CENTRAL BANK OF BAHRAIN

Annual License Fee Form
(Form ALF)

Form ALF: INSTRUCTIONS

1. Article 180 of the CBB Law sets out the CBB's powers to charge fees. Based on these provisions, the CBB charges an annual license fee ('ALF') to all its licensees. Details on how the ALF is calculated for particular license categories are included in each Rulebook Volume: the ALF for Volume 1 licensees is specified in Section LR-4.2.

2. Rule LR-4.2.1 specifies that conventional bank licensees must pay the relevant annual license fee to the CBB, in April each year. Rule LR-4.2.10 states that conventional bank licensees must complete and submit Form ALF to the CBB, no later than 30 April each year, together with the payment due. Payment must be made directly to the CBB Bank as outlined in Paragraph 3 below.

3. Licensees must make a direct deposit or wire transfer the payment of their annual fees and inform the CBB of the payment made.
   Beneficiary Name: Central Bank of Bahrain
   Bank Name: National Bank of Bahrain, Head Office
   Account No: 99572265
   Swift Code: NBOBBHBM
   The amount transferred to the CBB should cover the full amount of the licensee fee. Any other charges must be borne by the licensee.

4. Rules LR-4.2.2 to LR-4.2.7 set out the detailed calculations to be applied, for conventional bank licensees. Licensees are asked to refer to these and to Section LR-4.2 generally, prior to completing this form.

5. The original completed form, together with details of the payment made for the amount calculated, and where applicable a copy of the latest audited financial statements used in the calculation of the fee and a copy of the external auditor's certification letter, should be sent to:

   Head – Accounts Directorate
   Central Bank of Bahrain
   P.O. Box 27
   Manama
   Kingdom of Bahrain

6. Licensees may address any queries to the Head – Accounts Directorate, on +973 17 547 325 (telephone), +973 17 531 930 (fax) and lic.fees@cbb.gov.bh (e-mail).

7. Please ensure that the completed form and its attachments are received by **30 April** each year. Failure to do so may be viewed as a breach of the licensee's licensing conditions (see Rule LR-2.8.4).

8. Applicants are also reminded that providing to the CBB any information which is false or misleading, or omitting to provide significant information which should have been provided to the CBB, may similarly be viewed as a breach of the licensee's licensing conditions (see Rule LR-2.8.2).

Form ALF: Certification

N.B. To be signed by the Chief Executive / General Manager of the licensee.

I certify that the information submitted in this Form ALF is accurate and complete to the best of my knowledge and belief.

I am aware that providing to the CBB any information which is false or misleading, or omitting to provide significant information which should have been provided to the CBB, may constitute a breach of this licensee's licensing conditions.

______________________________ ______________________________

(Name of Signing Officer) **(Name of Licensee)**

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(Signature)

____

(Date)

Form ALF: Calculation Sheet

Licensee Name: ______________________________

Attached fee due for (specify applicable calendar year): _______

Following attachments are provided (please tick to confirm for each):

- Copy of audited financial statements used in the calculation ☐

[not required if paying the maximum fee ('cap') for the applicable license category]

- Copy of external auditor certification letter ☐

[not required if paying the maximum fee ('cap') for the applicable license category]

- Copy of proof of payment (payable to 'Central Bank of Bahr☐)

Summary Calculation Sheet **[TO BE COMPLETED IF PAYING AN AMOUNT LESS THAN THE MAXIMUM FEE FOR THE APPLICABLE LICENSE]** **(All numbers to be reported in BD and unconsolidated – i.e. pertaining to the licensee only, excluding its subsidiaries)**	
1. Total Operating Expenses	
2. Training Costs	( )
3. Charitable Donations	( )
4. CBB fees paid	( )
5. Non-executive Directors' remuneration	( )
6. Relevant Operating Expenses [i.e. line 1 – (2+3+4+5)]	
7. License Fee Liability [i.e. line 6 * 1%] (Retail Banks-all)	
8. License Fee Liability [i.e. line 6 * 0.50%] (Wholesale Banks-locally incorporated)	
9. License Fee Liability [i.e. line 6 * 0.25%] (Wholesale Banks-Branches)	
10. License Fee Payable	

Notes (numbers refer to line items above):

1: Total operating expenses covers all establishment expenses of the licensee, as recorded in the prior year audited financial statements. (As an example the fees paid in 2008, are to be based on the 2007 F/S). For the avoidance of doubt, these expenses exclude depreciation, provisions, interest expense, and dividends paid.

2 to 5: List separately these adjustment items (see Rule LR-4.2.7).

6: Relevant Operating Expenses are the product of Total Operating Expenses (line 1) minus the sum of the adjustments made (lines 2 to 5 inclusive).

7: License Fee Liability is the product of line 6 (Relevant Operating Expenses) multiplied by (1%, 0.50 and 0.25% depending on the license type).

8: The License Fee Payable is the same as the License Fee Liability, subject to the minimum and maximum amounts payable by the license category concerned. The minimum and maximum amounts payable by conventional bank licensees are:

Retail Banks (all): BD 30,000 and BD 240,000
Wholesale Banks (locally incorporated): BD 13,000 and BD 100,000; and
Wholesale Banks (Branches): BD 13,000 and BD 100,000.

For example, a retail bank licensee with a License Fee Liability of BD 27,000 would pay the minimum license fee of BD 30,000. A retail bank licensee with a License Fee Liability of BD 250,000 would pay the maximum licensee fee of BD 240,000. A retail bank licensee with a License Fee Liability of BD 200,000 would pay BD 200,000 as a license fee.

Form ALF: External Auditor Certification

[NOT REQUIRED TO BE COMPLETED IF PAYING THE MAXIMUM FEE]
Form of words for auditor certification letter (addressed to licensee concerned):

We have performed procedures agreed with you and enumerated below with respect to the attached CBB Form ALF (‘the form’), to be submitted in accordance with CBB Rulebook requirements. Our engagement was undertaken in accordance with the International Standard on Related Services Applicable to agreed-upon procedures Engagements. The procedures were performed solely to assist you in ensuring that the amounts reported in the form have been extracted from the audited financial statements of [XYZ licensee] (the ‘Licensee’) for the year ended [insert date] or underlying accounting records of the Licensee. These procedures are summarised as follows:

1. We have agreed the amounts reported in the form to the audited financial statements of the Licensee for the year ended [enter date];
2. For those amounts not directly traceable from the audited financial statements of the Licensee for the year ended [enter date], we have agreed them to the underlying accounting records of the Licensee; and
3. We have verified the arithmetical accuracy of the form.

We report our findings below:

We confirm that the amount reported in the form for Total Operating Expenses, [enter amount], is in agreement with the audited financial statements of the Licensee for the year ended [enter date].

We further confirm that the following amounts reported in the form agree to the underlying accounting records of the Licensee for the year ended [enter date].

Particulars	Amount (BD)
Training Costs	
Charitable Donations	
CBB fees paid	
Non-executive Directors’ remuneration	

We also found that the arithmetical calculations in the form were accurate.

The above procedures do not constitute either an audit or a review made in accordance with the International Standards on Auditing or International Standards on Review Engagements. Had we performed additional procedures or had we performed an audit or review in accordance with the International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

This report is solely for the purpose set forth in the first paragraph and is only for the information of the Licensee and CBB. This report should not be used for any other purpose or be distributed to any other parties. This report relates only to the information reported in the form for [enter year] and does not extend to any financial statements of the Licensee taken as a whole.