



MODULE	AU:	Authorisation
CHAPTER	AU-1:	Authorisation Requirements

AU-1.1 Ancillary Service Provider Licensees

General Prohibitions

AU-1.1.1

No person may:

- (a) Undertake (or hold themselves out to undertake) regulated ancillary services, by way of business within or from the Kingdom of Bahrain unless duly licensed by the CBB;
- (b) Hold themselves out to be licensed by the CBB unless they have as a matter of fact been so licensed; or
- (c) Market any financial services in the Kingdom of Bahrain **unless:**
 - (i) Allowed to do so by the terms of a license issued by the CBB;
 - (ii) The activities come within the terms of an exemption granted by the CBB by way of a Directive; or
 - (iii) Has obtained the express written permission of the CBB to offer financial services.

AU-1.1.2

In accordance with Resolution No. (16) for the year 2012 and for the purpose of Subparagraph AU-1.1.1(c), the word 'market' refers to any promotion, offering, announcement, advertising, broadcast or any other means of communication made for the purpose of inducing recipients to purchase or otherwise acquire financial services in return for monetary payment or some other form of valuable consideration.

AU-1.1.3

Persons in breach of Subparagraph AU-1.1.1(c) are considered in breach of Resolution No.(16) for the year 2012 and are subject to penalties under Articles 129 and 161 of the CBB Law (see also Section EN-9.3).

Licensing

AU-1.1.4

Persons wishing to be licensed to undertake any of the regulated ancillary services within or from the Kingdom of Bahrain must apply in writing to the CBB. An application for a license must be in the form prescribed by the CBB as indicated in Chapter AU-4.

AU-1.1.5

An application for a license must be in the form prescribed by the CBB (Form 1) and must contain:

- (a) A business plan specifying the type of business to be conducted;
- (b) Application forms (Form 2) for all controllers; and
- (c) Application forms (Form 3) for all controlled functions.



MODULE	AU:	Authorisation
CHAPTER	AU-1:	Requirement to Hold a License

AU-1.2 Definition of Regulated Ancillary Services (continued)

Crowdfunding Platform Operator

AU-1.2.14

Crowdfunding platform operator refers to a person licensed by the CBB to operate an e-platform which takes place on an online portal, on which people lend money to businesses (Person to Business – P2B) and **businesses lend money to other businesses (Business to Business – B2B)** for the purpose of gaining a financial return in the form of interest/profit payment and a repayment of credit over a pre-specified period of time (financing-based crowdfunding), and/or raising of capital by issuance of ordinary shares by `closed, private, family companies, start-up and small and medium size companies, entities engaged in real estate projects (equity-based crowdfunding).

AU-1.2.15

The role of crowdfunding platform operator is restricted to arranging deals, bringing together borrowers and lenders, in case of financing-based crowdfunding, and investors and issuers, in case of equity-based crowdfunding. Crowdfunding platform operators are strictly prohibited to provide any advice on deals.

AU-1.2.16

Crowdfunding Platform Operator must not undertake ~~Business to Business (B2B)~~, Business to Person (B2P) or Person to Person (P2P) lending/investing.

AU-1. 2.17

Crowdfunding platform operators may raise funds for borrowers/issuers based in the Kingdom of Bahrain or abroad.

AU-1.2.18

For Shari’a-compliant financing-based crowdfunding the term lender refers to the financier and the term borrower refers to the fundraiser.

AU-1.2.19

For the purpose of financing-based crowdfunding, licensees must also comply with the requirements stipulated in General Requirements Module (Module GR) for Ancillary Service Providers- Volume 5.

AU-1.2.20

For the purpose of equity-based crowdfunding, licensees must also comply with the requirements stipulated in Markets and Exchanges Module (Module MAE) of Volume 6.



MODULE	AU: Authorisation
CHAPTER	AU-2: Licensing Conditions

AU-2.5 Condition 5: Financial Resources

Capital Funds

AU-2.5.1 Licensees must maintain a level of financial resources, as agreed with the CBB, adequate for the level of business proposed. A greater amount of capital than specified in this Section may be required by the CBB on a case-by-case basis.

AU-2.5.2 Where a licensee undertakes more than one activity outlined under Paragraph AU-1.2.1, the licensee must maintain the highest level of core capital required amongst all categories of activities which it provides.

Third Party Administrators

AU-2.5.3 For third party administrators, licensees must maintain a minimum core capital of BD 100,000.

Card Processing and Payment Service Providers

AU-2.5.4 For card processing and payment service providers, licensees must maintain a minimum core capital of BD 250,000.

Credit Reference Bureau

AU-2.5.5 Licensees must maintain a minimum core capital of BD 2 million.

Shari'a Advisory/Review Services

AU-2.5.6 Licensees must maintain a minimum core capital of BD 30,000.

Crowdfunding Platform Operator

AU-2.5.6A Licensees must maintain a minimum core capital of BD 25,000 50,000.

Liquidity

AU-2.5.7 Licensees must maintain sufficient liquid assets to meet their obligations as they fall due in the normal course of their business.