



CENTRAL BANK OF BAHRAIN

Form 2: Application for Authorisation of a Controller

**Application for authorisation of a controller in
a Bahraini bank in the Kingdom of Bahrain**



Form 2: Application for Authorisation of Controller

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Form 2: INSTRUCTIONS

INSTRUCTIONS

PLEASE NOTE:

1. All persons wishing to be authorised to be a controller of a conventional bank licensee or seeking to increase their level of control must receive prior CBB authorisation pursuant to Resolution No. (16) of 2021 with respect to promulgating the Regulation Pertaining to Control in Banks ‘Control Regulation’, and Articles 52 to 56 of CBB Law.
2. A controller in a Bahraini conventional bank is defined as:
 - a) A person who, either individually or together with an associate, owns 10% or more of the share capital of a licensed bank or of a Holding Company of a licensed bank (as defined in the Control Regulation),
 - b) A person who, either individually or together with an associate, is able to exercise voting right determined for whoever owns 10% or more of the share capital of a licensed bank or of a Holding Company of a licensed bank (as defined in the Control Regulation),
 - c) A person who, either individually or together with an associate, is able to exercise significant influence over the management of a licensed bank or a Holding Company of a licensed bank (as defined in the Control Regulation).
3. For conventional branches of foreign banks, the controller is the person who owns 50% of the parent bank.
4. This application form should be completed by referring to the Control Regulation and Articles 52 to 56 of CBB Law. Licensed banks and applicants must accordingly satisfy themselves that they meet the above requirements before submitting an application
5. This form contains the principal elements that are required, but should applicants consider that there is additional evidence of relevance to the application, this should be submitted with this form. It should not be assumed that information is known to the CBB merely because it is in the public domain or has previously been disclosed to the CBB or another regulatory body. If there is any doubt about the relevance of information, it should be disclosed.
6. Please complete all sections as fully as possible, attaching supporting documentation and continuation sheets where appropriate. The application must be written in ink in BLOCK CAPITALS or typed.
7. This application must be accompanied by the following documents and information:
 - (a) A complete resume of the applicant and his/its named associates.
 - (b) A list of companies in which the applicant and his/ its named associates own 10% or more of their share capital along with copies of the latest audited financial statements of such companies and the proposed applicant.
 - (c) Credit reference reports of the applicant and all of his/ its named associates by the relevant credit reference bureaus.
 - (d) Where the applicant and any of his/ its named associates are natural persons, a copy of their passports and personal identification cards.
 - (e) Contact details of three persons from institutions or regulatory authorities that the CBB can contact to inquire about the applicant and his/ its named associates.
 - (f) Where the application relates to a change of the current controller pursuant to Article (4) of the Control Regulation, the documents specified in (a), (b) and (c) above must be submitted for each shareholder owning 10% or more of the holding company of the licensed bank.



- (g) If the applicant is a regulated entity, an undertaking letter from it and its named associates regarding their commitment to support the licensed bank to be controlled in an amount equivalent to their proposed shareholding in the capital of the licensed bank.
- (h) A written description of the current and past relationship with the licensed bank.
- (i) If the proposed controller is a legal entity, a chart showing the ultimate owners of the proposed controller and the proposed controller's ownership interest percentages in its subsidiaries and associated companies.
8. Failure to provide all the required information may result in significant delays in processing. The CBB does not accept responsibility for any loss caused to the applicant by any delay.
9. 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.
10. 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 an application and will cause delay.
11. Where the request for authorised controller **forms part of a new license application**, the **original** completed form, together with supporting documentation, should be submitted to:
- The Director, Licensing Directorate
Central Bank of Bahrain
PO Box 27
Manama
Kingdom of Bahrain
12. Where the request is in relation to an **existing conventional bank licensee**, the **original** completed form, together with supporting documentation, should be submitted (as appropriate) to:
- The Director, Retail Banks Supervision Directorate
or
The Director, Wholesale Banks Supervision Directorate
Central Bank of Bahrain
PO Box 27
Manama
Kingdom of Bahrain
13. Queries may be addressed to:
- | | |
|---|--|
| <i>For applications that form part of a new license application:</i> | <i>For applications that are for an existing conventional bank licensee</i> |
| The Director, Licensing Directorate | The Director, Retail Banks Supervision Directorate |
| Tel: +973 17 547605 | Tel: +973 17 547405 |
| Fax: +973 17 537554 | E-mail: fakhro@cbb.gov.bh |
| E-mail: licensing@cbb.gov.bh | |
| | <u>Or</u> |
| | The Director, Wholesale Banks Supervision Directorate |
| | Tel: +973-17 547454 |
| | E-mail: isa@cbb.gov.bh |
14. Applicants are reminded that it is an offence under the CBB Law Decree No. (64) of 2006, its amendments and any regulations issued thereunder, to provide the CBB with false or misleading information in connection with the submission of this application or any related information.



