

# **CENTRAL BANK OF BAHRAIN**

## **Annual License Fee Form (Form ALF)**



**Form ALF: INSTRUCTIONS**

1. Article 180 of the Central Bank of Bahrain (“CBB”) Law sets out the CBB’s powers to charge fees. Based on these provisions, the CBB charges an annual license fee (“ALF”) to all its licensees. Details on how the ALF is calculated for each particular license category are included in CBB Resolutions and specific modules of the Rulebook Volume 6.
2. Rules MIR-2.8.1 and CRA-1.6.1 specify that licensees must pay the relevant annual license fee to the CBB, on 1st December of the preceding year for which the fee is due. Rules MIR-2.8.1E and CRA-1.6.8 state that licensees must complete and submit Form ALF to the CBB, no later than 15th October of the preceding year for which the fee is due.
3. Rule MIR2.8.1C sets out the detailed annual license fee for licensed brokers and licensed broker-dealers. Licensed brokers and licensed broker-dealers are required to refer to these and to Section MIR-2.8 generally, prior to completing this form.
- 3A. Rule CRA-1.6.3 sets out the detailed annual license fee for crypto-asset licensees. The crypto-asset licensees are required to refer to these and to Section CRA-1.6 generally, prior to completing this form.
4. The original completed Form ALF, that is duly certified by both the licensee and the licensed exchange or licensed market operator –where applicable-, should be sent to:

**Director, Capital Markets Supervision**

Central Bank  
of Bahrain  
P.O. Box 27  
Manama  
Kingdom of Bahrain

5. The certification by the licensed exchange or licensed market operator on Form ALF shall include the signature of an authorised official of the licensed exchange or licensed market operator, along with its corporate stamp.
6. A PDF version of the completed Form ALF should also be sent by e-mail to [acsinfo@cbb.gov.bh](mailto:acsinfo@cbb.gov.bh).
7. Licensees may address any queries to the Accounts Directorate, at +973 17 547 365 (telephone), +973 17 531 930 (fax) and [lic.fees@cbb.gov.bh](mailto:lic.fees@cbb.gov.bh) (e-mail).
8. Please ensure that the completed form is received by 15th October of the preceding year for which the fee is due. Failure to do so may be viewed as a breach of the licensing conditions and subject to financial penalties imposed by the CBB.

### **Late Payment Penalties**

9. Article 129 of the CBB Law provides the CBB the power to impose financial penalties on licensees. Licensees that fail to submit their license fee by 1<sup>st</sup> December are subject to late payment penalties as imposed by the CBB.
10. Applicants are also reminded that providing to the CBB any information which is false or misleading, or omitting to provide significant information which should have been provided to the CBB, may similarly be viewed as a breach of the licensee's licensing conditions.



**Form ALF** Certification under MIR Module

(To be filled by licensed market intermediaries licensed under MIR Module of the CBB Rulebook Volume 6)

**N.B. To be signed by the Chief Executive / General Manager of the licensed member.**

I certify that the information submitted in this Form ALF is accurate and complete to the best of my knowledge and belief and is meant for the purpose of calculating the total annual licensing fee. I confirm the following:

1. The value and/or volume of total transactions reported in the form have been extracted from the annual transactions undertaken for the calendar year [insert year].
2. The amount of annual licensing fee reported in the form is based on the total value of securities market transactions and/or total volume of derivatives market transactions undertaken by [insert name of licensee] on the licensed exchange or licensed market operator, for the year [insert year].
3. The arithmetical calculation in the form is accurate.

I am aware that providing to the CBB any information which is false or misleading, or omitting to provide significant information which should have been provided to the CBB, may constitute a breach of this licensee's licensing conditions.

