CENTRAL BANK OF BAHRAIN

Appendix BR-17

Instructions for the Completion of the Eligible Accounts Report for the Deposits/Unrestricted Investment Accounts Protection Scheme

Instructions for the Completion of the Eligible Accounts Report for
the Deposits/Unrestricted Investment Accounts Protection Scheme
To be completed by all Islamic Retail Banks

1. The Eligible Accounts Report for the Deposits/Unrestricted Investment Accounts Protection Scheme (Appendix BR-16) must be submitted to the CBB within two months of the financial year end and must be sent by e-mail to DUIAPS@cbb.gov.bh along with the confirmation of the external auditor as outlined in Section BR-1.4.

2. Accounts of shareholders with 10% or more shareholding (ordinary or preference), board members and senior managers will not be covered by the scheme and therefore should not be reported for the purpose of this report. Senior managers include all persons occupying "Controlled Functions" as defined in the Module LR (Licensing Requirements).

3. In instances where a customer has 2 eligible accounts in 2 different currencies, it will be considered one eligible account with the total of the equivalent amount in BD.

4. If a customer has more than one eligible account (e.g. a current account and a URIA), the total value of all eligible accounts must be reported.

Explanatory example:
Customer X has the following eligible accounts

Current accounts

BD 4,000

BD 10,000

BD 15,000

URIA

BD 15,000

The required reporting value of accounts for the purpose of this report is

Band	**Value of a/c**
BD 20,000 or less	-
More than BD 20,000	BD 44,000

5. The number of accounts is calculated by summing up the total number of accounts for all eligible accounts (i.e. a current account and a URIA) for each customer.

Explanatory example:

Customer X has the following eligible accounts

	Number of a/c
Current accounts	
BD 4,000	**1**
BD 15,000	**1**
URIA	
BD 15,000	**1**

The required reporting number of accounts for the purpose of this report would be

Band	Number of a/c
Up to BD 20,000	**-**
More than BD 20,000	**1**

6. Treatment of joint accounts

Explanatory example:

Customers (A) and (B) each have individual accounts and also share a joint account as follows:

Customer (A) – BD20,000
Customer (B) – BD10,000
Joint Account for Customers (A) and (B) – BD10,000

The joint account will be allocated on a 50% basis between customers (A) and (B), **unless the bank has a legal document specifying the percentages of allocation of the funds for each customer.**

Therefore, in the absence of any legal documentation, the value of eligible accounts for each customer is:

Customer (A): Total eligible account is BD20,000 + BD5,000= BD25,000
Customer (B): Total eligible account is BD10,000 + BD5,000= BD15,000

And the reporting of eligible accounts for this example is as follows:
Customer (A) has 1 eligible account in category 'More than BD20,000'
Customer (B) has 1 eligible account in category 'BD20,000 or less'