

Bylaw of Banks' Register System

- (A) Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw.
- (B) Circular Regarding Cessation of Issuing Certificates to the Banks registered with the Central Bank of Kuwait.
- (C) Circular No. (2/BS/IBS/339/2014) regarding Notation of Subsidiaries and Associates in the Register of Banks.

**The Central Bank of Kuwait (CBK)
Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw**

Minister of Finance

- Having reviewed Articles Nos. (60), (61) and (63) of Law No. (32) of 1968 concerning Currency, Central Bank of Kuwait and Organization of the Banking Business,
- The Minister of Finance's Resolution issued on 03/11/1969 regarding the Bylaw of the Register of Banks with the Central Bank of Kuwait,
- And based on the proposal of the Central Bank of Kuwait Board of Directors

Resolved:

Article (1)

A register of the banks is prepared in Central Bank of Kuwait, where the following information should be recorded:

- (1) Name of the bank.
- (2) Registration number of date.
- (3) Legal form of the bank.
- (4) Date of incorporation (or the date of launching business in the State of Kuwait, for the branches of foreign banks).
- (5) Capital:
 - a) Authorized,
 - b) Paid-up, and
 - c) Allocated for business in Kuwait (for the branches of foreign banks).
- (6) Bonds:
 - a) Authorized to issue, and
 - b) Issued.
- (7) Reserves:
 - a) Statutory,

- b) Voluntary,
 - c) Allocated for business in the State of Kuwait (for the branches of foreign banks),
 - d) Others.
- (8) Address of the head office (or of the office responsible for the business in the State of Kuwait, for the branches of foreign banks).
- (9) Branches:
- a) In the State of Kuwait, and
 - b) Abroad (for Kuwaiti banks).
- (10) Names of the board chairman, board members and chief executive officer (or names of the personnel entrusted with management in the branches of the foreign banks).
- (11) Names of the auditors.
- (12) Number and date of the Minister of Finance's Resolution accepting the bank.
- (13) Any other information/particulars the Central Bank of Kuwait deems appropriate to be included in the register.

Article (2)

Application for Registration should be submitted to the Governor of the Central Bank of Kuwait on the designated form before a new bank initiates its business, provided that the following documentation should be attached with the application:

(A) For the new banks:

- 1) A copy of the memorandum of association and articles of associations having been authenticated,
- 2) A copy of the minutes of the constituent general assembly in which election of the board members was endorsed, and
- 3) Any other documentation or declarations required by the Central Bank of Kuwait.

(B) For the branches of foreign banks:

- 1) A declaration from the foreign bank's head office of its commitment to any right entitled to the depositors and creditors, and all the other obligations that may arise on the branch.

- 2) A proof of transferring the minimum amount allocated to initiate the branch's activity in the State of Kuwait.
- 3) A copy of the decision issued to appoint the manager responsible for managing the branch in the State of Kuwait.
- 4) Any other documentation or undertakings required by the Central Bank of Kuwait.

Article (3)

The information should be clearly recorded in the register without any abbreviation, change, alteration, interlineation or erasure. the Central Bank of Kuwait shall notify the bank requesting registration of the proof of listing the same in the Register.

Article (4)

The application of amendment to be incorporated in banks' memorandum or articles of association, or the information mentioned in Article (1) hereof, shall be submitted to the governor of the Central Bank of Kuwait on the designated form along with the supporting documentation.

The bank requesting amendment shall be notified of the content of the decision of the Central Bank of Kuwait governor's on the request for amendment.

Article (5)

Every change or amendment to the information recorded in the register should be notated therein along with a mention to the date of change or amendment and the supporting documents.

Article (6)

After the enforcement of the Ministry of Finance's resolution removing a bank from the register by virtue of the provisions of Article (63) of the Law No. 32/1968 referred to above, the information recorded in the register should be deleted and, accordingly, the date and reasons of deletion should be notated in the register.

Article (7)

Any information/particulars that has/have been recorded in the register and any amendment thereto should be published in the official gazette.

