



MODULE	MAE:	Markets & Exchanges Module
CHAPTER	MAE-2	Obligation of Licensed Exchanges, Market Operators and Crowdfunding Platform Operators

MAE-2.11 Obligations of Crowdfunding Platform Operators (continued)

Eligible Investors and Investment Limits

MAE-2.11.18 Only accredited investors and expert investors are eligible to register with a crowdfunding platform operator and participate in an equity crowdfunding offer.

MAE-2.11.19 [This paragraph has been deleted]

MAE-2.11.20 A crowdfunding platform operator must ensure that registered expert investors comply with the applicable investment limits and on identification of any breach of applicable investment limit, report such breach to the CBB.

MAE-2.11.21 Expert investors must submit to crowdfunding platform operator a “self- declaration form” confirming that their investment is within the applicable investment limit.

Disclosure Requirements

MAE-2.11.22 A crowdfunding platform operator must disclose and display prominently on its platform, any relevant information relating to equity crowdfunding including:

- (a) Information relating to equity crowdfunding issuer as specified under Section MAE-2.12;
- (b) Investor education materials and appropriate risk disclosure;
- (c) Information on how to facilitates the investor’s investment including providing communication channels to permit discussions about equity crowdfunding issuers hosted on its platform;
- (d) General risk warning in participating in equity crowdfunding;
- (e) Information on rights of investor relating to participation in equity crowdfunding;
- (f) Information about complaints handling or dispute resolution and its procedures;
- (g) Fees, charges and other expenses that it may charge to, impose on an equity crowdfunding issuer or investor; and
- (h) Information on processes and contingency arrangement in the event the crowdfunding platform operator is unable to carry out its operations or cessation of business.



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MAE-2.11.29 The crowdfunding platform operator, subject to the approval of the CBB, may impose any other additional conditions before releasing the fund specified in Paragraph MAE-2.11.28, provided that they serve the investors' interest.

Cooling-off Period

MAE-2.11.29A Crowdfunding platform operators must allow persons (whether natural or legal) who commit to invest through a crowdfunding platform, a minimum of 48 hours from the time the commitment is made, to withdraw the commitment. No fee or penalty must be charged to such persons if a commitment is withdrawn.

Segregation of Client Assets

MAE- 2.11.30 A crowdfunding platform operator must maintain sufficient systems and procedures in respect of the handling of clients' money and assets, including but not limited to the requirement of maintaining books and records, segregation of the clients' money and assets and the risk management and internal controls systems to address this requirement.

MAE-2.11.31 A crowdfunding platform operator must hold client assets separate from its own at all times. The crowdfunding platform operator must, in connection with any clients' assets and funds received in the course of their business, establish and maintain separate client accounts, segregated from those used for their own accounts.



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MAE-2.12 Equity Crowdfunding Offer

MAE-2.12.1 An equity crowdfunding issuer making an equity crowdfunding offer must comply with the rules stated under Section MAE-2.12 and is exempted from such requirements under Module OFS whereby requisite permission for public offering of equity securities is made to and approved by the CBB.

MAE-2.12.2 Equity crowdfunding offer must be exclusively made through a crowdfunding platform. An application for equity crowdfunding offer must only be made to and approved by a crowdfunding platform operator.

MAE-2.12.3 In order for the CBB to regard an offer as an equity crowdfunding offer, the equity crowdfunding issuer must meet the following conditions:

- It must be a private business incorporated either in Kingdom of Bahrain or elsewhere, ~~with paid-up capital not exceeding BD 250,000 or equivalent amount in other currency;~~
- Ordinary shares fully paid and free from all encumbrances are issued as part of the offer;
- The total amount raised from such offers within a 12 month period must not exceed BD 250,000, or equivalent amount in other currency, irrespective of the number of projects an equity crowdfunding issuer may seek funding for during the 12-month period. This limit is not applicable for entities engaged in real estate projects;
- Entities engaged in real estate projects can raise up to BD 500,000, or equivalent amount in other currency, within a 12-month period, irrespective of the number of projects an equity crowdfunding issuer may seek funding for during the 12-month period;
- Such offer is made only to accredited investors and/or expert investors; and
- The use of the proceeds from equity crowdfunding offer must be for undertaking proposed business activities disclosed in the equity crowdfunding offering statement.