



# **OFFERING OF SECURITIES MODULE**



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<b>MODULE</b>	<b>OFS: Offering of Securities</b>
<b>CHAPTER</b>	<b>OFS-A: Introduction</b>

## OFS-A.1 Purpose

### *Legal Basis*

OFS-A.1.1 Module OFS formulates the regulatory framework of the Central Bank of Bahrain (“CBB”) to govern the issuing and offering of securities in/from the Kingdom of Bahrain. It incorporates the requirements of Articles 80-85, 96 and 166 of the CBB Law. These regulations are issued pursuant to the authority of CBB under Article 37 to establish and enforce rules, while meeting the specific requirements of Part 4 of the Central Bank of Bahrain and Financial Institutions Law of 2006 (‘CBB Law’).

OFS-A.1.2 This Module contains the CBB’s Directive (as amended from time to time) relating to the issuing and offering of securities and is issued under the powers available to the CBB under Article 38 of the CBB Law, together with the abovementioned provisions of the CBB Law. The Directive in this Module is applicable to all market participants and relevant persons, including but not limited to issuers of securities or any person acting on their behalf, licensed exchanges, licensed market operators, licensed clearing houses, depositories, market intermediaries, business trusts, listed companies, any person acting for or on behalf of listed companies, shareholders of listed companies, securities ownership transfer agents, lead managers, underwriters, professional advisors, listing agents, auditors, financial analysts and any other person who engages or encourages others to engage in any acts of commission or omission covered by the scope of this Module, irrespective of whether such person is a market participant or not. OFS-A.2.3

This Module should be read in conjunction with Resolution No.(16) of 2013 with respect to Financial Services Marketed in the Kingdom of Bahrain and Resolution No (1) of 2007 (as amended from time to time) with respect to determining fees categories due for licensees and services provided by the CBB.



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## OFS-A.2 Division of Responsibilities

### *Responsibility of the CBB*

OFS-A.2.1 A clear division of responsibilities between the CBB as the securities regulator, the issuer of securities and the licensed exchanges or the licensed market operators as a self-regulatory organisation (SRO) is required:

- (a) To maximise the regulatory effectiveness;
- (b) To permit flexibility to the licensed exchanges or the licensed market operators in their functioning;
- (c) To achieve greater efficiency and transparency in the enforcement of the laws, rules and regulations; and
- (d) To minimise the regulatory cost.

OFS-A.2.2 As a regulator, the CBB's role is as follows:

- (a) Regulatory supervision;
- (b) Maintaining and promoting fairness, efficiency and transparency within the capital market;
- (c) Enhancing the efficiency of the capital-raising process;
- (d) Ensuring full, timely and accurate disclosure of financial and other information material to investors;
- (e) Ensuring fair and equal treatment to all securities, subscribers, allottees, and holders;
- (f) Ensuring adherence to international accounting, reporting and auditing standards;
- (g) Ensuring that the issuer of securities, the licensed exchanges, licensed market operators, licensed clearing houses, depositories' institutions, and other capital market advisory services providers and members of SROs have appropriate systems and procedures for ensuring compliance with the CBB Law and disclosure requirements by listed companies and issuers; and
- (h) Facilitating the introduction of a broad range of capital market products and services.

### *Responsibility of SROs*

OFS-A.2.3

The licensed exchange or the licensed market operator established as an SRO must comply with the requirements laid down under the CBB Law, this Module and other applicable laws and regulations.



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## OFS-A.2 Division of Responsibilities (continued)

- OFS-A.2.4 As an SRO, the main objective of the exchange or the operator would be to:
- (a) Promote fairness and investor protection;
  - (b) Ensure fair access to market facilities and information;
  - (c) Provide timely and accessible relevant market data;
  - (d) Ensure the efficient regulation of its members;
  - (e) Ensure compliance with CBB Law, listing rules and disclosure requirements by listed companies and issuers;
  - (f) Ensure immediate dissemination and publication of relevant information related to issuers;
  - (g) Report any non-compliance to the regulator; and
  - (h) Take disciplinary action against any contravention by listed companies.

### *Responsibility of Issuers and Advisors*

**OFS-A.2.5** The issuer of securities in/from Bahrain or any person acting on its behalf must comply with the requirements laid down under the CBB Law, this Module and the other applicable laws, rules and regulations.

