



Name of Proposed Licensee



CENTRAL BANK OF BAHRAIN

**Form 1:
Application for a License**

**(Application for a license to carry out regulated specialised services
in the Kingdom of Bahrain)**



Form 1: Application for a License

Table of Contents

	Date Last Changed
Instructions	07/2016
Declaration	07/2016
Contact Information	04/2011
Checklist	07/2016
Section I License Type	07/2016
Section II Applicant Details	07/2016
Section III Legal Status (does not apply to representative office applicants)	07/2016
Section IV Regulated Services	07/2016
Section V Controllers (does not apply to representative office applicants)	07/2016
Section VI Management and Board Details (for representative office license only question 6)	07/2016
Section VII Financial Resources (does not apply to representative office applicants)	04/2011
Section VIII Accounts (does not apply to representative office applicants)	04/2011



Form 1: Application for a License

**Table of Contents
(continued)**

**Date Last
Changed**

04/2011

Section IX

Financial and other Information (ONLY to be completed by
representative office applicants)

04/2011

Appendix I

Business Plan Requirements (does not apply to representative
office applicants)



Form 1: INSTRUCTIONS

1. The application process for a license for a specialised licensee consists of a single stage process: full details are to be found in related Section AU-4.1, Volume 5 of the CBB Rulebook, for each different type of licenses (money changer, representative office, administrator, financing companies, trust service providers, microfinance institutions **and ancillary service providers**).
2. Applicants for a license must submit a duly completed 'Form 1: Application for a License', under cover of a letter signed by an authorised signatory of the applicant. Various supporting documentation – specified in the Form – must also be appended to the application; these include a non-refundable application fee of BD 100 (refer to Section AU-5.1).
3. Complete all sections as fully as possible, attaching supporting documents and continuation sheets where appropriate. The application should be written in black ink in BLOCK CAPITALS or typed.
4. Failure to provide all the required information may result in significant delays in processing the application. The CBB does not accept responsibility for any loss caused to the applicant by any such delay.
5. 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 may cause delay.
6. 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 (see Rule AU-4.1.9) (for Finance companies Rule AU-4.1.10) (**for Ancillary service providers Rule AUI-4.1.8**).
7. The **original** completed form, together with supporting documentation, should be submitted to:

The Director, Licensing & Policy Directorate
Central Bank of Bahrain
PO Box 27
Manama
Kingdom of Bahrain
8. Queries may be addressed to the Director, Licensing & Policy Directorate, on +973 17 547605 (telephone), +973 17 537554 (fax) and albassam@cbb.gov.bh (e-mail).
9. The CBB will review the application and, within 60 calendar days of the application having been declared complete by the CBB, advise the applicant in writing whether it has:
 - (a) Granted the application; or
 - (b) Refused the application, stating the grounds on which the application has been refused and the process for appealing against that decision.
10. In order for a license to be granted, applicants must have provided all the required information, as specified in Section AU-4.1, and demonstrated their ability to comply with the minimum licensing conditions specified in Chapter AU-2, of Volume 5 of the CBB Rulebook.
11. Applicants are reminded that no person may undertake a regulated service within or from the Kingdom of Bahrain unless duly licensed by the CBB (see Rule AU-1.1.1).
12. Finally, applicants are also reminded that providing to the CBB any information which is false or misleading in connection with the submission of this application or any related information may result in the refusal of the application or, if discovered later, the subsequent cancellation of any license issued.



Form 1: DECLARATION

We certify that we have read and understood the provisions of the Central Bank of Bahrain and Financial Institutions Law (Decree No. 64 of 2006) ('CBB Law'), and Volume 5 of the CBB Rulebook. We are aware that providing to the Central Bank of Bahrain ('CBB') any information which is false or misleading in connection with the submission of this application or any related information may result in the refusal of the application or, if discovered later, the subsequent cancellation of any license issued.

We certify that the information submitted in support of this application is complete and accurate to the best of our knowledge and belief and that there are no other facts relevant to this application of which the CBB should be aware. We also confirm that no regulated investment service(s) will be carried on by us prior to obtaining a license.

We undertake to inform the CBB of any changes material to the application that may arise while the CBB is considering the application (see Volume 5 of the CBB Rulebook, Rule AU-4.1.10; AU-4.1.12 for financing companies; **AU-4.1.9 for ancillary service providers**). We further undertake that, in the event that the institution is granted the license which is hereby sought, we will notify the CBB of anything affecting the material completeness or accuracy of the information provided in this application as soon as possible, but in any event no later than 15 calendar days from the time the changes come to our attention.