\_\_\_\_\_  
(Name of Licensed Member)

\_\_\_\_\_  
(Name of Licensed Exchange or  
Licensed Market Operator)

\_\_\_\_\_  
(Name and Designation of Signatory)

\_\_\_\_\_  
(Name and Designation of  
Authorised Signatory)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)



**Form ALF – Calculation Sheet under MIR Module**

(To be filled by licensed market intermediaries licensed under MIR Module of the CBB Rulebook Volume 6)

- A. Licensee Name: \_\_\_\_\_
- B. License Category: \_\_\_\_\_
- C. Attached fee due for (specify applicable calendar year): \_\_\_\_\_

<b>Summary Calculation Sheet</b>			
<b>(TO BE COMPLETED FOR THE APPLICABLE LICENSED MEMBER CATEGORY)</b>			
<b>1.</b>		<b>Fixed (minimum) annual licensing fee (BD)</b>	
<b>2.</b>		<b>Variable fee</b>	
	(a)	Total value of securities market transactions (BD)	
	(b)	Total annual variable fee for securities market transactions:- $\frac{\text{Total transaction value for securities market}}{100,000} \times \text{BD}5$	
	(c)	Total volume of derivatives market transactions (Lots)	
	(d)	Total annual variable fee for derivatives market transactions:- Total volume (in lots) traded x BD 0.004	
<b>3.</b>		<b>Total annual variable fee [2(b)+2(d)] (BD)</b>	
<b>4.</b>		<b>Total licensing fee payable (1+3) (BD)</b>	

**Notes (numbers refers to line items above):**

2(a): The total (annual) value of securities market transactions covers all securities transactions as executed and recorded on a licensed exchange or licensed market operator. (As an example total (annual) value of securities market transactions for the 2014 year on 1st December 2013, are to be based on the 2012 securities market transactions).

2(c): The total (annual) volume of derivatives market transactions (in lots) covers all derivative transactions as executed and recorded on a licensed exchange or licensed market operator. (As an example total (annual) volume of derivative market transactions for the 2014 year on 1st December 2013, are to be based on the 2012 derivative market transactions). For avoidance of doubt, a buy transaction is considered 1 lot, a sell transaction is considered one lot and a buy + sell transaction is considered as 2 lots traded.



**Form ALF – Certification under CRA Module**

(To be filled by crypto-asset licensees licensed under CRA Module of the CBB Rulebook Volume 6)

**N.B. To be signed by the Chief Executive / General Manager of the licensee.**

I certify that the information submitted in this Form ALF is accurate and complete to the best of my knowledge and belief and is meant for the purpose of calculating the total annual licensing fee. I confirm the following:

1. The total relevant operating expense reported in the form has been extracted from the audit books for the calendar year [insert year].
2. The arithmetical calculation in the form is accurate.

I am aware that providing to the CBB any information which is false or misleading, or omitting to provide significant information which should have been provided to the CBB, may constitute a breach of this licensee's licensing conditions.

\_\_\_\_\_  
(Name of Licensee)

\_\_\_\_\_  
(Name and Designation of Signatory)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)



**Form ALF – Calculation Sheet under CRA Module**

(To be filled by crypto-asset licensees licensed under CRA Module of the CBB Rulebook Volume 6)

- A. Licensee Name: \_\_\_\_\_
- B. License Category (please tick one):  
 Category 1 ☐ Category 2 ☐ Category 3 ☐ Category 4 ☐
- C. Attached fee due for (specify applicable calendar year): \_\_\_\_\_
- D. The following attachment is provided ☐  
 External auditor certification letter  
 (not required if paying the maximum fee ('cap') for the applicable licensing category)

<b>Summary Calculation Sheet</b> <b>[TO BE COMPLETED IF PAYING AN AMOUNT LESS THAN THE MAXIMUM FEE FOR THE APPLICABLE LICENSE]</b> <b>(All numbers to be reported in BD and unconsolidated – i.e. pertaining to the licensee only, excluding its subsidiaries)</b>	
1. Total Operating Expenses	
2. Training Costs	( )
3. Charitable Donations	( )
4. CBB fees paid	( )
5. Non-executive Directors' remuneration	( )
6. Relevant Operating Expenses [i.e. line 1 – (2+3+4+5)]	
7. License Fee Liability [i.e. line 6 * 0.25%]	
<b>8. Total License Fees Payable (in BD) ( Min, Max or license fee liability)</b>	

