

# Newsletter

Q1 2018



## Board evaluations a requirement for all Central Bank of Bahrain (CBB) licensees

A requirement for all businesses regulated by the CBB – both banks and insurance companies – is that boards of those businesses must evaluate – at least once a year - their own performance, the performance of each committee and the performance of each individual director. This requirement is listed in Volume 2 of the CBB's rulebook for banks and Volume 3 of the rulebook for insurance companies. Although not new, it seems that a number of organisations have not yet implemented a formal evaluation process.

KeyPoint has developed a customised approach for both banks and insurance companies which both satisfies CBB requirements and minimises disruption to 'business as usual'.

### For more information

[Arpita Mhatre](#)

Director, Human capital solutions

## Bahrain removed from tax shelter blacklist

On 5 December 2017, Bahrain and the UAE were both 'blacklisted' by the EU as non-cooperative tax jurisdictions or 'tax havens'. Bahrain was blacklisted for a number of reasons, including not applying BEPS minimum standards. Bahrain responded immediately to the EU, pledging to join countries fighting corporate tax avoidance, committing to become a member of the inclusive framework on BEPS and listing a number of steps taken to exchange tax information with other countries.

As a result, on 13 March 2018, the EU council removed Bahrain from the blacklist.

### For more information

[Dr Mukund Ballal](#)

Advisor, Financial Regulatory Compliance

## Amendments to Bahrain Commercial Companies Law

On 11 January 2018, His Majesty King Hamad bin Isa bin Salman Al Khalifa issued the third amendment to the Bahrain Commercial Companies Law (Law 21 of 2001) (BCCL).

Some of the amendments will significantly impact companies registered with the Ministry of Industry, Commerce and Tourism (MOICT). For example:

- Shareholders' notice periods for General Assemblies have been increased to twenty-one (21) calendar days (up from fifteen (15) calendar days).
- All legal entities - including branches - must now file the Bahraini entity's audited financial statements, not the head office's financial statements.
- All companies are now subject to a corporate governance code.

The amendments are in line with Bahrain's business-friendly vision, building on a vision of strong corporate governance and forward-looking legislation which ensures transparency and accountability. Companies may need to update their memorandum and articles of association to reflect these changes – as well as previous amendments to the BCCL.

### For more information

[Mohammed Ashraf](#)

Senior Director, Statutory & corporate advisory

## Government establishes Real Estate Regulatory Authority (RERA)

Bahrain's real estate sector is a significant contributor to the Kingdom's GDP. As it works towards achieving the goals of Bahrain Economic Vision 2030, the government has been working on reforming the laws, rules and regulations which govern real estate business practices and relationships among stakeholders. Law 27 of 2017 (the real estate regulation law) sets out a legal framework and licensing mechanisms for real estate developers, property managers, brokers, sales agents and real estate valuation consultants.

Implementation of the law will be the responsibility of the newly-established Real Estate Regulatory Authority (RERA), under the Survey and Land Registration Bureau, to ensure alignment with international leading practice.

RERA has been established to create an efficient and transparent market for all stakeholders involved in the real estate business, supporting the development of an investment environment that attracts local and foreign real estate investors and enhances the role of the real estate sector in the national economy.

#### For more information

[Rami Al Jallad](#)

Executive Manager, Management consulting

#### Bahrain appoints private notaries

Mohammed Ashraf, Head of Keypoint's Statutory and corporate advisory function, has been appointed as a private notary in the Kingdom of Bahrain. The private notary service is part of an initiative to privatise certain public sector services to make them more available to businesses and residents, recognising Bahrain's growing population and the need for a wider range of services.



This is the first time Bahrain's Ministry of Justice and Islamic Affairs has approved private notaries. The process involved many rigorous examinations and interviews by a panel of elite lawyers and government officials. Mohammed is one of only four approved private notaries authorised to notarise documents in English.

As a private notary, Mohammed can notarise statutory documents such as affidavits, limited partnership investments agreements, trust instruments and memoranda of association.