The above declaration must be signed by at least two major proposed controllers (with an interest in the future licensee in excess of 10%). In the case of controllers that are legal persons, the declaration must be signed by 2 directors and bear the corporate seal.

For an application for a representative office license, the declaration must be signed by an official representative from the Head Office with authority to bind the company and must indicate the capacity in which he is signing. The declaration must bear the corporate seal.

WHERE THE PROPOSED CONTROLLER IS A NATURAL PERSON:

Name of applicant (please print name)

Signature of applicant

Date

Name of applicant (please print name)

Signature of applicant

Date

WHERE THE PROPOSED CONTROLLER IS A LEGAL PERSON:

Director (print name)

Signature of director

Date

Director (print name)

Signature of director

Date



Form 1: Contact Information

Please provide full contact details of person(s) with whom the CBB can communicate regarding this application. Please refer also to Paragraph AU-4.1.3: where a professional adviser is given as a contact point, a principal of the applicant must also be given as a contact point.

Contact Point 1

Name: _____

Title: _____

Capacity¹: _____

Tel: _____

Fax: _____

E-mail: _____

Contact Point 2 (if applicable)

Name: _____

Title: _____

Capacity¹: _____

Tel: _____

Fax: _____

E-mail: _____

¹ (e.g.: professional adviser to the applicant, proposed director of applicant, proposed Representative Manager.)



Form 1: Checklist

Please refer to Section AU-4.1, and to Rule AU-4.1.4 in particular. Please also refer to Section AU-5.1 regarding the application fee.

Item	Attached? (please tick as appropriate)
1. Cheque (payable to CBB) for application fee	Yes No
2. Duly completed Form 2 (Application for Authorisation of Controller), for each controller of the proposed licensee (Refer to Section V) (does not apply to representative office license)	Yes _____ No _____ n/a _____
3. Duly completed Form 3 (Application for Approved Person status), for each individual identified to undertake a controlled function in the proposed licensee (Refer to Section VI)	Yes No
4. The business plan for the proposed licensee (Refer to Section VII and Appendix I) and for representative office applicants the detailed application information as outlined in Paragraph AU-4.1.5 of specific Module AU for representative offices of Volume 5 (Specialised Licensees).	Yes No
5. Where the applicant (head office for representative office licensee) is an overseas company, a copy of the company's commercial registration (or equivalent)	Yes _____ No _____ n/a _____
6. Where the applicant is a Bahraini company, a copy of its commercial registration certificate (does not apply to representative office license)	Yes _____ No _____ n/a _____
7. A certified copy of a Board resolution of the applicant, confirming its decision to seek a license	Yes No
8. Details of the applicant's close links (as defined in Chapter GR-6), e.g. a detailed group structure chart, if any (does not apply to representative office license)	Yes _____ No _____ n/a _____
9. In the case of applicants that are part of a regulated group, a letter of non-objection to the license application, from the applicant's lead supervisor, and confirmation that it is in good regulatory standing and in compliance with applicable supervisory requirements as well as a copy of the certificate of license issued by the regulatory authority.	Yes _____ No _____ n/a _____



Form 1: Checklist (continued)

Please refer to Section AU-4.1, and to Rule AU-4.1.4 in particular.

Item	Attached? (please tick as appropriate)
10. In the case of branch applicants, a letter of non-objection to the proposed license application from the applicant's home supervisor, together with confirmation that the applicant is in good regulatory standing and the company concerned is in compliance with applicable supervisory requirements (Refer to Section II.9 for representative office license)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>
11. In the case of branch applicants, copies of the audited financial statement of the applicant (head office) for the 3 years preceding the application (Refer to Section VIII or IX.1 for representative office license)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>
12. In the case of applicants that are part of a group, copies of the audited financial statements of the applicant's group, for the 3 years preceding the application (Refer to Section VIII)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>
13. In the case of applicants not falling under either (11) or (12) above, copies of the audited financial statements of the applicant's major shareholder, for the 3 years preceding the application, where they are a legal person (Refer to Section VIII) (does not apply to representative office license)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>
14. In the case of applicants seeking to raise part of their capital through a private placement, a draft of the relevant private placement memorandum, together with a formal, independent legal opinion confirming that the memorandum complies with all applicable capital markets laws and regulations (does not apply to representative office license)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>
15. A copy of the applicant's memorandum and articles of association (in draft form for applicants creating a new company) (Does not apply to branch or representative office applicants)	Yes <input type="checkbox"/> No <input type="checkbox"/> n/a <input type="checkbox"/>



Form 1: Section I – License Type

Select either Bahraini Firm or Overseas Firm, where applicable. Select also whether the applicant plans to operate as a conventional firm or an Islamic firm. (Conventional firms may deal in both conventional and Shari'a compliant financial instruments, but cannot hold themselves out as an 'Islamic' firm. Islamic firms must operate all their operations in accordance with Islamic principles; and may market themselves as being wholly Shari'a compliant.)

