



EDBS/KH/C/34/2017
27th July 2017

Chief Executive Officer
All Retail Banks
Manama
Kingdom of Bahrain

Dear Sir,

Proposed Procedures for Opening bank accounts for Companies Under Formation

With reference to our meeting with the Ministry of Industry, Commerce and Tourism and retail banks representatives on the subject matter, the CBB is proposing the following requirements to address the concerns of retail banks on KYC and other issues:

- 1- Retail banks shall continue to open accounts for companies under formation, which have been granted a commercial registration but not yet completed all other formalities.
- 2- In order for the companies to operate the accounts, they shall be required to complete the KYC and other establishment requirements within a period of six months from the date of opening the account. The period of six months shall be extendable subject to a bilateral understanding between the two parties, taking into account the official required procedures of obtaining the license.
- 3- If the company under formation did not complete the license formalities nor submitted all required KYC documents to the subject bank within the agreed period and the company is not cooperating with the bank, the account of the company must be classified as dormant and the bank must notify the Ministry accordingly.
- 4- Closure of the accounts thereafter shall be subject to the discretion of the bank.

The CBB requests you to provide your comments, including NIL comments, on the proposed directives to consultation@cbb.gov.bh , by 6th August 2017.

Yours faithfully


Khalid Hamad