

STANDARD CONDITIONS AND LICENSING CRITERIA
FOR A
REPRESENTATIVE OFFICE LICENSE

A Representative Office may only (i) gather financial, economic and commercial information, (ii) carry out general promotional activities, and (iii) provide general assistance of a non-specific nature to resident and non-resident customers of overseas offices. Any other activity, including the establishment/marketing of Collective Investment Schemes, requires the prior specific written permission of the Central Bank of Bahrain (the CBB).

Standard Conditions:

1. Management and Staffing

Representative Office licensees must be managed by a management team who are, in the CBB's opinion, "fit & proper" in accordance with CBB's requirements.

Employees must have sufficient knowledge, experience, skills and training in relation to their particular areas of responsibility.

2. Premises and Administration

Suitable premises must be maintained in Bahrain.

3. Information

The Representative Office shall submit to the CBB such information as the CBB may require. This currently includes details of management personnel. Annual accounts of the head office and of the group if appropriate, may also be required to be submitted to the CBB.

4. Conduct of Activities

All activities shall be conducted professionally, properly, in an orderly manner and in accordance with the circulars, notices and directions of the CBB.

5. General

Licenses are subject to the provisions of the Central Bank of Bahrain and Financial Institutions Law 2006. The CBB may apply such conditions, and impose such additional requirements, as it considers appropriate.

6. License Fees

Application Fees

Applicants seeking a representative office license from the CBB must pay a non-refundable license application fee of BD100 at the time of submitting their formal application to the CBB.

Annual License Fees

Representative office licensees must pay the relevant annual license fee to the CBB, in January each year.

Representative office licensees must pay BD3,000 per annum payable to the CBB.

For new licensees, their first annual license fee is payable when their license is issued by the CBB. The amount payable is reduced on a pro-rata basis so that they are charged only for the number of complete months remaining in the current calendar year subject to a minimum fee of BD500.

Additional Licensing Criteria:

In considering an application, the CBB shall also take into consideration (amongst other factors) the following:

- the reputation and financial standing (including financial standing on a consolidated basis) of the applicant,
- the consolidated supervisory arrangements, if any, for the applicant in any other jurisdiction and the opinion of the relevant supervisory authority therefore,
- the previous track-record of the applicant, its owners and management, both as regards probity and in relation to the activities to be undertaken, and
- the suitability of the proposal and the effect on the banking and financial sector in Bahrain of the applicant being granted a license.