Please select applicable license type (please tick appropriate boxes)				
	Bahraini Firm (i.e. Bahraini incorporated company)	Overseas Firm (e.g. branch presence)	Conventional firm	Islamic firm
<u>Money Changer</u>				
<u>Fund Administrator/Registrar</u>				
<u>Financing Company</u>				
<u>Representative Office</u>				
<u>Micro Finance Institution</u>				
<u>Trust Services provider</u>				
<u>Ancillary Service provider</u>				



Form 1: Section II – Applicant Details

Please complete all fields

1. Name of proposed licensee:

2. Date of incorporation (where applicable):

Country of incorporation (where applicable):

3. Registered Address of head office (where applicable):

Telephone:

Fax:

Website:

E-mail:

4. Home regulator – name and contact details (where applicable):

5. Please provide a full organisation chart of the applicant's group, indicating the ultimate controller (e.g. parent company) and any intermediate companies.

Attached Yes No Not Applicable

Form 1: Section II – Applicant Details (continued)

6. Please give details of any licenses or authorisations granted by regulatory/supervisory authorities in the country of **registration**. (Please provide full name, address, telephone and fax numbers of authorities):

License/Authorisation Type	Granted by

If additional licenses/authorisations, please complete an additional sheet.

7. If the **principal place of business** of the applicant is in a country or territory other than the country of registration, please provide:

(a) Name of financial institution (if different from 1. above)

(b) Address:

(c) Telephone:

Fax:

Website:

E-mail:

8. Please give details of any licenses or authorisations granted by regulatory/supervisory authorities in the country of principal **place of business**. (Please provide full name, address, telephone and fax numbers of authorities):

License/Authorisation Type	Granted by

If additional licenses/authorisations, please complete an additional sheet.



**Form 1: Section II – Applicant Details
(continued)**

9. Is the consent of the authorities mentioned in Questions 6 and 8 required for the financial institution to establish a Representative Office in Bahrain?

Yes No

If yes, please provide a copy of the confirmation providing the required consent(s). The Central Bank of Bahrain may seek independent confirmation from the authorities concerned.

10. Are there any authorities other than those already mentioned in the answers to Questions 6 and 8:

(a) Whose consent is required? Yes No

(b) Who have the right to visit/inspect your financial institution? Yes No

If yes to either (a) or (b) please provide full name, address, telephone and fax numbers of authorities:



**Form 1: Section II – Applicant Details
(For Representative Offices ONLY)**

11. Has the financial institution applying for a representative office license or member(s) of its group been the subject of any litigation (or known circumstances which might give rise to litigation) over the past 5 years, or is any litigation currently outstanding, except cases arising in the course of normal business activities?

Yes No

If yes, please provide details:

12. Has the financial institution applying for a representative office license or member(s) of its group been the subject of adverse finding in a civil action by any court or competent jurisdiction, relating to fraud, misfeasance or other misconduct?

Yes No

If yes, please provide details:



**Form 1: Section II – Applicant Details
(For Representative Offices ONLY)**

13. Has the financial institution applying for a representative office license or member(s) of its group ever entered into any arrangement with creditors in relation to the inability to pay due debts?

Yes No

If yes, please provide details:

14. Has the financial institution applying for a representative office license or member(s) of its group ever been the subject of an investigation into allegations of misconduct or malpractice in connection with any business, or been found guilty of conducting unauthorised financial activities or been disciplined by any professional body or financial services regulator for misconduct or malpractice?

Yes No

If yes, please provide details:



Form 1: Section III – Legal Status
(does not apply to representative office licensee applicant)

Type of Licensee (Please select one)	Legal Form (tick box)	
• <i>Money Changer</i>	<input type="checkbox"/> B.S.C	
• <i>Fund Administrator/Registrar</i>	<input type="checkbox"/> B.S.C	<input type="checkbox"/> W.L.L.
• <i>Financing Company</i>	<input type="checkbox"/> B.S.C	
• <i>Trust Services Provider</i>	<input type="checkbox"/> B.S.C	<input type="checkbox"/> Branch
• <i>Microfinance Institution</i>	<input type="checkbox"/> B.S.C	
• <i>Ancillary Service Provider</i>	<input type="checkbox"/> B.S.C	<input type="checkbox"/> W.L.L.



