the classes of transactions that will be cleared or settled on the clearing house operated by the notifying person; securities that will be traded on the applicant's markets.
2. Detailed information on the securities that will be held in custody with the central depository.
3. The prospective categories of members and participants (e.g. clearing and central depository member, participant, trading participant, dealing participant, client participant, etc.).
4. The nature of prospective members, participants or investors who may use, invest in or participate in the clearing house or central depository operated by the notifying person in the Kingdom of Bahrain (e.g. institutional, accredited, expert, retail, etc.).
5. Any affiliation between the notifying person and the prospective members and participants, such as common owners, partners, directors or officers.
6. The manner in which the different categories of prospective members and participants and investors would access the clearing house or central depository operated by the notifying person.
7. The notifying person's operations with respect to operating its clearing facility (provide transaction flowcharts or diagrams, where relevant), proposed revenue sources, and projected volumes and value of transactions that would be cleared or settled on the clearing house operated by the notifying person.
8. The notifying person's operations with respect to operating its central depository (provide transaction flowcharts or diagrams, where relevant), proposed revenue sources, and projected volumes and value of central custodian services and the safe-keeping activities of investors' securities within the central depository operated by the notifying person.
9. Any other relevant information that may help in processing this application.





**Form 2: Section I – Information on the Notifying Person (Continued)**

Note:

**Relevant supporting documents or information to be provided could include:**

1. Information on key officers, partners and employees (including names, addresses, relevant experience, qualifications, etc.).
2. Systems and procedures governing clearing or settlement of transactions effected through the clearing house operated by the notifying person.
3. Systems and procedures governing the custodian services effected through the central depository operated by the notifying person.
4. Business rules (if applicable).
5. Human resources, including information on the staffing levels of key functions (such as collateral management, risk management, member regulation, etc.).
6. Available financial resources to support an event of default of a participant (if applicable).



**Form 2: Section I – Information on the Notifying Person (Continued)**

**If the notifying person or any of its related corporations holds shares in a corporation that, operates market(s) or other clearing house(s) or central depository(ies), in any other jurisdiction, provide relevant information with regards to:**

1. The name(s) of such market(s) or other clearing house(s) or central depository(ies).
2. The name(s) of such jurisdiction(s) where such market(s) or other clearing house(s) or central depository(ies) are operated.
3. The name(s) of any supervisory authority, including any self regulatory organisation (SRO), that exercises oversight over the notifying person or its related corporations or businesses in these jurisdiction(s).
4. Evidence of the notifying person's authorisation to operate a market or clearing house or central depository in these jurisdictions, including a copy of any conditions imposed on the notifying person's operations of such market or other clearing house or central depository in these jurisdiction(s).
5. Documentation that would allow the CBB to consider if the requirements and supervision that the notifying person is subject to are sufficiently equivalent to the requirements and supervision under Module CSD (eg. a summary of the laws, legislation, regulations and rules applicable to the notifying person in these jurisdiction(s)).



**Form 2: Section I – Information on the Notifying Person (Continued)**

**Please provide the following relevant information:**

1. Give an outline of the notifying person's plans with regard to the operation and expansion of its business in Bahrain and abroad (if applicable) over the next 3 to 5 years. This outline should include financial projections on the resources available to maintain the clearing house facility or central depository.
2. If applicable, provide a description of the notifying person's business(es), other than the operation of the proposed clearing house facility or central depository.
3. If applicable, provide the name(s) and description(s) of any related corporation to the notifying person that is operating in Bahrain as a bank, merchant bank, finance company, insurer, trust company, licensed exchange or licensed market operator, holder of a capital markets services license, or holder of a financial adviser's license.
4. Certified true copies of the most recent auditor's report, audited balance sheet, and audited profit and loss account, by whatever name called, and in any other case, the equivalent accounts or documents, by whatever name called.



**Form 2: Section II – Information on Chief Executive Officer and Directors**

Complete and attach Form 3 “Information on Chief Executive Officer and Directors” for the purpose of completing this Part.



**Form 2: Section III – Information on Shareholders and Subsidiaries**

Complete and attach Form 4 “Information on Shareholders and Subsidiaries” for the purpose of completing this Part.

**Form 2: Section IV – Fit and Proper Criteria**

If the answer to any of the following questions is in the affirmative, attach annexes and supporting documents, where appropriate, to provide all relevant particulars.