Form 2: DECLARATION

We/I certify that the information submitted in support of this application is accurate and complete to the best of our/my knowledge and belief and that there are no other facts relevant to this application of which the Central Bank of Bahrain (CBB) should be aware.

We/I authorise the CBB to make such enquiries and seek further information from any relevant parties, including but not limited to, our external auditors who were the signatories to the audited accounts submitted, references given and regulators of the applicant and his/its named associates, in considering this application.

We are/I am aware that providing to the CBB any false or misleading information in connection with this application may result in the refusal of the application or withdrawal of an existing authorisation.

We/I confirm that we/I will not assume or increase control of the conventional bank licensee for which this application is being submitted prior to obtaining such authorisation.

We/I undertake to inform the CBB, as well as the bank of any changes material to the application that may arise while the CBB is considering this application. We/I further undertake that, in the event that the authorisation of controller being sought is granted, we/I will notify the CBB and the bank 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 15 days from the day that the changes come to our/my attention.

We/I confirm that we/I did not make or intend to make any concerted efforts or arrangement with a third counterparty, whether in writing or otherwise, to exercise control over the bank, and if such efforts or arrangement is made or to be made, we/I undertake to notify the CBB immediately.

We/I confirm that our funds are from legitimate sources, and that following the acquisition of shares, we/I will submit to the CBB, within two months from the date of the acquisition, a report prepared by an independent external auditor (along with supporting documentation) detailing the source and audit trail of the funds used to acquire the shares.

We/I confirm that to the best of our/my knowledge, we/I have provided a complete list of:

- All named associates as defined in the Control Regulation;
- Related parties (including family members);
- Business partners; and
- All companies in which we/ I own 10% or more and specifying whether such companies have any shareholding interest or voting power in, or any type of influence over, the bank. The list should indicate in detail the shareholding interest or voting power in, or the type of influence over, the bank.

We/I also confirm that we/I have read Articles 52 to 56 of CBB Law and the Control Regulation and understood them clearly and hereby undertake that we/I will comply with, and abide by, all such requirements and other applicable Laws and regulations in the Kingdom of Bahrain, and we/I undertake to inform the CBB and the bank in writing in case we/I have committed any violation of such requirements and applicable Laws and regulations.



WHERE PROPOSED CONTROLLER IS A NATURAL PERSON:

Name of applicant (please print name) Signature of applicant Date

WHERE THE PROPOSED CONTROLLER IS A LEGAL PERSON, THE DECLARATION MUST BE SIGNED BY TWO DIRECTORS, ONE OF WHOM SHOULD BE THE CHAIRMAN, AND BEAR THE CORPORATE SEAL:

Chairman (print name) Signature of chairman Date

Director (print name) Signature of director Date



Form 2: Contact Information

Please provide full contact details of person(s) with whom the CBB can communicate with regarding this application.