Form 1: Section IV – Regulated Specialised Services

1. Please select the regulated specialised services that the proposed licensee wishes to undertake

Money Changer (refer to Section AU-1.1 Volume 5_Money Changers of the CBB Rulebook)

1. The sale, purchase and exchange of foreign currencies	Yes	No
2. Currency transfer to/from Bahrain	Yes	No
3. Purchase and sale of travellers' cheques	Yes	No
4. The dealing in precious metals within the allowed limits	Yes	No
5. Any other financial business related to Money Changers activities and approved by the CBB (Please specify) <hr/>	Yes	No

Representative Office (refer to Section AU-1.3 Volume 5_Representative Offices of the CBB Rulebook)

1. Conducting research and surveys for its parent company/head office on local Bahrain economy and international market	Yes	No
2. Liaising with customers on behalf of the head office, parent company or wholly owned subsidiary as approved by the CBB	Yes	No
3. Providing factual information, data and promotional material relating to the head office's products and services to customers	Yes	No
4. Responding to general inquiries related to the head office	Yes	No



**Form 1: Section IV – Regulated Specialised Services
(continued)**

Fund Administrator (refer to Paragraph AU-1.1.11 Volume 5_Administrators of the CBB Rulebook)		
1. Fund management accounting services	Yes	No
2. Client enquiries	Yes	No
3. Valuation and pricing (including tax returns)	Yes	No
4. Regulatory compliance monitoring	Yes	No
5. Maintenance of unit-holder/fund instruments register	Yes	No
6. Distribution of income	Yes	No
7. Unit issues and redemption of units in CIU and other financial instruments	Yes	No
8. Contracts settlements (including certificate dispatch)	Yes	No
9. General record-keeping	Yes	No
Registrar (refer to Paragraph AU-1.1.12 Volume 5_Administrators of the CBB Rulebook)		
1. Client enquiries	Yes	No
2. Maintenance of unit-holder/fund instruments register	Yes	No
3. Distribution of income	Yes	No
4. Certificate dispatch	Yes	No
5. General record-keeping	Yes	No



**Form 1: Section IV – Regulated Specialised Services
(continued)**

Financing Company (refer to Section AU-1.3 Volume 5_Financing Companies of the CBB Rulebook)		
1. Providing credit	Yes	No
2. Offering Shari'a financing contracts	Yes	No
3. Issuing/administering means of payment (credit cards, charged cards)	Yes	No
Microfinance Institution (refer to Section AU-1.2 Volume 5_Microfinance Institutions of the CBB Rulebook)		
1. Providing conventional or Shari'a compliant microfinance to eligible beneficiaries.	Yes	No
2. Providing consultancy and information services to its eligible beneficiaries and prospective eligible beneficiaries.	Yes	No
Ancillary Service Providers (refer to Section AU-1.2 Volume 5_Ancillary Service Providers of the CBB Rulebook)		
1. Third party administrators (TPA)	Yes	No
2. Card processing	Yes	No
3. Credit reference bureau	Yes	No
4. Payment service provider (PSP)	Yes	No
5. Shari'a advisory/review services	Yes	No
Trust Services Providers		
(to be developed)		

2. On which date does the applicant wish to start specialised business activities in Bahrain?



**Form 1: Section V – Controllers
(does not apply to representative office)**

List all names (including any previous names used) of all controllers (current and/or proposed) together with the percentage and nature of control (e.g., number and class of shares (to be) held, directly or on their behalf. Refer to Chapter GR-5, Volume 5 of the CBB Rulebook, for definitions of controller. Please also remember to include a completed Form 2 for each controller (refer to Checklist Section of this Form).

**Form 2
Attached**

Name: _____

Yes

Nature of control: _____

No

Shareholder Other (please specify) _____

Percentage of control: _____

Name: _____

Yes

Nature of control: _____

No

Shareholder Other (please specify) _____

Percentage of control: _____

Name: _____

Yes

Nature of control: _____

No

Shareholder Other (please specify) _____

Percentage of control: _____

If there are additional controllers please use a continuation sheet



**Form 1: Section VI – Management and Board Details
(for representative office license only question 6)**

Please complete all fields. Please also remember to include a completed Form 3 for each controlled function, and to provide details of Board and management as part of the business plan (refer to Checklist and Appendix, as well as to Section AU-1.2 in Volume 5, CBB Rulebook).

