

## Member's Profile

**Name of Stock Exchange : Bahrain Bourse**

**Country/Region : Bahrain**

**Name of CEO : Sh. Khailfa Bin Ebrahim Al Khalifa**

**Capital Bahraini Dinars 2 Million (US\$ 5.3 Million)**

**Number of Officers and Employees : 60**

**Ownership and Governance**

**(Bahrain Bourse is a corporatized company fully owned by the government of Bahrain)**

### **Brief History**

Bahrain Bourse (BHB) was established as a shareholding company according to Law No. 60 for the year 2010 to replace Bahrain Stock Exchange (BSE) that was established in 1987. The Bahraini Government in cooperation with the International Finance Corporation (IFC) prepared a feasibility study to establish an official stock market in Bahrain. As a result of the recommendation of the study, the Bahraini Government established Bahrain Stock Exchange in 1987 according to Amiri Decree No. 4. The Exchange officially commenced operations in June 1989 with 29 Bahraini shareholding companies listed. The only instruments traded at that time were common shares. Since the bourse's establishment in 1989 (formerly Bahrain Stock Exchange), trading was conducted manually through a system called "Auctional Trading" System. Using this system, the broker had to write the bid and offer orders that they receive from the investor on the trading boards at the trading floor. The transaction takes place when the bid and offer prices match. In 1999, BHB implemented the Automated Trading System (ATS) to carry out all the bourse's transactions electronically, replacing the old manual system. In 2002, the legislative and regulatory authority and supervision of BHB was transferred from the Ministry of Commerce to the Central Bank of Bahrain (CBB) in which CBB regulates and supervises all the bourse's activities.

### **Practices and Procedures**

#### **Trading**

Days : Sunday to Thursday

Hours : 9:30 am to 1:00 pm

Market segmentation [Regular Market, Special Market, IPO Market, Bond Market, Mutual Fund Market]

System : Xtream (Trading System) + Equator (CSD System)

Mechanisms

Market-maker/Specialists YES

Instruments : Equaties, Debts, Mutual Funds

Currency : BHD + USD

Real time information : Yes

#### **Clearing & Settlement**

Central Depository: Yes

Period :

Registered : all securities shall be registered in the beneficial owner's name

Settlement : T+2

Clearing : DVP Model 2

DVP : DVP Model 2

Clearing Institution : Currently Bahrain Bourse (CSD is a Division within Bahrain Bourse).

Risk Sharing -

Margin/Lending : No

Custodians : HSBC , CitiBank , Standard Chartered Bank , Sico , Gulf Custody Company B.S.C.Closed , SICO Funds Services Company BSC(C)

### Taxes

Cash Dividends : No

Interest Income : No

Capital Gains : No

### Structure & Regulations

Legal : Central Bank of Bahrain Rule Book Volume 6 + Bahrain Bourse Market Rules

Regulation : Central Bank of Bahrain Rule Book Volume 6 + Bahrain Bourse Market Rules

Securities market regulations : Bahrain Bourse Market Rules

Trading rules : Bahrain Bourse Market Rules

[http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal\\_Frame](http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal_Frame)

Surveillance : Bahrain Bourse Market Rules

Chapter 8:

[http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal\\_Frame](http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal_Frame)

Corporate actions : Bahrain Bourse Market Rules

Trading halts regulations : Bahrain Bourse Market Rules

Investor protection : Bahrain Bourse Market Rules

### Foreign Participation

Foreign investors : Open

Investment limitations: (depends on the listed issue itself)

Repatriation : No

### Minimum Listing Requirements

[http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal\\_Frame](http://www.bahrainbourse.net/bhb/regulations.asp?page=regulations&sec=Legal_Frame)

and

[http://www.bahrainbourse.net/bhb/Market/Messages\\_show.asp?NT=1&value=5871](http://www.bahrainbourse.net/bhb/Market/Messages_show.asp?NT=1&value=5871)

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