



Name of Proposed Licensee



CENTRAL BANK OF BAHRAIN

CRA Form 1:

Application for a License

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



CRA Form 1: Application for a Crypto-Asset License

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CRA Form 1: INSTRUCTIONS

1. Details of the application process for licensees to provide regulated Crypto-Asset service are to be found in Chapter CRA-1, Volume 6 of the CBB Rulebook.
2. Applicants for a license must submit a duly completed 'CRA Form 1: Application for a Crypto-Asset License', and 'Form 3: Application for Approved Person Status' 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 CRA-1.2.4).
3. References to applicant mean the proposed licensee seeking a license. An applicant may appoint a representative – such as a law firm or professional consultancy – to prepare and submit the application. However, the applicant retains full responsibility for the accuracy and completeness of the application, and is required to certify the application form accordingly. The CBB also expects to be able to liaise directly with the applicant during the licensing process, when seeking clarification of any issues.
4. Complete all sections as fully as possible, attaching supporting documents and continuation sheets where appropriate. Attach annex(es) signed by the signatories, if there is insufficient space for your answers. The application should be written in black ink in BLOCK CAPITALS or typed.
5. 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.
6. Place a tick (✓) in the relevant boxes where appropriate. Where there is an asterisk (*), delete whichever is inapplicable. 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.
7. 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.
8. The **original** completed form, together with supporting documentation, should be submitted to:

The Director, Licensing Directorate
Central Bank of Bahrain
PO Box 27
Manama
Kingdom of Bahrain
9. Queries may be addressed to the Director, Licensing Directorate, on +973 17 547605 (telephone), +973 17 537554 (fax) and licensing@cbb.gov.bh (e-mail).
10. 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 without conditions;
 - (b) Refused the application, stating the grounds on which the application has been refused and the process for appealing against that decision.



CRA Form 1: INSTRUCTIONS (Continued)

11. In order for a license to be granted, applicants must have provided all the required information, as specified in Section CRA-1.2, and demonstrated their ability to comply with the minimum criteria for licensing conditions specified in Chapter CRA-2, of Volume 6 of the CBB Rulebook.
12. Applicants are reminded that no person in the Kingdom of Bahrain may hold himself out as a regulated crypto-asset services unless duly licensed by the CBB (see CRA 1.1.1).
13. If there are any changes in the information furnished in the application prior to the completion of the review of this application, the Central Bank of Bahrain (CBB) should be notified immediately.
14. Applicants are 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.



CRA Form 1: DECLARATION

We certify that we have read and understood the provisions of the CBB and Financial Institutions Law 2006 (and any regulations issued thereunder). In particular, (i) we are aware that it is an offence under the above law fraudulently or negligently to provide to the Central Bank of Bahrain (CBB) any information which is false or misleading in connection with an application for a license or otherwise; and (ii) we are aware that it is an offence to carry on the business for which a license is hereby sought without such license being granted.

We certify that the information given in answer to the questions above 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 business of the type for which this license is now sought will be carried on by us prior to obtaining such license.

We undertake to inform the CBB of any changes material to the application that may arise while the CBB is considering the application. We further undertake that, in the event that the institution is granted the license which is hereby sought, we will notify the CBB of any material changes to or affecting the completeness or accuracy of, the information provided in this form as soon as possible, but in any event no later than 14 days from the day that the changes come to our attention.

The above declaration must be signed by at least two major shareholders (with an interest in the future licensee in excess of 5%). In the case of major shareholders that are legal persons, the declaration must be signed by 2 directors and bear the corporate seal.

WHERE THE PROPOSED MAJOR SHAREHOLDER 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 MAJOR SHAREHOLDER IS A LEGAL PERSON:

_____	_____	_____
Director (print name)	Signature of director	Date
_____	_____	_____
Director (print name)	Signature of director	Date



CRA Form 1: Contact Information

Please provide full contact details of person(s) with whom the CBB can communicate regarding this application. At least one of the contact points must be a principal of the applicant.

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.)



CRA Form 1: Checklist

Please refer to Section CRA-1.2, and to Rule CRA-1.2.4 in particular. Please also refer to Section CRA-1.5 regarding the application fee.

Item	Attached? (please tick as appropriate)
1. Copy of wire transfer (payable to CBB) for application fee. Please contact the Licensing Directorate for CBB account details for wire transfer purposes.	Yes___ No___
2. Duly completed Form 2 (Application for Authorisation of Major Shareholders) for each Major Shareholder of the proposed licensee. (Refer to Section V)	Yes___ No___
3. Duly completed Form 3 (Application for Approved Person status), for each individual identified to undertake a controlled function (as defined in Rule CRA-1.7.2) in the proposed licensee. (Refer to Section VI)	Yes___ No___
4. The business plan for the proposed licensee, addressing the matters described in Rule CRA-1.2.6. (Refer to Section VIII and Appendix 1)	Yes___ No___
5. Where the applicant is an overseas company, a copy of the company's current commercial registration, license from competent authority and/or equivalent documentation;	Yes___ No___
6. Where the applicant is an existing Bahraini company, a copy of the applicant's commercial registration certificate.	Yes___ No___
7. A certified copy of a Board resolution of the applicant, confirming its decision to seek a CBB crypto-asset service license.	Yes___ No___



