



REPRESENTATIVE OFFICES GENERAL REQUIREMENTS MODULE



MODULE:

GR (General Requirements)

Table of Contents

		Date Last Changed
GR-A	Introduction	
GR-A.1	Purpose	12/2010
GR-A.2	Module History	04/2011
GR-B	Scope of Application	
GR-B.1	Representative Offices	12/2010
GR-1	Books and Records	
GR-1.1	General Requirements	12/2010
GR-2	Corporate and Trade Names	
GR-2.1	Vetting of Names	12/2010
GR-3	General Requirements	
GR-3.1	General Requirements	12/2010
GR-4	Cessation of Business	
GR-4.1	CBB Approval	12/2010
GR-5	Reporting Requirements	
GR-5.1	IIS Reporting Requirements	04/2011



MODULE	GR:	General Requirements
CHAPTER	GR-A:	Introduction

GR-A.1 Purpose

GR-A.1.1 The General Requirements Module presents a variety of different requirements that do not warrant their own stand-alone Module, but for the most part are generally applicable to the representative offices. These include, amongst others, general requirements on books and records and on the use of corporate and trade names.

Legal Basis

GR-A.1.2

This Module contains the Central Bank of Bahrain ('CBB') Directive (as amended from time to time) regarding general requirements applicable to licensees, and is issued under the powers available to the CBB under Article 38 of the Central Bank of Bahrain and Financial Institutions Law 2006 ('CBB Law').



MODULE	GR:	General Requirements
CHAPTER	GR-A:	Introduction

GR-A.2 Module History

Evolution of Module

GR-A.2.1 This Module was first issued in January 2011, as part of Volume 5 (Specialised Licensees). Any material changes that have subsequently been made to this Module are annotated with the calendar quarter date in which the change was made: Chapter UG-3 provides further details on Rulebook maintenance and version control.

GR-A.2.2 A list of recent changes made to this Module is detailed in the table below:

Module Ref.	Change Date	Description of Changes
GR-5.1	01/2011	Added a Section on IIS Reporting Requirements.
GR-5.1.2	04/2011	Corrected cross reference.

Superseded Requirements

GR-A.2.3 This Module supersedes the following provisions contained in circulars or other regulatory instruments:

Document reference	Provision	Document Subject
Standard Conditions and Licensing Criteria for a representative office license	Licensing requirements	Scope of license and licensing conditions.
Circular BC/3/2001	Notifications	Regular Notification of Management Personnel
BS/07/2003 dated 9 September 2003	Notifications	Notifications to BMA

GR-A.2.4 Further guidance on the implementation and transition to Volume 5 (Specialised Licensees) is given in Module ES (Executive Summary).



MODULE	GR:	General Requirements
CHAPTER	GR-B:	Scope of Application

GR-B.1 Representative Office licensees

Scope of Application

GR-B.1.1

The requirements in Module GR (General Requirements) apply to Representative Offices licensed by the CBB.



MODULE	GR:	General Requirements
CHAPTER	GR-1:	Books and Records

GR-1.1 General Requirements

GR-1.1.1

Representative Office licensees must maintain the following records in original form or in hard copy at their premises in Bahrain:

- (a) A copy of all documents submitted to the CBB as part of the license application;
- (b) Corporate records, including Head Office Annual Report, License Certificate (granted by the CBB), Commercial Registration Certificate, Memorandum and Articles of Association;
- (c) Correspondence with the CBB and records relevant to monitoring compliance with CBB requirements;
- (d) Reports prepared by the Representative Office to its Head Office and vice versa; and
- (e) Any other documents deemed necessary by the CBB.

GR-1.1.2

Unless otherwise agreed with the CBB in writing, records must be kept in either English or Arabic; or else accompanied by a certified English or Arabic translation. Records must be kept current.

GR-1.1.3

Translations produced in compliance with Rule GR-1.1.2 may be undertaken in-house, by an employee or contractor of the licensee, providing they are certified by an appropriate officer of the licensee.

GR-1.1.4

Records must be accessible at any time from within the Kingdom of Bahrain, or as otherwise agreed with the CBB in writing.

Customer Records

GR-1.1.5

Record-keeping requirements with respect to customer records, including customer inquiries, identification and due diligence records, are contained in the Common Module FC (Financial Crime). These requirements address specific requirements under the Amiri Decree Law No. 4 of 2001, the standards promulgated by the Financial Action Task Force

GR-1.1.6

Representative office licensees must maintain a record of all promotional/marketing materials issued by them to new or existing customers. They must also maintain a record of all their undertakings.



