

RESOLUTION NO.(33) OF 2012 WITH RESPECT TO PUBLISHING THE REGULATIONS TO DETERMINE THE DECIDING PROCEDURES ON BANKS APPLICATIONS TO TRANSFER BANKING TRANSACTIONS IN THE KINGDOM OF BAHRAIN

The Governor of the Central Bank of Bahrain,

Having reviewed the Law of Central Bank of Bahrain and Financial Institutions promulgated by Law No.(64) of 2006, particularly Articles (66) and (67) thereof,

And Regulation No.(1) of 2007 with respect to Services subject to the Control of the Central Bank of Bahrain, as amended,

And upon the submission of the Chairman of the CBB's Control Policies Committee,

HEREBY ORDERS:

Article 1

To enforce the provisions of the Regulation attached to this Order with respect to determining the Deciding Procedures on Banks applications to transfer banking transactions in the Kingdom of Bahrain.

Article 2

The Concerned Directorate at the CBB shall implement this Resolution and the attached Regulation which shall come into effect from the day following the date of their publication in the Official Gazette.

**Signed: Rasheed Mohamed Al Maraj,
Governor of the Central Bank of Bahrain.**

Issued on: 24th Ramadan, 1433 Hijra,
Corresponding to: 12th August, 2012 A.D.

REGULATION WITH RESPECT TO DETERMINING THE DECIDING PROCEDURES ON BANKS APPLICATIONS TO TRANSFER BANKINGS TRANSACTIONS IN THE KINGDOM OF BAHRAIN

Article 1 DEFINITIONS

In the application of the provisions of this Regulation, the following terms and expressions shall have the meaning assigned against each unless the context otherwise requires:

BANK: Central Bank of Bahrain.

GOVERNOR: Governor of the Central Bank of Bahrain.

LAW: Law of the Central Bank of Bahrain and Financial Institutions promulgated by Law No.(64) of 2006.

BANK: Any bank operating in the Kingdom by virtue of a licence issued thereto by the CBB.

SERVICE SUBJECT TO CONTROL: All transactions subject to the CBB's control in accordance with Regulation No.(1) of 2007 with respect to Services subject to the CBB's control, as amended.

BANKING TRANSACTIONS: A transaction which totally or partially includes any of the banking transaction being subject to control.

TRANSFEROR: A bank that wishes to transfer any part of its banking transactions in accordance with the provisions of this Regulation.

TRANSFeree: Any entity licensed to provide Banking business subject of this transfer.

Article 2 BANNING REJECTED TRANSFERS

The transferor shall not be permitted to transfer any banking business to the transferee except after obtaining a prior written permission from the CBB and in accordance with the provisions of this Regulation.

The ban shall not be applicable in the following cases:

1. Transferred business is limited to the transferor's assets, liabilities or both provided such transfer shall not include any of the services subject to the control.
2. Upon transferring any of the banking transactions that represent less than (5%) of the total assets or liabilities of the transferor being confirmed in the uncalculated financial centre's list for the financial quarter that precedes the transfer application's date provided the CBB shall be notified thereof within one month from the transfer date.

The transferee shall undertake to obtain the CBB's approval in the event where the licence granted thereto does not permit providing banking transactions transferred thereto in the Kingdom of Bahrain.

Article 3

TRANSFER APPLICATION SUBMISSION MANNER

The transferor shall submit the banking business transfer application on the form maintained for this purpose to the Executive Director of Banking Control at the CBB accompanied by the application supporting documents as determined by the CBB.

Article 4

TRANSFER APPLICATION PRELIMINARY EVALUATION

The CBB shall conduct a preliminary evaluation of the transfer application and the attached documents to ensure whether the nature of the intended business to be transferred requires approval or not.

Article 5

TRANSFER APPLICATION ANNOUNCEMENT

Upon approval of the preliminary evaluation of the transfer application, the CBB shall publish the transfer application in the Official Gazette and in two local daily newspapers one of which is published in Arabic and the other is in English. Such notice shall include an invitation to the persons concerned to submit their rejections on such transfer to the CBB within three months from the date of the notice provided the transferor shall incur the publishing costs.

Article 6

DECIDING ON A TRANSFER APPLICATION

Upon the completion of the period indicated in Article (5) of this Regulation, the CBB shall study the transfer application taking into consideration the objections submitted, the conditions provided for in Article (67-B) of the Law and the CBB may couple its approval with any limitations or conditions it may deem fit to adhere.

Article 7

NOTIFICATION OF PASSING A DECISION ON A TRANSFER APPLICATION

The bank submitting the transfer application shall be notified with the decision on the transfer application within five working days from the expiry date of the objection submission period.

Article 8

PUBLISHING THE DECIDING RESOLUTION ON A TRANSFER APPLICATION

The deciding resolution on a transfer application shall be published in the Official Gazette and in two local newspapers one to be published in Arabic and the other is in English. The Resolution shall come into effect from the date indicated therein provided the applicant shall pay the publication expenses.