Article (8)

This resolution comes into effect from the date of issuance thereof and any previous resolution that contravene hereto shall be cancelled. This resolution should be published in the official gazette.

Minister of Finance

Mahmoud Abdul Khaleq Al-Nouri

Kuwait on 6 Shawal 1424 A.H., corresponding to 30 November 2003

Procedures for Registration in the Register of Banks

Page No.	Subject	Procedures
All pages	Name of the Bank	To be recorded upon registration of the bank
All pages	Registration No. & date	To be recorded upon registration of the bank
1	Legal form of the bank	To be recorded upon registration of the bank
2	Date of incorporation or initiating business in Kuwait (for the branches of the foreign banks)	(1) Date of incorporation is the date of announcing the final establishment of the bank by the bank's constituent general assembly. (2) Recording is made upon registration of the bank. (3) No change should be made to this page throughout the life of the bank.
3	Capital	(1) The initial capital is recorded upon registration of the bank. (2) Amendment is made as follows: a) Upon approval of the bank's closing financial statements at the end of each financial year by the Central Bank of Kuwait and the general assembly of the concerned bank. - The bank should submit a request for amending information in the register of banks at the value of increase in reserves transferred from the profit and loss appropriation account for the general reserve. In case there is distribution of bonus shares to the shareholders, the bank should submit a request to amend information in the register of banks for the increase in the share capital by an amount equal to the value of bonus shares. - The procedures for incorporating an amendment in the register of banks should be taken whether for amending the reserves or share capital due to distribution of bonus shares, provided that the same should be presented to the governor. Such amendment shall not be valid unless after notation thereof in the register of banks and notifying the bank of the same. b) Upon increase of capital through new subscription, the following procedures should be taken: - The bank should submit a request for amendment in the register of banks setting out the amount of increase in capital due to a new subscription, accompanying a proof of approval by the bank's extraordinary general assembly of such increase,

CHAPTER ONE: Register of Banks Bylaw

Page No.	Subject	Procedures
		<p>and the actual collection of such increase and allotment thereof to the shareholders.</p> <ul style="list-style-type: none"> - The procedures for incorporating an amendment in the register of banks should be taken by presenting the same to the governor. Such amendment shall not be valid unless after notation thereof in the register of banks. <p>P.S.:</p> <ul style="list-style-type: none"> - No Amiri decree is required for the bonus shares. - An Amiri decree is required for the public offering shares. <p>c) The following two decisions shall be issued by the governor:</p> <ul style="list-style-type: none"> - A decision for increasing the bank's reserves by the amount transferred from profit and loss appropriation account. - A decision for increase in share capital including: <ul style="list-style-type: none"> • Bonus shares. • Subscription shares. • Increase of statutory reserve by the share premium. <p>d) If the bank's capital increase includes a public offering, the Amiri decree to be published shall set out the bonus shares and public offering shares. In such case, publishing the governor's decision shall not be required.</p> <p>e) In case of increase in the bank's capital by only bonus shares, the governor's decision should be published. Administrative Affairs should be communicated in writing and a copy of the governor's decision should be attached for publishing in the official gazette "Al-Kuwait Al-Youm".</p> <p>f) After issuance of the former two decisions, the following should be made:</p> <ol style="list-style-type: none"> (1) The concerned bank should be communicated in writing to inform it of notation in the register of banks of the capital increase whether by bonus shares or public offering, provided that the actual notation should be made in Page No. (3) relating to capital. (2) The concerned bank should be communicated in writing to be informed of notation in the register of banks of the increase in reserves

