BAB
جمعية مصارف البحرين
Bahrain Association of Banks

# Guideline for **Opening Bank Accounts for Foreign Companies**

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# 1. INTRODUCTION

## 1.1 Purpose

This guidance document (the “Guideline”) supports foreign-incorporated companies seeking to open bank accounts with licensed banks in the Kingdom of Bahrain. It summarises the documentation and information typically requested during the account opening and customer due diligence process, in line with Bahrain’s regulatory framework and internationally recognised anti-money laundering and counter-terrorist financing standards.

While individual banks may apply additional requirements based on their internal policies and risk assessments, this Guideline reflects common market practice across Bahrain’s banking sector.

## 1.2 Status and Relationship to Applicable Requirements

This Guideline is non-binding industry guidance and does not constitute legal, regulatory, or supervisory requirements. Each bank remains responsible for applying its own internal onboarding, due diligence, and risk-based controls and may request additional information or documentation in accordance with applicable laws and regulatory requirements.

## 1.3 Scope of Application

This Guideline is intended for foreign-incorporated entities seeking to establish banking relationships with licensed banks in Bahrain. This may include, without limitation:

- branches or registered presences of foreign companies in Bahrain; holding companies and special purpose vehicles;
- free zone or offshore entities;
- entities involving trust, nominee, or fiduciary arrangements; and
- government, semi-government, and embassy-related entities.

Actual requirements may vary based on entity type, jurisdiction of incorporation, proposed business activity, ownership and control structure, and the company’s assessed risk profile.

# 2. DEFINITIONS

For the purposes of this Guideline, the following terms shall have the meanings set out below:

“Bank” means a bank licensed by the Central Bank of Bahrain (CBB).

“CDD (Customer Due Diligence)” means the process of identifying and verifying the customer and
understanding ownership, control, and the purpose of the banking relationship.

“EDD (Enhanced Due Diligence)” means additional due diligence measures

applied to higher-risk relationships under a risk-based framework.
"Foreign Company" means an entity incorporated outside the Kingdom of Bahrain seeking to establish a banking relationship with a Bank.
"UBO (Ultimate Beneficial Owner)" means the natural person(s) who ultimately own or control the company, whether through direct or indirect ownership, voting rights, or control through other means, as determined under bank policy and applicable requirements.

"Authorised Signatory" means an individual authorised to operate the bank account in accordance with the bank's mandate.

## 3. APPROACH AND PRACTICAL EXPECTATIONS

### 3.1 Risk-Based and Proportionate Requirements

Banks apply a risk-based approach to onboarding. Entities with complex ownership structures, higher-risk sectors, higher-risk jurisdictions, or unusual anticipated transaction patterns should expect additional verification and longer onboarding timelines.

### 3.2 Document Formalities (Common Market Practice)

Documents issued outside the Kingdom of Bahrain may, depending on the bank's requirements
and the assessed risk profile, need to be:

- notarised or legalised in the country of incorporation; and/or
- attested by the relevant Bahraini embassy or consulate; and/or
- translated into Arabic by a certified translator.
- Companies are encouraged to confirm the applicable documentation formalities with their chosen bank at an early stage to avoid rework and delays.

### 3.3 Consistency and Completeness

Delays commonly arise from inconsistencies across submitted forms and documents, particularly relating to ownership information, addresses, authorised signatories, or business descriptions. Companies should ensure that all submissions are accurate, internally consistent, and complete.

### 3.4 Practical Considerations to Facilitate Account Opening

Foreign companies are encouraged to:

- engage early with their chosen bank and confirm document formalities upfront;
- prepare a clear ownership structure and UBO documentation;
- align the stated purpose and expected activity of the account with the company's
- business rationale;
- ensure consistency across all forms and supporting documents;
- designate a single point of contact to manage communication with the bank; and

- seek professional advice where ownership structures or activities are complex.
- Although account opening falls within the scope of regulations of the CBB, depending on the nature of the company, other laws and regulations may apply, such as Personal Data Privacy Law (PDPL), Real Estate Regulatory Authority (RERA), Bahrain Commercial Companies Law (BCCL), etc.

## 4. ACCOUNT OPENING PROCESS: STEP-BY-STEP

### Step 1: Pre-Application Preparation

Before formally applying, the Foreign Company should identify a suitable banking partner and prepare the core documentation required for onboarding. Bahrain hosts a range of local and international banks operating under both conventional and Islamic banking frameworks. At this stage, companies should begin compiling corporate, ownership, and identity documents and confirm whether certification, attestation, or translation will be required.

### Step 2: Application Submission

Once a bank is selected and initial documentation is prepared, the Foreign Company can proceed with the application. This will involve completing the bank's account opening forms and submitting the Foreign Company's corporate documents. Accuracy and completeness at this stage materially reduce onboarding delays.

### Step 3: Due Diligence and Verification

Following submission, the bank conducts customer due diligence, including verification of:

- corporate existence and authority;
- ownership and control (including UBOs);
- identity of directors and authorised signatories; and
- the purpose of the account and expected activity.