**Notes (numbers refer to line items in the Summary Calculation Sheet):**

- 1: Total operating expenses covers all establishment expenses of the licensee, as recorded in the latest audited financial statements. (As an example, the fees paid for the 2014 year on 1<sup>st</sup> December 2013, are to be based on the 2012 F/S - where the year-end is 31<sup>st</sup> December). For the avoidance of doubt, these expenses exclude depreciation, provisions, interest expense, and dividends paid.
- 2 to 5: List separately these adjustment items (see Rule CRA-1.6.5).
- 6: Relevant Operating Expenses are the product of Total Operating Expenses (line 1) minus the sum of the adjustments made (lines 2 to 5 inclusive).
- 7: License Fee Liability is the product of line 6 (Relevant Operating Expenses) multiplied by 0.25%.
- 8: The Crypto-asset licensee Fee Payable is the same as the License Fee Liability, subject to the minimum and maximum amounts payable by the license category concerned. The minimum and maximum amounts payable by Crypto-asset licensees are:  
 Category 1: BD 2,000 (minimum) and BD 6,000 (maximum);  
 Category 2: BD 3,000 (minimum) and BD 8,000 (maximum);  
 Category 3: BD 4,000 (minimum) and BD 10,000 (maximum); and  
 Category 4: BD 5,000 (minimum) and BD 12,000 (maximum).  
 For example, a category 1 crypto-asset licensee with a License Fee Liability of BD 1,000 would pay the minimum license fee of BD 2,000. A category 1 crypto-asset licensee with a License Fee Liability of BD 8,000 would pay the maximum licensee fee of BD 6,000. A category 1 crypto-asset licensee with a License Fee Liability of BD 4,000 would pay BD 4,000 as a license fee.



**Form ALF: External Auditor Certification**

**[NOT REQUIRED TO BE COMPLETED IF PAYING THE MAXIMUM FEE]**

**Form of words for auditor certification letter (addressed to Crypto-asset licensee concerned):**

We have performed procedures agreed with you and enumerated below with respect to the attached CBB Form ALF (‘the form’), to be submitted in accordance with CBB Rulebook requirements. Our engagement was undertaken in accordance with the International Standard on Related Services Applicable to agreed-upon procedures Engagements. The procedures were performed solely to assist you in ensuring that the amounts reported in the form have been extracted from the audited financial statements of [XYZ licensee] (the ‘Licensee’) for the year ended [insert date] or underlying accounting records of the Licensee. These procedures are summarised as follows:

1. We have agreed the amounts reported in the form to the audited financial statements of the Licensee for the year ended [enter date];
2. For those amounts not directly traceable from the audited financial statements of the Licensee for the year ended [enter date], we have agreed them to the underlying accounting records of the Licensee; and
3. We have verified the arithmetical accuracy of the form.

We report our findings below:

We confirm that the amount reported in the form for Total Operating Expenses, [enter amount], is in agreement with the audited financial statements of the Licensee for the year ended [enter date].

We further confirm that the following amounts reported in the form agree to the underlying accounting records of the Licensee for the year ended [enter date].

Particulars	Amount (BD)
Training Costs	
Charitable Donations	
CBB fees paid	
Non-executive Directors’ remuneration	

We also found that the arithmetical calculations in the form were accurate.

The above procedures do not constitute either an audit or a review made in accordance with the International Standards on Auditing or International Standards on Review Engagements. Had we performed additional procedures or had we performed an audit or review in accordance with the International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

This report is solely for the purpose set forth in the first paragraph and is only for the information of the Licensee and CBB. This report should not be used for any other purpose or be distributed to any other parties. This report relates only to the information reported in the form for [enter year] and does not extend to any financial statements of the Licensee taken as a whole.