



CENTRAL BANK OF BAHRAIN

Annual License Fee Form (Form ALF)



Form ALF: INSTRUCTIONS

1. Article 180 of the CBB Law sets out the Central Bank of Bahrain's ('CBB') 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 particular license categories are included in the Standards Conditions and Licensing for each licensee and are summarised below.
2. Representative Offices must pay a fixed fee of BD 3,000 as an annual licensee fee. Pro rata floor for new licensees is BD 500.
3. Ancillary services provider must pay a fixed fee of BD 500 as an annual license fee. New licensees must pay the minimum BD 500, when licensed.
4. Money changers must pay 0.25% of relevant operating expenses with floor of BD 300 and cap of BD 6,000. New licensees must pay BD 300 (no pro-rata).
5. Conventional and Islamic financing companies, Conventional and Islamic Leasing Companies must pay 0.25% of relevant operating expenses with floor of BD 6,000 and cap of BD 24, 000. Pro-rata floor for new licensees is BD 500.
6. All licensees must complete and submit Form ALF to the CBB, no later than 30 April each year, together with the payment due. Payment may be made by cheque **drawn on a Bahraini licensed bank** or by wire transfer.
7. If payment is made by wire transfer, licensees should contact the Accounts Directorate to get detailed information on how to proceed.
The amount transferred to the CBB should cover the full amount of the licensee fee. Any other charges must be borne by the licensee.
8. The detailed calculations to be applied, for each Category of specialised activities licensee is outlined in the applicable Standard Conditions for Licensing for the various categories noted above. The Standard Conditions for Licensing for Volume 5 are available on the CBB Website under www.cbb.gov.bh. From the Home page, select 'Regulatory Functions' and then 'Laws & Regulations'. Alternatively, use the 'Quick Links' facility on the Home page to access the CBB Rulebook facility. Licensees are asked to refer to these, prior to completing this form.
9. The original completed form, together with a cheque or details of the wire transfer for the amount calculated, and where applicable a copy of the latest audited financial statements used in the calculation of the fee and the external auditor's certification letter should be sent to:

Head – Accounts Directorate
Central Bank of Bahrain
P.O. Box 27
Manama
Kingdom of Bahrain



Form ALF: INSTRUCTIONS (continued)

10. Licensees may address any queries to the Head – Accounts Directorate, on +973 17 547 325 (telephone), +973 17 531 930 (fax) and lic.fees@cbb.gov.bh (e-mail).
11. Please ensure that the completed form and its attachments are received by **30 April** each year. Failure to do so may be viewed as a breach of the licensee’s licensing conditions.
12. 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

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.

I am aware that providing to the Central Bank of Bahrain ('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)

(Signature)

(Date)



Form ALF: Calculation Sheet

Licensee Name: _____

License Category (please tick one):

Representative Office Ancillary Services Provider

Money changer Financing company or leasing company

Attached fee due for (specify applicable calendar year): _____

Following attachments are provided (please tick to confirm for each):

- Copy of audited financial statements used in the calculation
[not required if paying a fixed fee or the maximum fee ('cap') for the applicable license category]
- The external auditor certification letter
[not required if paying a fixed fee or the maximum fee ('cap') for the applicable license category]
- Cheque or wire transfer (payable to 'Central Bank of Bahrain')

Summary Calculation Sheet

[TO BE COMPLETED IF PAYING AN AMOUNT OF THE % OF OPERATING EXPENSES AND LESS THAN THE MAXIMUM FEE FOR THE APPLICABLE LICENSE CATEGORY]

(All numbers to be reported in BD and unconsolidated – i.e. pertaining to the licensee only, excluding its subsidiaries)

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%]	
8. License Fee Payable	

Notes (numbers refer to line items above):

- 1: Total operating expenses covers all establishment expenses of the licensee, as recorded in its prior year audited financial statements. (As an example the fees paid in 2008, are to be based on the 2007 F/S). For the avoidance of doubt, these expenses exclude depreciation, provisions, interest expense, and dividends paid.
- 2 to 5: List separately these adjustment items.
- 6: Relevant Operating Expenses are the result 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: Where the license fee is **not** a fixed amount, the License 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 specialised activities licensees are:
 Financing company or leasing company: BD 6,000 (minimum) and BD 24,000 (maximum); and
 Money changers: BD 300 (minimum) and BD 6,000 (maximum).
 For example, a Financing Company with a License Fee Liability of BD 2,500 would pay the minimum license fee for that Category of BD 6,000. A Financing Company with a License Fee Liability of BD 30,000 would pay the maximum licensee fee for that Category of BD 24,000. A Financing Company with a License Fee Liability of BD 8,000 would pay BD 8,000 as a license fee.



Form ALF: External Auditor Certification

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

Form of words for auditor certification letter (addressed to 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.