As part of the verification process, banks may require in-person verification of one or more authorised signatories or ultimate beneficial owners, or may apply certified video or electronic know-your-customer (eKYC) processes, depending on the bank's policies and the assessed risk profile.

Where risk factors are elevated, the bank may apply Enhanced Due Diligence and request additional information or supporting evidence.

### Step 4: Approval and Activation

Upon satisfactory completion of due diligence, the bank may approve the application. Account activation typically requires the Foreign Company to make an initial deposit and/or meet any minimum balance requirements, where applicable.

Once activated, banks generally provide access to transactional services and digital banking platforms in accordance with the agreed mandate. Following account activation, banks are required to maintain up-to-date customer information, including periodic KYC updates, ongoing transaction monitoring, reporting obligations, any trigger events (such as change in ownership, directors, business activities or UBOs). Foreign companies should expect periodic requests for updated documentation or clarification, particularly where there are changes to ownership or control, authorised signatories, business activities, or expected transaction patterns.

## 5. DOCUMENTATION AND INFORMATION REQUIREMENTS

The following categories of information and documentation are commonly requested, subject to bank policy and the company's risk profile. Requirements may vary between banks. For practical reference, this Guideline includes an Appendix summarising the typical information and documentation foreign companies may be asked to prepare during the account opening process.

### 5.1 Corporate Documents

- Certificate of Incorporation / Commercial Registration (or equivalent)
- Memorandum & Articles of Association (or constitutional documents)
- Board resolution approving account opening and appointing authorised signatories
- Evidence of registered office address (and operating address where different)
- Business licence/authorisation for regulated activities (where applicable)
- Latest audited financial statements (or latest available financial information, if requested)
- Ownership, Control and Individuals
- Ownership structure chart (including intermediate entities)
- Evidence of ownership, such as share registers or equivalent documents, where applicable
- List of executive management may be requested, depending on the nature of the entity
- UBO declaration (natural persons who ultimately own/control the entity, including through control rights)
- Certified, valid passport/ID copies for UBOs, directors, and authorised signatories, including declaration on whether any of the owners is a Politically Exposed Person (PEP)
- Proof of address for relevant individuals (where required based on risk assessment)
- Signatory mandate/specimen signatures (as required by the bank)
- Where the Foreign Company forms part of a wider group, banks may request information on the broader group structure and parent entities
- Power of attorney (POA) documentation, where account operation or representation is delegated to a third party, including the ID for the POA holder or authorized signatory

### 5.2 Business Profile and Intended Account Activity

- Description of business model and main counterparties
- Expected transaction profile (volume, frequency, currencies, geographies)
- Primary account purpose (operational, payroll, collections, investment, etc.)
- Confirmation of the expected source of the initial account funding.

### 5.3 Tax and Regulatory Declarations (as applicable)

- FATCA/CRS self-certification forms
- Tax Identification Number (TIN) or equivalent, where applicable

## 6. ENHANCED DUE DILIGENCE: WHEN IT APPLIES AND WHAT TO EXPECT

In certain situations, banks are required to apply Enhanced Due Diligence as part of a risk-based approach. EDD reflects the level of verification required for higher-risk relationships and does not, in itself, imply rejection of an application.

### 6.1 Typical EDD Triggers (Non-Exhaustive)

EDD may apply where there is:

- complex or multi-layer ownership;
- trust, nominee, or fiduciary arrangements;
- higher-risk jurisdictions;
- higher-risk business sectors;
- unusual or high-value anticipated transaction flows; or
- heightened reputational or sanctions exposure.

### 6.2 Sectors and Structures Commonly Subject to Enhanced Scrutiny (Non-Exhaustive)

Certain business sectors and entity structures may be subject to enhanced scrutiny during the account opening process due to inherent risks related to money laundering, sanctions, reputational risks, or complexity.

Inclusion in the categories below does not imply prohibition or automatic rejection. Rather, it reflects that banks may require additional information to understand the business model, ownership, and intended account activity.

Sectors and structures commonly subject to enhanced scrutiny include, without limitation:

- General trading and commodity trading activities
- Bullion, precious metals, precious stones, jewellery, art, antiques, and auction-related activities
- Real estate development, investment, brokerage, and related intermediaries
- Oil and gas extraction or trading activities conducted by non-government entities
- Professional services, including legal, consulting, and accounting activities
- Charities, non-profit organisations, associations, and similar entities
- Free zone establishments, including those operating with virtual offices or flexi-desk arrangements

- Special-purpose vehicles, holding companies, and complex corporate structures
- Trusts, nominee arrangements, fiduciary accounts, and similar structures
- E-commerce platforms and related digital service providers
- Virtual Asset Service Providers (VASPs) and crypto-related activities
- Chemicals manufacturing and trade involving controlled, dual-use, or defence-related products
- Management consultancies
- Auction houses
- Cross border shipment businesses
- Aviation

Where a company operates in one or more of these sectors or structures, banks may request additional information to establish a clear understanding of the commercial rationale, ownership and control, source of funds, and expected transaction activity. Additionally, banks may request additional documents, if the entity operates several branches under the holding company and would require opening different accounts for different commercial registrations or branches.