- Register of Banks Bylaw

(A) Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw

CHAPTER ONE: Register of Banks Bylaw

Page No.	Subject	Procedures
		transferred from the profit and loss appropriation account and share premium (if any), provided that the actual notation should be made in page no. (5) relating to reserves.
4	Bonds	<p>(1) After review of the bank's request to issue bonds, and in case of acceptance, an approval is issued by virtue of a letter addressed to the Ministry of Commerce & Industry to finalize the formalities for bringing about a decision from the Minister of Commerce & Industry licensing the bank to issue bonds.</p> <p>(2) Once the bank has completed issuance of bonds during the period of license validity, the bank should submit an application to amend information in the register on the designated form setting out the value of the bonds authorized to be issued and the bonds issued, accompanying a proof of the licenses and approvals obtained.</p> <p>The following should be made:</p> <ul style="list-style-type: none"> - Obtaining the decision of the governor on notation of the bonds in the register of banks. - The concerned bank should be notified of the notation of bonds in the register of banks, provided that the actual notation should be made in page no. (4) relating to bonds.
5	Reserves	The related procedures are already explained in the item relating to "Capital"
6	Head Office's Address	<p>(1) Recording is made upon registration of the bank.</p> <p>(2) A decision from the governor is issued in case of any change to the head office's address, and published accordingly.</p> <p>(3) An actual notation is made in the register of banks by virtue of the governor's decision. The concerned bank should be notified that the change to the head office's address had been notated in the register of banks.</p>
7	Branches	<p>(1) After review of the bank's request to open a branch, and in case of acceptance, an initial approval is issued to open the requested branch. Such approval shall be valid for one year for the branches inside and outside the State of Kuwait, renewable by virtue of a request from the bank in case of late preparation of the branch for the intended operation.</p> <p>(3) Once the bank has completed preparation of the branch and fixing a date for the opening thereof within the aforesaid timeframe, as decided by the Central Bank of</p>

- Register of Banks Bylaw

(A) Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw

CHAPTER ONE: Register of Banks Bylaw

Page No.	Subject	Procedures
		<p>Kuwait, the bank should submit an application to amend information in the register on the designated form setting out the date of opening the new branch, before fifteen days of the opening date, along with a proof of the licenses and approvals obtained from the concerned bodies. The following should be made:</p> <ol style="list-style-type: none"> Obtaining a decision of the governor on notation of opening the new branch in the register of banks. The actual notation should be made in the register of banks by virtue of the governor's decision and, accordingly, the concerned bank should be notified that the notation of opening the branch in the register of banks has been completed.
8	Names of Board Members and Chief Executive Officer (or names of those responsible for management in the branches of foreign banks in Kuwait)	<ol style="list-style-type: none"> Upon registration of the bank, names of the bank's first board members and chief executive officer or, in case of a branch of a foreign bank, the manager responsible for the management. In case of a change to the board members or to their capacities/designations (chairman, managing director, chief executive officer or, in case of a branch of a foreign bank, the manager responsible for the management). A decision from the governor is issued of the new names and capacities/designations and, accordingly, a notation is made in the register of banks by virtue of the governor's decision. The concerned bank should be notified that the notation in the register of banks has been completed.
9	Names of Auditors	<ol style="list-style-type: none"> Names of the auditors should be recorded upon registration of the bank. In case of change of the bank's auditor, the concerned bank should request amendment in its register by providing the name of the new auditor on "Application for Amendment of Information in the Register". A decision from the governor is issued for removing the name of the old auditor and approving of the name of the new auditor. A notation is made in the register by virtue of the governor's decision. The concerned bank shall be notified that the notation in the register of banks has been completed.
10	Number and Date of the Minister of Finance's Decision accepting Registration	<ol style="list-style-type: none"> Recording shall be made upon registration of the bank. No change should be made in this page throughout the life of the bank.