MODULE	GR:	General Requirements
CHAPTER	GR 2:	Corporate and Trade Names

GR-2.1 Vetting of Names

GR-2.1.1

Representative offices must seek prior written approval from the CBB for their corporate name or changes. The name of the foreign financial institution (Head Office) must only be used by the representative office in conjunction with the description “representative office”. This may include the office sign, letterheads, advertising material and business cards.

GR-2.1.2 Rule GR-2.1.1 refers to the requirements contained in Article 41 of the CBB Law.

GR-2.1.3 In approving a corporate or trade name, the CBB seeks to ensure that it is sufficiently distinct as to reduce possible confusion with other unconnected businesses, particularly those operating in the financial services sector.



MODULE	GR:	General Requirements
CHAPTER	GR-3.1:	General Requirements

GR-3.1 General Requirements

GR-3.1.1

Representative office licensees must comply with the CBB Law, Bahrain Commercial Companies Law, AML Law and other applicable laws in the Kingdom.

Maintenance of Suitable Premises

GR-3.1.2

Representative office licensees must maintain suitable premises in the Kingdom of Bahrain.

GR-3.1.3

Representative office licensees must permit representatives of the CBB to have access with or without notice to its premises during reasonable business hours.

Annual Reporting Requirements

GR-3.1.4

Representative office licensees must submit to the CBB the annual report of the Head Office within 6 months of the financial year end and any other documents and information requested by the CBB from time to time related to its undertakings.

GR-3.1.5

Representative Office licensees must submit to the CBB on an annual basis, not later than 3 months, a confirmation letter that the representative office is in compliance with the permitted activities and meet all its expenditure commitments.

Other Notifications

GR-3.1.6

Representative office licensees must notify the CBB of any breaches of the CBB's requirements or any other applicable Laws.

GR-3.1.7

The representative office licensee must notify the CBB of any change in the arrangements of the Head office's oversight of the representative office.

GR-3.1.8

The representative office licensee must notify the CBB of any significant developments affecting its Head Office's financial soundness, ownership structure and/or reputation globally.



MODULE	GR:	General Requirements
CHAPTER	GR 4:	Cessation of Business

GR-4.1 CBB Approval

GR-4.1.1

Representative office licensees must obtain the CBB's prior approval for all major intended changes. These might include but not limited to change of office location and change of the representative manager.

GR-4.1.2

As specified in Article 50 of the CBB Law, a Representative office licensee wishing to cease its presence in the Kingdom of Bahrain, must obtain prior written approval from the CBB.

GR-4.1.3

Representative office licensees seeking to obtain the CBB's permission to cease business must apply to the CBB in writing, in the form of a covering letter together with any supporting attachments. Unless otherwise directed by the CBB, the application must provide:

- (a) The rationale for the cessation; and
- (b) Evidence that the proposed cessation has been duly authorised by the licensee Head Office/Parent Company.

GR-4.1.4

Licensees should ensure that all outstanding expenses are settled before cessation of business and should confirm it to the CBB.

GR-4.1.5

When the CBB has given its approval to an application to cease business, the representative office licensee must publish a notice of its intention to cease business in two local daily newspapers (one in Arabic, the other in English). Notices must also be displayed in the premises. These notices must be given not less than 30 calendar days before the cessation is to take effect, and must include such information as the CBB may specify.

GR-4.1.6

The CBB will normally require that the notices required under Rule GR-4.1.5 include a statement that written representations concerning the cessation of business may be submitted to the CBB.

GR-4.1.7

Where the CBB has given its approval to cancel or amend a license, then it will also publish its decision in the Official Gazette, as well as in two local daily newspapers (one in Arabic, the other in English), once this decision has been implemented. The publication cost of these notices is to be met by the licensee concerned.



MODULE	GR:	General Requirements
CHAPTER	GR 5:	Reporting Requirements

GR-5.1 IIS Reporting Requirements

GR-5.1.1

Licensees are required to complete online non-financial information related to their institution by accessing the CBB's institutional information system (IIS). Licensees must update the required information at least on a quarterly basis or when a significant change occurs in the non-financial information included in the IIS. If no information has changed during the quarter, the licensee must still access the IIS quarterly and confirm the information contained in the IIS.

GR-5.1.2

Licensees failing to comply with the requirements of Paragraph GR-5.1.1 or reporting inaccurate information are subject to financial penalties or other enforcement actions as outlined in Module (EN) Enforcement.