(NOTE: QUESTIONS 1 to 5 DO NOT APPLY TO REPRESENTATIVE OFFICE)

1. Names of all (proposed) Directors of the applicant:

2. Name of proposed chief executive / general manager of the applicant:

3. Names of proposed Heads of function of the applicant:

4. Name(s) of proposed Compliance Officer / MLRO:

5. Names of proposed members of Sharia Supervisory Board (where applicable):

6. FOR REPRESENTATIVE OFFICE APPLICANTS ONLY

Name of proposed representative office manager:



**Form 1: Section VII – Financial Resources
(does not apply to representative office)**

Please complete all fields. Please remember to include detailed financial projections as part of the business plan (refer to Checklist and Appendix)

1. Detail below the proposed authorised and paid up share capital of the applicant, together with any form of capital and method of capitalisation. (refer to Module CA, and use a continuation sheet if necessary):

2. Detail the origin of the source(s) of funds used to capitalise the applicant (use a continuation sheet if necessary):

3. If part of the capital is to be raised through a private placement, please detail (i) who the likely investors will be; (ii) how many will be approached and in what manner; (iii) what is the likely distribution of capital following the placement; and (iv) what fees, commission or other expenses will be charged to investors. Please also include a draft copy of the private placement memorandum (refer to Checklist), and use a continuation sheet if necessary.



**Form 1: Section VIII – Accounts
(does not apply to representative office license)**

Please complete all fields. Please also remember to include required copies of previous years' audited financial statements (refer to Checklist).

1. When would the applicant, if licensed, produce its first set of audited accounts?
2. What financial year-end would the applicant, if licensed, operate to?
3. If the year-end specified in answer to (2) above is not 31 December, please provide a justification (use a continuation sheet if necessary):
4. Please specify the applicant's external auditor (actual or to be appointed – specify which):



**Form 1: Section IX – Financial and other Information
(For Representative Offices ONLY)**

1. Please provide audited balance sheet and profit and loss account for the past three years or since incorporation of the Parent Company/Head Office, whichever is the shorter period.

2. Regulatory Capital (as at most recent year end, please specify:)

For the financial institution referred to in Section II Question 1, please provide details of Regulatory Capital components in the country of **incorporation**:

Regulatory Capital Components (please specify)	Base Currency	US\$ Equivalent

3. List all names (including any previous names used) of all major shareholders (owning 10% or more of the parent (head office) company), together with the percentage and nature of control (e.g., number and class of shares (to be) held, directly or on their behalf.

Name: _____

Nature of control: _____

Percentage of control: _____

Name: _____

Nature of control: _____

Percentage of control: _____

If there are additional major shareholders please use a continuation sheet



**Form 1: Appendix I – Business Plan Requirement
(does not apply to representative office license)**

Business Plan Outline

Rule AU-4.1.4(c) requires a comprehensive business plan to be submitted as part of an application for a license. This document constitutes a key part of the application, since it represents one of the principal means by which the quality of an applicant – and hence its ability to meet the CBB's licensing conditions – can be assessed.

This Appendix provides additional Guidance to the required contents of a business plan, as specified in Rule AU-4.1.6. The following points should be regarded as non-exhaustive: if additional areas of information are relevant to a particular application, then they should also be included.

Background

A short history of the applicant, its shareholders and (where relevant) its group;

The reasons for applying for a license in Bahrain; together with a description of the legal entity structure of the group (where relevant), a brief summary of its key business lines and centres, and the location of its mind and management.

Operations

A summary of the proposed licensee: its corporate form, organisation structure and range of regulated activities to be undertaken.

A summary of planned accounting, valuation and provisioning policies.

Details of any other business to be undertaken (where relevant).

Financial Projections

Financial projections and all related assumptions, covering at least the first 3 years of operations of the applicant following licensing. These should include, where appropriate:

Forecast profit and loss account, broken down into its main components;

Forecast balance sheet, broken down into its main components, and including details of off-balance sheet items and client assets;

Regulatory capital adequacy calculations, based on the above projections, demonstrating compliance with the CBB's requirements; and

Stress and scenario testing, showing the impact of different assumptions in terms of asset and revenue growth, profitability and capital adequacy.



Form 1: Appendix I – Business Plan Requirements (continued)
(does not apply to representative office license)

Business Plan Outline (continued)

Risk Management

An assessment of the risks that the applicant is likely to incur.

An explanation of the applicant's strategy for managing those risks, and a summary of the key risk policies, systems and controls, and limits to be applied.

Market Research

The applicant's strategy and market objectives.

Confirmation that the financial projections are and should be consistent with any market research (which should be identified).

Description of all products and methods of marketing and distribution.

Board of Director and employees

Proposed board and senior management.

An organisation chart, showing all key functions, reporting lines and managerial positions.

A summary of proposed recruitment, remuneration and training policies.