

**STANDARD CONDITIONS AND LICENSING CRITERIA**  
**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 Agency, and subject to the requirements of the Bahrain Commercial Companies Law, the minimum paid-up capital funds shall be BD 10,000. Additionally, the Agency may require a letter of comfort or a guarantee in respect of the applicant's obligations.
2. **Liquidity** – unless otherwise determined by the Agency, liquid assets must be held in a form acceptable to the Agency 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 Agency, 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 BMA's opinion, "fit & proper" in accordance with BMA'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 Agency.
6. **Information** – such information as it may from time to time require shall be submitted to the Agency.

7. **Auditors** – independent auditors approved by the Agency shall be appointed. Audited accounts, prepared in accordance with such standards as the Agency may permit, shall be submitted to the Agency within three months of the end of the calendar year. [N.B. The Agency 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** – licenses are subject to the provisions of the BMA Law 1973. The Agency may apply such conditions, and impose such additional requirements, as it considers appropriate.
10. **License Fee** – currently BD 4,000 per annum payable on issue and 1<sup>st</sup> January of each year. The Agency may use its discretion to charge a pro-rata fee in the first year subject to a minimum fee of BD 1,000.

**Licensing Criteria (in addition to the above requirements):**

In considering an application, the Agency 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.