CRA Form 1: Checklist (Continued)

Item	Attached? (please tick as appropriate)
8. In the case of applicants that are part of a group, a letter of non-objection to the proposed license application from the applicant's lead supervisor, together with confirmation that the group is in good regulatory standing and is in compliance with applicable supervisory requirements, including those relating to capital requirements.	Yes___ No___ N/A___
9. 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, including those relating to capital.	Yes___ No___ N/A___
10. In the case of branch applicants, copies of the audited financial statements of the applicant (head office) for the three years immediately prior to the date of application.	Yes___ No___ N/A___
11. In the case of applicants that are part of a group, copies of the audited financial statements of the applicant's group, for the three years immediately prior to the date of application.	Yes___ No___ N/A___
12. In the case of applicants not falling under either (10) or (11) above, copies of the audited financial statements of the applicant's substantial shareholder (where they are a legal person), for the three years immediately prior to the date of application.	Yes___ No___ N/A___
13. A copy of the applicant's memorandum and articles of association (in draft form for applicants creating a new company).	Yes___ No___
14. Details of all banking arrangements.	Yes___ No___



CRA Form 1: Section I – License Type

1. Name of Applicant:

Please select applicable license type (please tick appropriate boxes)		
	Bahraini Company (i.e. Bahraini incorporated company)	Overseas Company (i.e. branch presence)
<u>Category 1</u> (Refer to ParagraphCRA-1.1.9)		
<u>Category 2</u> (Refer to ParagraphCRA-1.1.11)		
<u>Category 3</u> (Refer to ParagraphCRA-1.1.13)		
<u>Category 4</u> (Refer to ParagraphCRA-1.1.15)		



CRA Form 1: Section II – Licensee Details

Please provide the following corporate information:

1. Name of the proposed licensee:
2. Date and place of incorporation:
3. Home regulator (branch applicants only) – name and contact details:
4. If applicant is part of a group, lead regulator- name and contact details:
5. Address, telephone number and facsimile number of the principal place at which the business of the applicant is/is to be* carried out:
6. E-mail address and URL of the applicant's internet web page (if applicable):
7. Location of registered office (address and country):
8. Form of corporation:
9. Proposed business hours of the markets to be operated by the applicant (if applicable):
10. The applicant's authorised and paid-up capital, including relevant details of shares issued or to be issued (e.g. types, number and issue price):
11. Attach an organisation chart showing the key officers and employees of the applicant and their respective reporting lines.
12. Attach an organisation chart demonstrating the applicant's relationships with its related corporation(s).



CRA Form 1: Section II – Licensee Details (Continued)

Provide relevant information about the applicant's business plans and operations:
1. Detailed information on the regulated crypto-assets services that will be provided including the accepted crypto-assets to be traded, settlement and payment methods, if applicable
2. The prospective categories of participants/clients
3. The nature of prospective client or investors who may use, invest in or participate in the markets operated by the applicant in Bahrain (e.g. institutional, accredited, expert, retail, etc.)
4. Any affiliation between the applicant and the prospective participants/clients, such as common owners, directors or officers
5. The manner in which the different categories of prospective participants and investors would access the applicant's markets/services
6. The applicant's operations (provide transaction flowcharts or diagrams, where relevant), proposed revenue sources, and projected volume and value of transactions that would be conducted on the applicant's markets or through its services
7. Provisions made for regulating the entering into of contracts, their performance and rescission, between the applicant and participant or investor (the applicant should provide a copy of the contracts)
8. Provisions made for regulating the consequences of breach, default or insolvency on the part of participants, whether acting as buyers, sellers or intermediaries
9. Provisions to prohibit or suspend trading in an approved crypto-assets, under appropriate circumstances
10. Any other relevant information which may help in processing this application



CRA Form 1: Section II – Licensee Details (Continued)

Relevant supporting documents or information to be provided include but may not be limited to the applicant's:

1. Business rules and Other Operating Rules, if applicable.
2. Systems and procedures governing entry, execution, reporting, clearance, and settlement of transactions effected through the applicant's market facilities
3. Rates of annual subscriptions in respect of the different classes of participants, and the amount of any security deposits, admission, entrance or other fees charged to members, users, clients or participants
4. Measures to inform clients/investors of the peculiar risks arising from its market operations and investing, including risk disclosure statements, if any.
5. Risk management systems, including procedures relating to internal audit, internal controls, and technology governance and cyber security.
6. Business continuity plan and system capacity planning procedures
7. Human resources policies and procedures, including information on the staffing levels of key functions (such as information security, information technology, compliance etc.)