- OFS-A.2.6 The main responsibility for the issuer of securities or any other person acting on its behalf is to:
- (a) Adhere to the CBB Law, rules and regulations and any other applicable laws, rules and regulations;
  - (b) Ensure and accept responsibility for the information contained in the prospectus or other offering documents and that these documents do not contain any false or misleading information or data and omissions likely to affect the importance and completeness of the prospectus, or offering documents;
  - (c) Ensure fair and equal treatment of all subscribers, allottees and holders of each type of securities;
  - (d) Use an effective and efficient mechanism for capital raising for financing their businesses or any expansions thereof;
  - (e) Using the most professional capital market advisory services provider; and
  - (f) Ensure adherence of all capital market advisory services providers involved to all requirements regarding protecting and maintaining the subscribers money, in accordance with the applicable laws, rules and regulations.



<b>MODULE</b>	<b>OFS: Offering of Securities</b>
<b>CHAPTER</b>	<b>OFS-A: Introduction</b>

## OFS-A.3 Module History

### *Evolution of Module*

OFS-A.3.1 This Module was first issued in January 2014 by the CBB. Any material changes that are subsequently made to this Module are annotated with the calendar quarter date in which the change is made; Chapter UG-3 provides further details on Rulebook maintenance and version control.

OFS-A.3.2 The most recent changes made to this Module are detailed in the table below:

Module Ref.	Change Date	Description of Changes
OFS-1.6.11, OFS-1.10.5, OFS-3.5.26, OFS-4.1.1, OFS-4.3.2, OFS-4.4.1, OFS-4.4.4, OFS-7.1.2, OFS-7.1.3	04/2014	Added links to Glossary for the words 'days' and 'licensed exchange'.
OFS-1.14	04/2014	Corrected reference to Glossary for the term 'overseas issuer(s)'.
OFS-3.2.6	04/2016	Added reference to securities market regulation certification and other qualifications.
OFS-3.3.8	04/2016	Corrected cross reference to CBB Law.
OFS-1.4.1(e)	10/2017	Amended sub-paragraph based on changes made to the definitions section.
OFS-7.5.1	01/2018	Amended Paragraph.
OFS-2.6.7A	07/2018	Deleted Paragraph.
OFS-3.2.19 (c)	07/2018	Amended sub-paragraph.
OFS-3.4.6 (a)	07/2018	Amended sub-paragraph.
OFS-3.5.7 (c)	07/2018	Amended sub-paragraph.
OFS-A.1.2	11/2020	Added reference to Resolution No (1) of 2007
OFS-8.2.3	11/2020	Amended the fee schedule as per Resolution No (2) of 2020

### *Superseded Requirements*

OFS-A.3.3 This Module supersedes the following provisions contained in circulars or other regulatory instruments:

Circular/ other references	Provision	Subject
BSE Resolution No. 4 of 1992	All	Prospectus Requirements
ODG/407/03 Disclosure Standards	Chapter 1	Prospectus and ongoing disclosure requirements in relation to equity securities
ODG/74/04 Guidelines for the Issuing, Offering and Listing of Debt securities	All parts	Issue, offer and listing of debt securities
EDBS/KH/0688/2008 on Private Placement of Securities Issued by or Promoted by Banks Licensed in Bahrain.	All parts	Private placement requirements
EDFIS/C/039/2017	Module	Issuance of the Amended Offering of Securities Module – Volume 6



<b>MODULE</b>	<b>OFS: Offering of Securities</b>
<b>CHAPTER</b>	<b>OFS-8: Fees and Charges</b>

## OFS-8.2 Fees for Offering of Securities

**OFS-8.2.1** Subject to any regulation issued by the CBB in respect of fees and charges, for any offering of securities, certain non-refundable fees are payable to the CBB as set out in Paragraph OFS-8.2.3.

OFS-8.2.2 An application for approval or reviewing an offering document related to an offering of securities will not be regarded as complete or submitted until the fee has been paid in full.

