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**Law No. (14) of 2020 amending some provisions of the Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of 2006**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Having reviewed the Constitution;

And Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of 2006, as amended;

The Shura Council and the Council of Representatives have approved the following Law, which we have ratified and enacted:

**Article One**

The texts of Articles (3), (4) Clause (3), (61) Paragraph (b), (65) Paragraph (c), (113) Paragraph (a), (114) Paragraph (a), (118) Clause (3), (129), and (144) Paragraph (b) of the Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of 2006 shall be replaced with the following texts:

**Article (3):**

**Purposes of the Central Bank of Bahrain**

The Central Bank aims, within the framework of the Kingdom's general economic policy and in support of the national economy, to achieve the following objectives:

1- Formulating and implementing monetary and credit policies and other policies related to the financial sector in the Kingdom.

2- Contributing to achieving financial stability in the Kingdom.

3- Providing central banking services to the Government and the financial sector in the Kingdom.

4- Developing the financial sector in the Kingdom and enhancing confidence therein.

5- Protecting depositors and clients of financial institutions and bolstering the Kingdom's position as a global financial centre.

**Article (4) Clause (3):**

3- Taking appropriate measures to confront global, regional, or local economic or financial disruptions with the aim of achieving financial stability in the Kingdom.

**Article (61) Paragraph (b):**

b- If the licensee fails to appoint an external auditor within four months from the beginning of the financial year, the Central Bank shall be empowered to appoint one.

**Article (65 ) Paragraph (c):**

c - Subject to the provisions of Chapter Two of Part Nine of this Law, the Central Bank may, after notifying the licensee, impose the following penalties or administrative measures on any official working for the licensed entity, whether as a member of the board of directors or in executive positions, if it is proven that they violated the provisions of this Law, regulations, decisions, or directives issued in implementation thereof:

1- Written warning.

2- Issuing an inappropriate or unsuitable certificate stating that the individual is not fit to hold any financial position in the Kingdom, and the licensee shall take immediate action to suspend the official from performing their duties after being notified of such certificate.

In exceptional cases, the Central Bank may suspend the responsible official immediately without the need to comply with the procedures specified in Article (125) of this Law. The official who violated the law shall be granted the right to object to the suspension decision within thirty days from its issuance date.

**Article (113) Paragraph (a):**

a- The Central Bank may request in writing from any company that is wholly or partially owned by the licensee or any of the partners of the licensee to submit any reports that are necessary for the exercise of the Bank's functions stipulated in this Law.

**Article (114) Paragraph (a):**

A- The Central Bank shall inspect the licensees and listed companies to verify their compliance with the provisions of this Law and the regulations, decisions, and directives issued in implementation of its provisions. The employees concerned with inspection, investigation, or others assigned by the Bank for this purpose may enter the premises, establishments, and offices of the licensees and listed companies, access records, documents, and correspondence and contact banks and other entities related to the subject of inspection or to which investment is made by the licensee.

**Article (118) Clause (3):**

3-The framework for cooperation with the judicial authority, administrative bodies or committees with judicial competence, international financial bodies and institutions, or foreign authorities.

**Article (129):**

**Imposing Administrative Fines**

Without prejudice to criminal or civil liability, and in accordance with the provisions of Chapter Two of Part Nine of this Law, the Central Bank may impose an administrative fine not exceeding one hundred thousand Bahraini Dinars on the licensee, the listed company, or any persons referred to in Paragraph (b) of Article (68 bis 1) of this Law, in case of violation of any provision of this Law, regulations, decisions, or directives issued in implementation thereof, or in case of violation of the conditions of the license, and the fine may be multiplied by the number of violations.

**Article (144) Paragraph (b):**

b- The petitioner for compulsory liquidation shall publish the intention of liquidation in the Official Gazette and in two local daily newspapers, one of which is in Arabic and the other in English, at least fifteen days before submitting the petition for liquidation to the competent court.

**Article Two**

The title of Article (113) of the Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of 2006 shall be replaced with the following:

"Requesting Reports from Companies Related to the Licensee and its Partners”.

**Article Three**

A new Paragraph (c) shall be added to Article (39), and a new Paragraph (c) shall be added to Article (136) of the Central Bank of Bahrain and Financial Institutions Law, promulgated by Law No. (64) of 2006. Additionally, a new article shall be added to the same law numbered Article (93 bis), with the following texts:

**Article (39 ) Paragraph (c):**

c- Transactions and contracts entered into by financial institutions subject to the provisions of Islamic Sharia law shall be governed by the Sharia standards as determined by a decision from the Central Bank. No other provisions shall be considered apart from those Sharia standards.

**Article (136 ) Paragraph (c):**

c- The placement under administration shall be enforceable against third parties from the date of issuance of the placement under administration decision.

**Article (93 bis):**

**Mergers and Acquisitions**

The Central Bank shall issue regulations and procedures for the acquisition of shares of listed companies.

Any listed company shall be prohibited from merging with any other entity without obtaining written approval from the Central Bank, and in accordance with the provisions stated in the Commercial Companies Law promulgated by Legislative Decree No. (21) of 2001. The Central Bank shall issue regulations and procedures for the merger process.

**Article Four**

The Prime Minister and the Ministers - each within his jurisdiction - shall implement the provisions of this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

**King of Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa**

Issued at Riffa Palace:

On: 19 ShawWal 1441 A.H.

Corresponding to: 11 June 2020