

STANDARD CONDITIONS AND LICENSING CRITERIA
FOR PROVIDERS OF ANCILLARY SERVICES
TO THE FINANCIAL SECTOR

This activity is limited to the provision of ancillary service, as specifically described in each relevant license, to the financial sector.

Standard Conditions:

1. Capital Funds

Unless otherwise determined by the Central Bank of Bahrain, and subject to the requirements of the Bahrain Commercial Companies Law, the minimum paid-up capital funds shall be BD10,000. Additionally, the CBB may require a letter of comfort or a guarantee in respect of the applicant's obligations.

2. Liquidity

Unless otherwise determined by the CBB, liquid assets must be held in a form acceptable to the CBB in a minimum amount of three months estimated expenditure including salaries, rent, general utilities and other operating expenses.

3. Insurance

Unless otherwise determined by the CBB, indemnity insurance must be taken out against any liability for negligence, which may be incurred.

4. Board, Management and Staffing

Providers of Ancillary Services licensees must be headed by a Board of Director (where applicable) and managed by a Senior Management team who are, in CBB's opinion, "fit & proper" in accordance with CBB's requirements.

Employees must have sufficient knowledge, experience, skills and training in relation to their particular areas of responsibility.

5. Premises and Administration

Suitable premises must be maintained in Bahrain, together with full books and records which must be available for examination by the CBB.

6. Information

Ancillary service providers shall submit to the CBB such information as the CBB may require.

7. Auditors

Independent auditors approved by the CBB shall be appointed. Audited accounts, prepared in accordance with such standards as the CBB may permit, shall be submitted to the CBB within three months of the end of the calendar year. [N.B. The CBB may agree alternative arrangements where the circumstances and character of the applicant otherwise determine it to be appropriate.]

8. Conduct of Activities

All activities shall be conducted professionally, properly and in an orderly manner.

9. General

Ancillary service provider licensees are subject to the provisions of the Central Bank of Bahrain and Financial Institutions Law 2006. The CBB may apply such conditions, and impose such additional requirements, as it considers appropriate.

10. License Fees

Application Fees

Applicants seeking an ancillary service provider license from the CBB must pay a non-refundable license application fee of BD100 at the time of submitting their formal application to the CBB.

Annual License Fees

Ancillary service provider licensees must pay the relevant annual license fee to the CBB, in January each year.

Ancillary service provider licensees shall pay BD500 per annum payable to the CBB.

For new licensees, their first annual license fee is payable when their license is issued by the CBB.

Additional Licensing Criteria:

In considering an application, the CBB shall have regard to (amongst other matters)

- (a) the reputation and standing (including financial standing of the applicant,

- (b) the supervisory arrangements, if any, for the applicant in any other jurisdiction and the opinion of the relevant supervisory authority therefore, and
- (c) the previous track-record of the applicant, its owners and management, both as regards probity and in relation to the activities to be undertaken.