Name: _____

Position: _____

Tel: _____

E-mail: _____



Form 2: Section I– Natural Person Controller

1. Full name (including details of any previous names):

2. Nationality (if more than one nationality please specify and provide a copy of each passport and ID card):

3. Current private address:

4. Current employment:



Form 2: Section I –Natural Person Controller (continued)

5. Please attach a **certified** copy of your passport(s) and ID card(s).

(Note that the identification document must contain a photograph and be certified by one of the following:

- (a) A registered lawyer;*
- (b) A registered notary;*
- (c) A chartered accountant;*
- (d) A government ministry;*
- (e) An official of an embassy or consulate; or*
- (f) An official of a CBB licensee.*

The individual providing the above certification must include clear contact details (e.g. business card or bank logo).

Attached

Yes

No

Governance Requirements

6. Are any legal proceedings, convictions or judgements of any crime or offence, other than a minor traffic offence, pending against you or your named associates?

Yes

No

If yes, please provide details:



Form 2: Section I – Natural Person Controller (continued)

7. Have you or any of your named associates ever been convicted of a felony or a crime against honor, trust or public morals and you and your associates have not been rehabilitated?

Yes No

If yes, please provide details:

8. Have you or any of your named associates ever been subjected to any disciplinary or administrative measure by any governmental, regulatory, professional or union authority during the ten years preceding this application?

Yes No

If yes, please provide details:

9. Have you or any of your named associates ever violated any financial services legislation or regulation in any country?

Yes No

If yes, please provide details:

10. Have you or any of your named associates ever been refused a license or registration for a financial or commercial activity in any country?

Yes No

If yes, please provide details:



Form 2: Section I – Natural Person Controller (continued)

11. Have you or any of your named associates ever been disqualified as a board member or as a manager of a company?

Yes No

If yes, please provide details:

12. Have you or any of your named associates ever been a member of a board of directors, a manager or a partner in a company that has been liquidated or bankrupt due to mismanagement, or has been placed under administration?

If yes, please provide details:

13. Have you or any of your named associates ever been declared bankrupt, or has it been proven that any of you were unable or failed to pay a debt, or did any of you enter into an agreement with his creditors regarding his inability to repay the debt, during the ten years preceding this application?

If yes, please provide details:

14. Are you or any of your named associates currently, or ever been, regarded as a controller in a financial services company or investor in any other company?

Yes No

If yes, please provide the names of such companies, your shareholding interest in it and the relevant period of such shareholding:



Form 2: Section I – Natural Person Controller (continued)

15. Have you or any of your named associates ever been required by any regulatory authority or a court to reduce your/their shareholding interest in a company and lose a controller status accordingly, during the last ten years preceding this application

Yes

No

If yes, please provide the names of such companies and the reasons for the reduction:

16. Do you or any of your associates intend to actively or speculatively trade in the shares to be acquired as a result of this application?

Yes

No

17. Are you or any of your associates indebted, in any direct or indirect way or mean whether through investment, credit facilities or any transaction that results in an exposure, to the subject licensed bank?

Yes

No

If yes, please provide details:



Form 2: Section I – Natural Person Controller (continued)

18. Would approving you and your named associates as controller(s) in the licensed bank lead to any conflict of interest matters you or your named associates are aware of?

Yes

No

If yes, please provide details:

19. Is the individual submitting this application aware of any other information relevant to this notification of change in control of which the CBB would reasonably expect notice, including information which could have a material impact on any of the approval requirements?

Yes

No

If yes, please provide details:

20. Does the proposed controller and/ or its named associates have any business or family relationship with any existing Approved Person (as defined in the Glossary) and/or the existing controllers of the licensed bank? *The Compliance Officer of the Licensee should assist the proposed controller in responding to this question.*

Yes

No

If yes, please provide details of the exact nature of the relationship below:

Names and positions of the Approved Persons and/or the existing controllers of the licensed bank	Names of the persons with whom a family or business relationship exist	Nature of the relationship



Form 2: Section II – Legal Person Controller

1. Name of corporate entity: _____		2. Nature of Business: _____		
3. Registered address: _____ _____ _____				
4. Country of incorporation: _____		5. Paid up and issued capital (in USD): _____		
6. Date of incorporation: [day]/[month]/[year] _____				
7. Commercial registration number: _____				
8. Please provide information on whether the proposed controller or any of the companies within the group or any of the named associates engage in financial services activities, whether or not they are regulated and the territory where they operate.				
Company Name	Financial Service Activity	Country	Regulated	
			Yes	No
If additional companies engaged in financial services, please complete an additional sheet.				