**Within the past 10 years, has the notifying person or any of its individual substantial shareholders, corporate substantial shareholders, or any director or chief executive officer of the applicant:**

Been licensed, registered or approved under any law which requires licensing or registration in relation to securities, futures or leveraged foreign exchange activities?	Yes	No
Been licensed, registered, or otherwise authorised by any law to carry on any trade, business (including sole proprietorships and partnerships) or profession (including accountancy, engineering, law and architecture) whether alone or jointly with others?	Yes	No
Been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific license, registration or other authorisation is required by law in any jurisdiction?	Yes	No
Been issued a prohibition order under any Law or Directive administered by the CBB, whether in the Kingdom of Bahrain or elsewhere, or has been prohibited from operating in any jurisdiction by any financial services regulatory authority?	Yes	No
Been censured, disciplined, suspended or refused membership or registration by the CBB, whether in the Kingdom of Bahrain or elsewhere, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Bahrain or elsewhere?	Yes	No
Been the subject of any complaint made reasonably and in good faith relating to activities regulated by the CBB, whether in the Kingdom of Bahrain or elsewhere, or under any law in any jurisdiction?	Yes	No
Been the subject of any proceedings of a disciplinary or criminal nature or been notified of any potential proceedings or of any investigation which might lead to those proceedings, under any law in any jurisdiction?	Yes	No



**Form 2: Section IV – Fit and Proper Criteria (Continued)**

**Within the past 10 years, has the applicant or any of its individual substantial shareholders, corporate substantial shareholders (including the corporation's related corporations), or any director or chief executive officer of the applicant:**

Been convicted of any offence, served any term of imprisonment or is being subject to any pending proceedings which may lead to a conviction of any offence, under any law in any jurisdiction?	Yes	No
Had any judgment (including a finding of fraud, misrepresentation, or dishonesty) entered against it/him in any civil proceedings or is a party to any pending proceedings which may lead to those proceedings, under any law in any jurisdiction?	Yes	No
Had any civil penalty enforcement action taken against it or him by the CBB, whether in the Kingdom of Bahrain or elsewhere, or any other regulatory authority under any law in any jurisdiction?	Yes	No
Contravened or abetted another person in breach of any laws or regulations, business rules or codes of conduct, whether in Bahrain or elsewhere?	Yes	No
Been the subject of any investigations or disciplinary proceedings or been issued a warning or reprimand by the CBB, any other regulatory authority, an operator of a market or clearing facility, any professional body or government agency, whether in Bahrain or elsewhere?	Yes	No
Been refused a fidelity or surety bond, whether in Bahrain or elsewhere?	Yes	No
Been or is a director, partner, or concerned in the management of a business that has been suspended or refused membership or registration by the CBB, any other regulatory authority, operator of a market or clearing facility, any professional body or government agency, whether in Bahrain or elsewhere?	Yes	No



**Form 2: Section IV – Fit and Proper Criteria (Continued)**

**Within the past 10 years, has the applicant or any of its individual substantial shareholders, corporate substantial shareholders (including the corporation's related corporations), or any director or chief executive officer of the applicant:**

Been a director, partner or concerned in the management of a business that has gone into insolvency, liquidation or administration during the period, or within a period of one year, when he was a director, partner or concerned in the management of the business, whether in Bahrain or elsewhere?	Yes	No
Been dismissed or asked to resign, from office, employment, a position of trust, or a fiduciary appointment or similar position, whether in Bahrain or elsewhere?	Yes	No
Been or is subject to disciplinary proceedings by his current or former employer(s), whether in Bahrain or elsewhere?	Yes	No
Been disqualified from acting as a director or disqualified from acting in any managerial capacity, whether in Bahrain or elsewhere?	Yes	No
Been an officer found liable for an offence committed by a body corporate as a result of the offence having proved to have been committed with the consent or connivance of, or neglect attributable to, the officer, whether in Bahrain or elsewhere?	Yes	No
Been engaged in the management of any corporation other than those disclosed in Part III (Information On Chief Executive Officer And Directors) of this notice in any jurisdiction(s)?	Yes	No
Carried on business under any name other than the name or names shown in this notice in any jurisdiction(s)?	Yes	No





**Form 2: Section IV – Fit and Proper Criteria (Continued)**

**Is the notifying person or any of its individual substantial shareholders, corporate substantial shareholders, or any director or chief executive officer of the notifying person:**

Unable to fulfill any of its/his financial obligations, in Bahrain or elsewhere?	Yes	No
Entered into a compromise or scheme of arrangement with its/his creditors, being a compromise or scheme of arrangement that is still in operation, in Bahrain or elsewhere?	Yes	No
Subject to a judgment debt which is unsatisfied, either in whole or in part, in Bahrain or elsewhere?	Yes	No
In the course of being wound-up or otherwise dissolved, in Bahrain or elsewhere?	Yes	No
A corporation that has a receiver, receiver and manager, judicial manager, or such other person having the powers and duties of a receiver, receiver and manager, or judicial manager, appointed in relation to, or in respect of any property of, the corporation, in Bahrain or elsewhere?	Yes	No



**Form 2: Section V – Other Information**

Set out any additional information considered relevant or material to this notice.