**OFS-8.2.3** The following table outlines the fees payable to the CBB for the various **approvals granted services provided:**

(amount in BD)

No.	Type of Application	% of N.V	Min Amount	Max Amount
<b>A</b>	<b>Registration of Equity Securities Applications-Offering Documents.</b>			
1	Public Offering.	0.005%	1,000	5,000
2	Rights Offering for Listed Issuer.	0.00125%	500	1,000
<del>3</del>	<del>Private Placement for Listed Issuer.</del>	<del>0.00125%</del>	<del>500</del>	<del>1000</del>
<del>43</del>	<del>Private Placement Memorandum for Unlisted Issuer.</del>	<del>0.005%</del>	<del>1,000</del>	<del>5,000</del>
<del>54</del>	<del>Options, w/Warrants ... etc on Equity.</del>	<del>0.00125%</del>	<del>500</del>	<del>1,000</del>
<del>6</del>	<del>Stock Dividend and Capitalization Issues.</del>	<del>Fixed</del>	<del>100</del>	<del>100</del>
<del>7</del>	<del>Going Public Issues (SMEs and private companies).</del>	<del>0.00125%</del>	<del>500</del>	<del>1000</del>
<del>8</del>	<del>Listing profiles or documents.</del>	<del>0.00125%</del>	<del>500</del>	<del>1000</del>
<b>B</b>	<b>Registration of Preference Shares, Bonds, &amp; Debt Securities and Islamic Sukuk Offering Documents. Applications</b>			
1	Applications from Listed Issuers or of securities to be Listed. (Public)	0.005%	1,000	5,000
2	Applications from Unlisted Issuers and of securities not to be Listed.(PPM)	0.006%	2,000	6,000
<del>3</del>	<del>Other Applications.</del>	<del>0.006%</del>	<del>2000</del>	<del>6000</del>
<b>C</b>	<b>Registration of Convertible into Equity Securities Offering Documents. Applications</b>			
1	Application from Listed Issuers or of securities to be Listed.(Public)	0.003%	1,000	5,000
2	Application from Unlisted Issuers and of securities not to be Listed.(PPM)	0.006%	2,000	6,000
<del>3</del>	<del>Other Applications.</del>	<del>0.006%</del>	<del>2000</del>	<del>6000</del>



<b>MODULE</b>	<b>OFS: Offering of Securities</b>
<b>CHAPTER</b>	<b>OFS-8: Fees and Charges</b>

## OFS-8.2 Fees for Offering of Securities (continued)

(amount in BD)

<b>D</b>	<b>Registration of Structured Products Offering Documents. Applications (Accredited Investors)</b>	<b>0.006%</b>	<b>2,000</b>	<b>6,000</b>
<b>1</b>	<b>Applications from CBB Licensees.</b>	<b>0.006%</b>	<b>2000</b>	<b>6000</b>
<b>2</b>	<b>Other Applications</b>	<b>0.007%</b>	<b>3000</b>	<b>7000</b>
<b>E</b>	<b>Registration of Options, Commodities, Futures or Derivatives Contracts.</b>	<b>Fixed</b>	<b>500</b>	<b>500</b>
<b>EF</b>	<b>Registration of Replacement and Supplementary Prospectus.</b>	<b>Fixed</b>	<b>100</b>	<b>100</b>
<b>G</b>	<b>Registration of Pricing Statements (Term Sheets) for Programmes.</b>	<b>Fixed</b>	<b>100</b>	<b>100</b>
<b>H</b>	<b>Registration of Capital Securities Offering Documents.</b>	<b>0.006%</b>	<b>2,000</b>	<b>6,000</b>
<b>FI</b>	<b>Filing of Offering Documents in relation to Exempt Offers. Applications</b>	<b>Fixed</b>	<b>2,000</b>	<b>2,000</b>
<b>1</b>	<b>Applications from CBB Licensees.</b>	<b>Fixed</b>	<b>1000</b>	<b>1000</b>
<b>2</b>	<b>Other Applications</b>	<b>Fixed</b>	<b>2000</b>	<b>2000</b>
<b>G</b>	<b>Commodities, Futures or Derivatives Contracts</b>			
<b>1</b>	<b>Applications from Licensed Exchange.</b>	<b>Fixed</b>	<b>100</b>	<b>100</b>
<b>2</b>	<b>Applications from other CBB Licensees.</b>	<b>Fixed</b>	<b>100</b>	<b>100</b>
<b>J</b>	<b>Examining of an application to approve the increase of the Capital of Listed Companies.</b>	<b>Fixed</b>	<b>100</b>	<b>100</b>