

CMS/L373/17  
4<sup>th</sup> December 2017

**The CEO/General Manager**  
All Listed Companies  
Licensed Exchanges  
Licensed Central Depositories and Clearing Houses  
Manama, Kingdom of Bahrain

Dear Sir/Madam,

**Subject: Amendments of the Offering of Securities (“OFS”) Module - Volume 6 in relation to the Employee Stock Option Plan (“ESOP”)**

Reference is made to the Central Bank of Bahrain (“CBB”)’s Circular Ref. EDFIS/C/039/2017 dated 11<sup>th</sup> September 2017, announcing the issuance of the amended OFS Module of Volume 6 of the CBB Rulebook.

The CBB’s Capital Markets Supervision Directorate (“CMSD”) would like to bring to your attention that all listed companies must comply with Paragraph OFS-2.6.7 of the OFS Module in relation to the ESOP which states that *“All listed companies’ securities held on behalf of the employees under an employee stock option plan or employee share benefit plan, must be held in trust by a trustee subject to the prior written approval of the CBB. The securities account opened and maintained at a licensed central depository for this purpose must be clearly identified as a trust account for the employee stock option plan or employee share benefit plan accordingly.”*

In this regard, listed companies which have already established other vehicles to hold its relevant securities on behalf of the employees under their ESOP must comply with the below requirements:

1. The listed company must amend the existing ESOP to reflect the adoption of the trust arrangement;
2. The listed company shall seek CMSD’s prior written approval on the above-mentioned amended plan. The request must be accompanied by a draft of the trust deed.
3. The trust must be established in a jurisdiction that is recognized by the CBB. The listed company must submit to the CMSD a Certificate of Registration of the trust along with the signed trust deed upon registration of the trust.

4. A securities' account shall be opened and maintained at a licensed central depository for this purpose and must be clearly identified as a trust account.

The aforementioned requirements must be complied with by no later than **31<sup>st</sup> March 2018** as per Paragraph OFS-2.6.7A - *Transitional Arrangement* of the OFS Module.

**Further Information:**

Should you have any queries regarding the aforementioned requirements, you may contact the Head of Issuance and Corporate Restructuring of the CMSD, Mr. Ali Haroon on 17547957, or via e-mail at: [aharoon@cbb.gov.bh](mailto:aharoon@cbb.gov.bh).

Yours faithfully,



**Abeer Al Saad**

Director, Capital Markets Supervision Directorate