### 6.3 Additional Information Commonly Requested

Where EDD applies, banks may request additional information such as:

- source of funds and source of wealth explanations and supporting evidence;
- a more detailed business plan and projected account flows;
- contracts, invoices, or agreements supporting the commercial rationale;
- bank or professional references; and
- independent verification from public registries or other reliable sources.

Early preparation of ownership information and source of funds/wealth documentation can materially reduce onboarding timelines in EDD cases.

## 7. FREQUENTLY ASKED QUESTIONS

- **How long does it take to open a bank account?**
  Timelines vary by bank, business type, and ownership structure complexity. In straightforward cases, onboarding may be completed within several days. More complex structures or Enhanced Due Diligence cases may take several weeks. Early preparation and complete documentation significantly reduce delays.

- **Can I open a bank account remotely?**
  Some stages of the process may be completed remotely. Verification requirements vary by bank and risk profile and may include in-person or certified electronic verification.

- **What is the minimum deposit?**
  Minimum deposit requirements vary by bank and account type. It is best to check with the chosen bank directly.

- **What if the Foreign Company is newly established and does not have audited financial statements?**
  Where audited financial statements are unavailable, banks may accept alternative financial information, such as management accounts, evidence of funding, or financial information at the group or parent level, or personal net worth, where applicable, subject to the bank's assessment.

- **Do documents need to be recent?**
  Yes. Certain documents, such as proof of address or company registry extracts, may need to be recent (for example, issued within a specified number of months). Banks will confirm applicable validity requirements during onboarding.

- **Do I need a Bahraini partner or resident director?**
  While not always a strict legal requirement for company formation, some banks prefer to have a Bahrain-based signatory on the account. This is a practical consideration to keep in mind.

- **What happens if ownership, signatories, or business activities change after the account is opened?**
  Banks are required to maintain up-to-date customer information. Foreign companies should notify their bank promptly of any material changes, including changes to ownership or control, authorised signatories, legal structure, address, or the nature of business activities.

- **What are some of the most common reasons for rejecting opening a bank account?**
  These include (without limitation): inconsistent or unclear ownership structures, undisclosed ultimate beneficial owners (UBOs), sanctions exposure, high-risk jurisdictions, de-risking considerations and insufficient commercial rationale for opening an account in Bahrain.

# APPENDIX

## APPENDIX A
## INVESTOR CHECKLIST (PRACTICAL SUBMISSION PACK)

This checklist is designed as a practical preparation pack for foreign companies seeking to open bank accounts in the Kingdom of Bahrain. Companies are encouraged to use it as a ready-to- submit reference when engaging banks. Requirements may vary by bank, business type, and assessed risk profile.

### A. Corporate Authority and Existence

- ☐ Certificate of Incorporation / Commercial Registration (or equivalent)
- ☐ Memorandum & Articles of Association or other constitutional documents
- ☐ Board resolution approving account opening and appointment of authorized signatories (including names, roles, and signing rules)
- ☐ Evidence of registered office address (and operating address, if different)
- ☐ Business license or regulatory authorization (where applicable)
- ☐ Latest audited financial statements (or latest available financial information)
- ☐ List of branches, subsidiaries and affiliates (where applicable)
- ☐ Proof of stock exchange listing (where applicable)

### B. Ownership and Control

- ☐ Ownership structure chart showing all intermediate entities up to the ultimate beneficial owner(s)
- ☐ Ultimate Beneficial Owner (UBO) declaration
- ☐ Supporting documents for intermediate entities (where applicable or requested)

### C. Key Individuals (UBOs, Directors, and Authorised Signatories)

- ☐ Certified passport or national ID copy for each UBO
- ☐ Certified passport or national ID copy for directors and authorised signatories
- ☐ Proof of address for relevant individuals (where requested)
- ☐ Mandate or specimen signature documentation (as required)
- ☐ Power of attorney documentation, where applicable

**D. Business Profile and Intended Account Activity**

- ☐ Company profile outlining business model, products/services, and main markets
- ☐ Summary of expected account activity (volumes, currencies, jurisdictions, counterparties)
- ☐ Purpose of the account (e.g. operational, payroll, collections, investment)
- ☐ Supporting commercial rationale (key contracts or invoices, where available)
- ☐ Confirmation of expected source of initial account funding

**E. Tax and Declarations**

- ☐ FATCA and CRS self-certification forms
- ☐ Tax Identification Number (TIN) or equivalent, where applicable

**F. Document Formalities (Confirm Early With the Bank)**

- ☐ Notarization or legalization (if required)
- ☐ Attestation by the Bahraini embassy or consulate (if required)
- ☐ Arabic translation by certified translator (if required)

**G. Where Enhanced Due Diligence Applies**

- ☐ Source of funds documentation
- ☐ Source of wealth documentation for UBOs
- ☐ Business plan and financial projections (where relevant)
- ☐ Bank or professional reference (if requested)
- ☐ List of top 5 suppliers, including names, goods and country
- ☐ List of top 5 buyers, including names, goods and country

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