



**SUPPLEMENTARY INFORMATION
APPENDIX CP-2
RESOLUTION NO (23) OF 2009 IN
RESPECT OF DEFINITION OF DEPOSIT**



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Central Bank of Bahrain

Resolution No. [23] of 2009 in respect of Definition of Deposit

The Governor of the Central Bank of Bahrain:

After reviewing the Law of Commerce (Decree No. 7 of 1987) and Decree Law No. (64) of 2006 issuing the Central Bank of Bahrain & Financial Institutions Law particularly Article 1 thereof,

And upon the proposal of the Regulatory Policy Committee,

Has resolved the following:

Article 1

In implementing the provisions of this Resolution, the following terms and expressions shall have the meanings corresponding to them below unless the context otherwise requires:

Law of Commerce: Law of Commerce (Decree No. 7 of 1987).

CBB: the Central Bank of Bahrain

Deposit: A contract that grants the bank the right to possess the deposited money and to dispose thereof in its ordinary course of business with an obligation to return an equal amount thereof to the depositor. Repayment of the deposit shall be in the same currency of the original deposit.

Article 2

A deposit with a Shariah-compliant bank: placements that are in the nature of custodianship or safekeeping (i.e. wadi'ah accounts without a profitsharing element).



Article 3

- (i) The deposit shall be subject to the provisions of Articles 276 to 283 of the Law of Commerce;
- (ii) The CBB shall be at liberty to take into account the conditions and all the factual circumstances of the arrangement, as well as the intention of the parties.

Article 4

The following shall not constitute a deposit:

- (i) Placements placed by a Shariah-compliant bank, where the contract provides that the customer is entitled to a share of the profit generated directly from his placement or the trading activities of the institution as a whole.
- (ii) Loans.
- (iii) Monies placed for Mudaraba.

Article 5

This Resolution is without prejudice to the rules made by the Board of the Deposit Protection Scheme (or successor body) or any rule or regulation governing the same.

Article 6

All relevant Directorates of the Central Bank of Bahrain shall implement this Resolution, which shall come into effect on the day following the date of its publication in the Official Gazette.

**Governor of the Central Bank of Bahrain
Rasheed M. Al-Maraj**

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