#### For more information

[Mohammed Ashraf](#)

Senior Director, Statutory & corporate advisory

#### EDB seminars on Bahrain trusts

To coincide with the Euromoney GCC Financial Forum - Bahrain's Economic Development Board (EDB) hosted over 100 key decision makers at the Arcapita Auditorium in Bahrain Bay, highlighting recent changes to Bahrain's Trusts Law to make it more competitive.

The CBB has said it will shortly issue a regulation introducing two classes of licensed trustees. Class A trustees are fully-fledged trustees who must satisfy the requirements of the current CBB resolution. Class B trustees, subject to lighter requirements, act as co-trustees in conjunction with a holder of a Class A license. Mubeen Khadir, as a director of Keypoint Trust, presented on employee benefit trusts.

EDB also hosted a seminar in London on Bahrain's recently streamlined procedures for trust registration, developed to enhance the competitiveness of its Trusts Law and to reinforce the Kingdom's position as a regional powerhouse in the financial services industry.

Bahrain is the only country in the MENA region with an onshore and nationwide trusts law, first introduced more than ten years ago. The Kingdom's regulation for trusts includes the recognition of foreign trusts, 100% foreign ownership of trust property, provisions for trusts to be governed by foreign laws, the setup of unilateral trusts, and supervision by the Central Bank of Bahrain. As part of our ongoing commitment to the EDB's efforts, Mubeen Khadir, a director in Keypoint Trust, and Peter Griffiths, Boardmember of Keypoint Trust, attended the seminar in London.

#### For more information

[Nandakumar Narasimhan](#)

Director, Trust services

# We put your business first



## VAT seminar

On 25 March 2018, the Keypoint VAT team conducted a seminar aimed at Bahrain-based businesses who have begun or are about to begin getting ready for VAT. The seminar began with a VAT fundamentals awareness session followed by industry-specific breakout sessions focused on financial services & insurance; retail & leisure and auto dealerships.

The seminar included a panel session with business leaders who have been through or are currently going through an implementation process. The executives shared the challenges they had faced during the implementation process, advising audience members who are about to embark on a similar implementation process.

## For more information

[Tom Gilbert](#)

Head, Business development



## Keypoint family day out

On 16 March 2018, over 120 Keypoint employees and their families attended the firm's Family Day at the Al Bander Resort. The fun-filled day was thoroughly enjoyed by all. "It is important to get together in a non-formal setting and a relaxed atmosphere to recognise and appreciate our employees' - and their families' - contributions and boost their morale," noted Wajdi Al Jallad, the firm's managing director. "It has been wonderful to see team building in action and to see a new side of our people. This has been a great opportunity to get to know each other better in a non-work environment."

## About Keypoint

- Keypoint was founded in 2006 and has added value with professional, business advisory services in the Kingdom of Bahrain and across the region for the last 11 years. As well as Bahrain, we have offices in the Eastern Province of Saudi Arabia and in Amman in the Hashemite Kingdom of Jordan.
- Our clients range from large corporations and financial and insurance institutions to family-managed conglomerates and single owner businesses.
- Keypoint's fund administration and trust services are licensed and regulated by the Central Bank of Bahrain.
- Keypoint is authorised by the Bahrain Bourse as a sponsor in the Bahrain Investment Market.
- Our technical staff of over 75 experienced professionals in the Kingdom of Bahrain include members of the Institutes of Chartered Accountants, Chartered Financial Analysts, Internal Auditors, Personnel & Development and Certified Fraud Examiners or hold advanced degrees in law, finance, accountancy, economics, management and business administration, as well as solicitors, barristers and chartered tax advisors. Our IT professionals include certified information system security professionals, certified information systems auditors, certified ethical hackers and project management professionals with a variety of specialised IT qualifications, including Prince 2, ISO 270001LI and ISO 22301/BS 25999.
- Our vision is to be the region's leading professional business services provider by consistently providing a full range of business services that are:
  - Reliable
  - Cost-effective
  - Smart