CRA Form 1: Section II – Licensee Details (Continued)

If the applicant or any of its related corporations are operating similar market(s) in any other jurisdiction(s), provide relevant information with regards to:

1. The name(s) of such market(s):
2. The name(s) of such jurisdiction(s):
3. The name(s) of any supervisory authority, which exercises oversight over the applicant or its related corporations in the aforementioned jurisdiction(s):
4. Evidence of the applicant's authorisation to operate a market in these jurisdictions, including a copy of any conditions imposed on the applicant's market operations in the aforementioned jurisdiction(s):
5. Documentation that would allow the CBB to consider if the requirements and supervision that the applicant is subject to are sufficiently equivalent to the requirements and supervision falling under Module CRA of Volume 6 of the CBB Rulebook, e.g. a summary of the laws, legislation, regulations and rules applicable to the applicant in these jurisdiction(s).



CRA Form 1: Section III – Legal Status

Please select one (tick box)			
1. Type of company (refer Section CRA-2.1) <ul style="list-style-type: none">Category 1	<input type="checkbox"/> W.L.L.	<input type="checkbox"/> B.S.C	<input type="checkbox"/> Branch
<ul style="list-style-type: none">Category 2	<input type="checkbox"/> W.L.L.	<input type="checkbox"/> B.S.C	<input type="checkbox"/> Branch
<ul style="list-style-type: none">Category 3	<input type="checkbox"/> W.L.L.	<input type="checkbox"/> B.S.C	<input type="checkbox"/> Branch
<ul style="list-style-type: none">Category 4	<input type="checkbox"/> B.S.C	<input type="checkbox"/> Branch	



CRA Form 1: Section IV – Regulated Crypto-asset Services

1. Please select the regulated investment services that the proposed licensee wishes to undertake (refer to Section CRA-1.1)	
1. Reception and transmission of orders	Yes ___ No ___
2. Providing investment advice	Yes ___ No ___
3. Dealing in accepted crypto-assets as agent	Yes ___ No ___
4. Dealing in accepted crypto-assets as principal	Yes ___ No ___
5. Portfolio management	Yes ___ No ___
6. Crypto-asset custody services	Yes ___ No ___
7. Operating a licensed crypto-asset exchange	Yes ___ No ___

N.B.

- *When undertaking the regulated crypto-asset services listed under Rule CRA- 1.1.9, Category 1 licensees: (a) Must not hold any client assets or client money; (b) Must refrain from receiving any fees or commissions from any party other than the client; and (c) Must not operate a crypto-asset exchange.*
- *When undertaking the regulated crypto-asset services listed under Rule CRA- 1.1.11, Category 2 licensees may hold or control client asset and client money but must not deal from their own account (“dealing as principal”) or operate a crypto-asset exchange.*
- *When undertaking regulated crypto-asset services listed under Rule CRA-1.1.13, Category-3 licensees may hold or control client assets and client money, may deal on their own account (“dealing as principal”) but must not operate a crypto-asset exchange.*
- *When undertaking regulated crypto-asset services listed under Rule CRA-1.1.15, Category-4 licensees may hold or control client assets and client money, operate a licensed exchange, and provide crypto-asset custody services.*



CRA Form 1: Section IV – Regulated Services (Continued)

Please complete all fields

2. Other ancillary activities
(Please describe: use a continuation sheet if necessary, and provide further details in the business plan)

3. Does the applicant wish to establish a branch or subsidiary outside Bahrain?

Yes ___ No ___

If yes, please provide details:

4. On which date does the applicant wish to start crypto-asset activities in Bahrain?

N.B. if an applicant wishes to establish a branch or subsidiary outside of Bahrain, then it must satisfy CBB that it has the necessary resources (in terms of people, systems and controls, and capital) to support the additional risks involved.



CRA Form 1: Section V – Information on Major Shareholders

List all names (including any previous names used) of all major shareholders (current and/or proposed) together with the percentage (e.g. number and class of shares (to be) held, directly or on their behalf. Please also remember to include a completed Form 2 for each major shareholder (refer to Checklist Section of this Form).	Form 2 Attached
Name: _____ Shareholding percentage: _____	Yes ____ No ____
Name: _____ Shareholding percentage: _____	Yes ____ No ____
Name: _____ Shareholding percentage: _____	Yes ____ No ____
Name: _____ Shareholding percentage: _____	Yes ____ No ____
If there are additional shareholders, please use a continuation sheet.	



CRA Form 1: Section VI – Management and Board Details

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 to Section CRA-1.7 in Volume 6, CBB Rulebook).

1. Name 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:

8. Name of proposed Chief Information Security Officer:



CRA Form 1: Section VII – Financial Resources

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 paid in and authorised share capital of the applicant, together with any form of capital and method of capitalisation (use continuation sheet if necessary):

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



CRA Form 1: Section VIII – Accounts

1. When will the company produce its first set of audited accounts? Provide justification if year-end is different than 31 December.

Year end _____

If other than 31 December, please provide justification.



CRA Form 1: Section IX – Other Information

Set out any additional information relevant or material to this application.



CRA Form 1: Appendix I – Business Plan Requirements

Business Plan Outline

Rule CRA-1.2.4(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 CRA-1.2.6. 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;

A description of the proposed, current, and historical business of the applicant, including detail on the products and services provided and to be provided, all associated websites addresses, the jurisdictions in which the applicant is engaged in business, the principal place of business, the primary market of operation and the projected customer base.

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.



CRA Form 1: Appendix I – Business Plan Requirements (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.