

**STANDARD CONDITIONS AND LICENSING CRITERIA**  
**FOR A**  
**MONEY CHANGER'S LICENCE**

A "Money Changer" shall mean any company or establishment licensed by the Bahrain Monetary Agency to practice money changing business in the Kingdom of Bahrain. "Money Changing Business" shall mean all transactions including the sale, purchase and exchange of foreign currencies, currency transfer from Bahrain, purchase and sale of travelers' cheques and/or the dealing in precious metals within the allowed limits, or any other financial business licensed by the Agency.

**Standard Conditions for new licenses:**

1. **Capital Funds** – the minimum required paid-up capital, which must not be less than BD 150,000 (one hundred and fifty thousand Bahraini Dinars) shall be determined by the Agency. In addition, a bank guarantee of not less than BD50,000 (fifty thousand Bahraini Dinars) shall be required.
2. **Liquidity** – the maintenance of adequate liquidity shall be the responsibility of management.
3. **Board, Management and Staffing** – Money Changer licensees must be headed by a Board of directors (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.

4. **Premises and Administration** – suitable premises must be maintained in Bahrain, together with full books and records (including customer records) either in Arabic or English which must be kept in Bahrain and be available for examination by the Agency. Each money changer must have its own independent commercial registration and independent premises to conduct money changing business. The licensee is expected to comply with all the security measures that imposed by the Bahrain Monetary Agency.

5. **Information and Returns** – such returns and information as it may from time to time require shall be submitted to the Agency. The current requirements are monthly turnover returns and quarterly profit and loss account and balance sheet.
6. **Internal Control** – an adequate internal control system should be maintained to ensure that the daily activities at the money changer are properly controlled.
7. **Auditors** – independent auditors based in Bahrain, who should be approved by the Agency shall be appointed on an annual basis. Audited accounts prepared in accordance with International Accounting Standards (or such other standards as the Agency may permit) shall in all cases be submitted to the Agency within three months of the end of the calendar year.
8. **Conduct of Activities** – all activities shall be conducted professionally, properly, in an orderly manner particularly with regard to internal controls, in accordance with the Terms and Conditions for Money Changers approved by the Agency from time to time, and in accordance with the circulars, notices and directions of the Agency.
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** – no licence fee is currently payable to the Agency for this type of license.

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

In considering the application, the Agency shall have regard to (amongst other matters):

- a) the reputation and financial standing (including financial standing on a consolidated basis) of the applicant where appropriate,
- b) the consolidated supervisory arrangements, if any, for applicant in any other jurisdiction and the opinion of the relevant supervisory authority therefore,

- 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, and
- d) the feasibility and suitability of the proposal and the effect on the financial sector in Bahrain of the applicant being granted a license.