Form 2: Section II – Legal Person Controller (continued)

9. Information on Shareholder(s) of Corporate Controller ¹					
Name of shareholder of corporate controller	% Ownership in corporate controller	Name of regulator (if any)	(If corporate entity)		Nationality (if shareholder is an individual)
			Country of incorporation	Nature of business	

1 To be completed for all shareholders owning 10% or more of the corporate controller.



Form 2: Section II – Legal Person Controller (continued)

Governance Requirements

10. Does the proposed controller or any of its named associates intend to actively trade in the shares to be acquired as a result of this application. ?

Yes

No

11. Has the proposed controller or any of its named associates ever been declared bankrupt, or has it been proven that any of them were unable or failed to pay a debt, or did any of them enter into an agreement with their creditors regarding their inability to repay the debt, during the ten years preceding this application?

Yes

No

If yes, please provide details:

12. Would approving the proposed controller and its named associates as controller(s) in the licensed bank lead to any conflict of interest matters?

Yes

No

If yes, please provide details:

13. Is the proposed controller or any of its named associates, currently, or has ever been, regarded as a controller in a financial services company or investor in any other company?

Yes

No

If yes, please provide the names of such companies, your shareholding interest in it and the relevant period of such shareholdings:



Form 2: Section II – Legal Person Controller (continued)

14. Has the proposed controller or any of its named associates ever been required by any regulatory authority or a court to reduce its/ their shareholding interest in a company and lose a controller status accordingly, during the last ten years preceding this application

Yes

No

If yes, please provide the names of such companies and the reasons for the reduction:

15. Has the proposed controller or any of its named associates ever been subjected to any disciplinary or administrative measure by any governmental, regulatory, professional or union authority during the ten years preceding this application?

Yes

No

If yes, please provide details:

16. Has the proposed controller or any of its named associates ever violated any financial services law or regulation in any country during the last ten years preceding this application?

Yes

No

If yes, please provide details:



Form 2: Section II – Legal Person Controller (continued)

17. Has the proposed controller or any of its named associates ever been convicted of a crime related to fraud?

Yes

No

If yes, please provide details:

18. Has the proposed controller or any of its named associates ever been refused a license or registration for a financial or commercial activity in any country?

Yes

No

If yes, please provide details:

19. Are any legal proceedings, convictions or judgements of any crime or offence currently pending against the proposed controller or any of its named associates?

Yes

No

20. Has any representative of the proposed controller or any of its named associates ever been disqualified by a court, regulator or other competent body, as a board member or as a manager of a company during the last ten years preceding this application?

Yes

No

If yes, please provide details:



Form 2: Section II – Legal Person Controller (continued)

21. Has any representative of the proposed controller or any of its named associates ever been a member of a board of directors, a manager or a partner in a company that has been liquidated or bankrupt due to mismanagement, or has been placed under administration?

Yes No

If yes, please provide details:

22. Is the proposed controller or any of its named associates indebted, in any direct or indirect way or mean, whether through investment, credit facilities or any transaction that results in an exposure, to the subject licensed bank?

Yes No

If yes, please provide details:

23. Is the proposed controller or any of its named associates aware of any other information relevant to this notification of change in control of which the CBB would reasonably expect notice, including information which could have a material impact on any of the approval requirements?

Yes No

If yes, please provide details:



Form 2: Section II – Legal Person Controller (continued)

24. Do the major individual shareholders of the proposed controller or any of its named associates, have any business or family relationship with any of the Approved Persons (as defined in the Glossary) and/or any of the existing controllers of the licensed bank? *The Compliance Officer of the Licensee should assist the proposed controller in responding to this question.*

Yes No

If yes, please provide details of the exact nature of the relationship with the Approved Person below:

Names and positions of the Approved Persons and/or the existing controllers of the licensed bank	Names of the persons with whom a family or business relationship exist	Nature of the relationship