- *Register of Banks Bylaw*

(A) *Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw*

**Central Bank of Kuwait
Supervision Sector
Off-Site Supervision Department**

Ref. :

Date :

Application for Registration in the Register of Banks

His Excellency the Governor of the Central Bank of Kuwait

Dear Sir,

In accordance with the provisions of Article (60) of the Law 32/1968 concerning Currency, Central Bank of Kuwait and Organization of the Banking Business and the amending laws, and Article (2) of the Register of Banks Bylaw, Bank hereby applies for taking the necessary actions to be registered in the register of banks with the Central Bank of Kuwait as per the following information:

- (1) Name of the Bank:
- (2) Bank's Legal Form:
- (3) Date of Incorporation (or date of initiating business in the State of Kuwait for the branches of the foreign banks:
- (4) Capital:
 - Authorized:
 - Paid-up:
- (5) Bonds:
 - Authorized for issuance:
 - Issued:
- (6) Reserves:

- *Register of Banks Bylaw*

(A) *Ministerial Resolution No. 39 Regarding the Register of Banks Bylaw*

CHAPTER ONE: Register of Banks Bylaw

- Statutory & Share Premium:
 - Voluntary:
 - Reserves allocated for business in the State of Kuwait (for the branches of the foreign banks):
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 - Other:
- (7) Address of Head Office (or address of the office (or of the office responsible for the business in the State of Kuwait, for the branches of foreign banks):
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- (8) Number of Branches:
- In the State of Kuwait:
- Abroad (for Kuwaiti banks):
- (A list of the names of all branches in Kuwait and abroad should be enclosed)**
- (9) Names of board chairman, board members and chief executive officer (or names of the personnel entrusted with management in the branches of the foreign banks)
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- (10) Names of the auditors:

CHAPTER ONE: Register of Banks Bylaw

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(11) Number and date of the Minister of Finance’s Resolution accepting the bank: ...
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In addition, find attached herewith the documentation supporting the abovementioned information.

Best Regards,

The Chairman

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Enclosures:
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**Central Bank of Kuwait
Supervision Sector
Off-Site Supervision Department**

Ref. :
Date :

Application for Amendment of Information in the Register of Banks

His Excellency the Governor of the Central Bank of Kuwait

Dear Sir,

In accordance with the provisions of Article (61) of the Law 32/1968 concerning Currency, Central Bank of Kuwait and Organization of the Banking Business and the amending laws, and Article (4) of the Register of Banks Bylaw, Bank hereby applies for taking the necessary actions to notate the following amendments to the information recorded in the register of banks:

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In addition, find attached herewith the documentation supporting the abovementioned information.

Best Regards,

The Chairman

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Enclosures:
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THE EXECUTIVE DIRECTOR

*Thu Al-Qed'a 13, 1424 H
January 5, 2004*

THE GENERAL MANAGER,

Circular No. (2/BS/151/2004) to All Local Banks

Reference is hereby made to the applications submitted by some bank to the Central Bank of Kuwait requesting "To Whom It May Concern" certificates that the bank is listed in the Register of Banks with the Central Bank of Kuwait.

We would like to advise you that issuance of such certificates shall be ceased, as the Central Bank of Kuwait's website includes the names and addresses of the banks regulated by the Central Bank of Kuwait.

Best Regards,

Executive Director, Supervision Sector
Ibrahim Ali Al-Qadhi

THE GOVERNOR

*Thu Al-Qed'a 2, 1435 H
August 28, 2014*

THE CHAIRMAN,

Circular No. (2/BS/IBS/339/2014) to All Kuwaiti Traditional Banks

In accordance with the provisions of Articles (60) and (61) of the Law 32/1968 concerning Currency, Central Bank of Kuwait and Organization of the Banking Business and the amending laws, and Item (14) of Article (1) of the Register of Banks Bylaw, issued by virtue of the Ministerial Resolution No. (40) of 2003, kindly provide the Central Bank of Kuwait with the form of "Application for Amendment of Information in the Register of Banks" setting out the following information with respect to your bank's subsidiary and associated companies within at latest 10 days from the date hereof:

- Name of the company and its legal form,
- Address of the company (inside and outside Kuwait), and
- The bank's equity stake in the company's capital.

In future, your bank should submit an application for notation of any amendment to the above information in the register of Banks on a timely basis to the Central Bank of Kuwait.

Best Regards,

The Governor

Dr. Mohammad Y. Al-Hashel