

**Resolution No. (--)** of 2024

**Regarding the conditions and licensing procedures of undertaking trustee services**

The Governor of the Central Bank of Bahrain:

Having reviewed the Central Bank of Bahrain and Financial Institutions Law promulgated by Decree No. (64) of 2006, and its amendments,

Legislative Decree No. (23) of 2016 in Respect to Trusts, in particular Articles 26 and 72 thereof, Regulation 1 of 2007 pertaining to the CBB's regulated services,

Resolution No. (43) of 2011 Issuing a Regulation on the Conditions of Granting a License for the Provision of Regulated Services,

Resolution No. (23) of 2015 with respect to the Conditions and Procedures for Obtaining Approval for Board Membership or Controlled Functions within Licensees,

Resolution No. (33) of 2018 regarding the conditions and licensing procedures of undertaking trustee services.

And upon the presentation of the Executive Director of Financial Institutions Supervision,  
Hereby decides:

**Article 1:**

**Trustee Categories**

Trustees are licensed in three categories, as follows:

1. Category "A", which is permitted to undertake all regulated trusts services as per Regulation (1) of 2007 pertaining to the CBB's regulated services.
2. Category "B" which is permitted to undertake all regulated trust services referred to above as a co-trustee, and only in collaboration with a CBB licensee who is authorized to provide regulated trust services.
3. Category "C", which is permitted to undertake all regulated trusts services referred to in paragraph (1) of this Article, however, it may only undertake such services by contracting with a CBB licensee who is authorized to provide regulated trust services other than with category "B" trustee to handle the administrative and operational processes. Accordingly, a category "C" trustee is a "managed trustee", while the counterpart is a "managing trustee".

The term 'trustee' encompasses all trustees within these categories.

## **Article 2:**

### **Legal Form of the Trustee**

A category "A" trustee must take one of the following legal forms:

- 1- A company established in the Kingdom of Bahrain.
- 2- A branch of a foreign company.

A category (B) or (C) trustee must take the form of a company established in the Kingdom of Bahrain.

## **Article 3:**

### **Requesting a License to Undertake Trust services**

An application for obtaining a trustee license shall be submitted to the Central Bank of Bahrain in accordance with the conditions and procedures stipulated in Resolution No. (43) of 2011 issuing a Regulation on the Conditions of Granting a License for the Provision of Regulated Services. Applicants seeking a category "B" trustee license shall be exempted from submitting the documents mentioned in clauses (g), (h) and (i) of Article (4) of the aforementioned Resolution.

Applicants seeking a category "C" trustee license must in addition submit a duly certified resolution issued by the Board of Directors of the managing trustee, confirming its consent to carry out the administrative and operational processes of trustee "C".

## **Article (4)**

### **Additional requirements**

When considering an application for a trustee license, the Central Bank of Bahrain must take into account the following:

- A. The good reputation and standing of the applicant and its parent or its subsidiaries.
- B. The opinion of the competent regulatory authorities in the applicant's country of incorporation, in case the applicant or the group it is part of are regulated. This includes the regulatory authorities' no-objection to the applicant undertaking trust services in the

Kingdom of Bahrain, and a confirmation that the applicant, and the group it is part of if applicable, are in good supervisory standing and are in compliance with the relevant regulatory requirements, including the requirements pertaining to capital adequacy and financial solvency.

- C. The legislation and regulatory conditions applicable to the applicant or its affiliated or related parties.
- D. The financial position of the applicant, and the extent of support that the founders of the applicant are willing to extend if need be, after obtaining the license.
- E. The track record of the applicant, its founders and management, with regard to their integrity and good conduct.

#### **Article (5)**

##### **Minimum Capital for the Trustee**

The minimum capital of a category “A” trustee shall be Bahraini Dinars 75,000 (Bahraini Dinars seventy-five thousand) or its equivalent in other currencies acceptable to the Central Bank of Bahrain.

The minimum capital for trustees licensed under categories “B” and “C” shall be Bahraini Dinars 1000 (Bahraini Dinars one thousand) or its equivalent in other currencies acceptable to the Central Bank of Bahrain.

#### **Article (6)**

##### **Board of Directors, Management, and Officers of the Trustee**

- A. Category “A” trustee shall be managed by a Board of Directors and an Executive Management team whose members meet all the competencies and financial soundness requirements prescribed by the Central Bank of Bahrain in its Rulebook. The trustee officers must possess the necessary experience, qualifications, and competencies, with at least one member of the executive management team with more than five years of experience in trust services, and two members with not less than three years of experience in the same field.
- B. Category “B” or “C” trustee must be managed by a Board of Directors whose members meet the fit and proper requirements of the Central Bank of Bahrain **Article (7)**

## **Article (7)**

### **Place of Business and books and records**

Category “A” trustees shall conduct its business from a suitable place of business in the Kingdom of Bahrain and shall keep all books and records, including accounting record, at such place. Categories “B” and “C” trustees shall keep their books and records in the place of business of the co-trustee or managing trustee, as applicable.

## **Article (8)**

### **Management of Trustees**

Category “A” trustee must implement effective policies, procedures and controls to carry out its activities, including a proper risk management, compliance and anti-money laundering, which must cover all trusts managed jointly with category “B” trustee.

Furthermore, category “C” trustee must enter into a contractual agreement with a managing trustee to carry out the administrative and operational processes of the category “C” trustee in the Kingdom of Bahrain. This includes accounting operations, compliance and anti-money laundering responsibilities, and the implementation of the policies, procedures, and controls necessary to carry out its activities. Category “C” and the managing trustees shall be jointly responsible for all the above, and for ensuring compliance with all relevant laws, regulations, resolutions, and rules, including those related to combating money laundering and the financing of terrorism.

## **Article (9)**

### **Services provided in accordance with the provisions of Sharia Principles**

When providing trust services in accordance with the provisions of Sharia principles, a category “A” trustee must seek the services of a Sharia Supervisory Board, and the trustees shall abide by the Sharia rulings issued by that Board.

A category “C” trustee providing trust services in accordance with the provisions of Sharia principles must authorize the managing trustee to seek the services of a Sharia Supervisory Board.

**Article (10)**

Licenses granted to trustees prior to the implementation of the provisions of this Resolution, and in effect at the time of its issuance, shall remain valid, and shall fall under the categories “A” or “B” as the case may be.

**Article (11)**

Resolution No. (33) of 2018 regarding the conditions and licensing procedures of undertaking trustee services is hereby revoked, as well as any provision that contradicts the provisions of this Resolution.

**Article (12)**

The relevant directorates at the Central Bank of Bahrain shall implement this Resolution, which shall come into effect the day following its publication in the Official Gazette.

**Governor of the Central Bank of Bahrain**

Khalid Ebrahim Humaidan

Issued on:

Corresponding to: