

**International
Comparative
Legal Guides**



Fintech

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Bahrain



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Mohamed
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1 The Fintech Landscape

1.1 Please describe the types of fintech businesses that are active in your jurisdiction and the state of the development of the market, including in response to the COVID-19 pandemic and ESG (Environmental, Social and Governance) objectives. Are there any notable fintech innovation trends of the past year within particular sub-sectors (e.g. payments, asset management, peer-to-peer lending or investment, insurance and blockchain applications)?

The fintech landscape in Bahrain is a vibrant and rapidly evolving sector, characterised by a diverse range of businesses leveraging technology to enhance or revolutionise financial services. This dynamic environment is supported by a proactive regulatory framework established by the Central Bank of Bahrain (CBB), which aims to foster innovation, ensure financial stability, and protect consumers.

Types of Fintech Businesses in Bahrain

Bahrain's fintech ecosystem encompasses a wide variety of businesses, including but not limited to:

- **Open Banking Platforms:** Facilitating secure and seamless sharing of financial data between banks and third-party providers, thereby enhancing customer experience and financial innovation.
- **Digital Payments and Remittances:** Offering efficient and convenient solutions for digital transactions, both domestically and internationally.
- **Peer-to-Peer Lending and Crowdfunding:** Connecting borrowers directly with lenders or investors, thus democratising access to finance.
- **Digital Asset Management and Robo-Advisory Services:** Utilising algorithms and artificial intelligence (AI) to provide personalised investment advice and management services.
- **Insurtech:** Leveraging technology to streamline insurance processes, from policy issuance to claims management.
- **Blockchain and Crypto-Assets:** Developing solutions for digital currencies, smart contracts, and secure, transparent transaction systems.

State of Market Development

The fintech market in Bahrain has seen significant growth, driven by strategic initiatives from the CBB, such as the introduction of the regulatory sandbox, crypto-assets regulation, and the open banking framework. These initiatives have positioned Bahrain as a leading fintech hub in the MENA region, attracting local and international startups.

COVID-19 Pandemic Response

The COVID-19 pandemic accelerated the adoption of fintech solutions in Bahrain, highlighting the sector's resilience and adaptability. The demand for digital financial services, such as contactless payments and online banking, surged as consumers and businesses sought safer and more convenient ways to manage their finances amid lockdowns and social distancing measures.

ESG Objectives

Bahrain's fintech sector is increasingly aligning with Environmental, Social, and Governance (ESG) objectives. In November 2023, the CBB released the ESG requirements module, mandating comprehensive ESG reporting for financial institutions.

Notable Innovation Trends

Several innovation trends have emerged within Bahrain's fintech sector:

- **Open Banking:** Bahrain has been at the forefront of open banking in the region, promoting innovation and competition in financial services.
- **Blockchain Technology:** The regulatory framework for crypto-assets and blockchain technology has fostered innovations in digital currencies and secure transaction mechanisms.
- **Digital Financial Advice:** The introduction of regulations for digital financial advice, including robo-advisory services, reflects Bahrain's commitment to leveraging technology in financial planning and investment management.

In summary, Bahrain's fintech landscape is characterised by a supportive regulatory environment, rapid adoption of digital financial services in response to the COVID-19 pandemic, a growing focus on ESG objectives, and notable innovation trends across various sub-sectors. Together, these elements contribute to the continued growth and dynamism of the fintech sector in Bahrain.

1.2 Are there any types of fintech business that are at present prohibited or restricted in your jurisdiction (for example cryptocurrency-based businesses)?

No, not to the best of our knowledge.

2 Funding For Fintech

2.1 Broadly, what types of funding are available for new and growing businesses in your jurisdiction (covering both equity and debt)?

In Bahrain, new and growing businesses, including those in the fintech sector, have access to a variety of funding options,

spanning both equity and debt. These options cater to the different stages of a company's lifecycle, from startup to growth and expansion. Key funding types include:

- **Venture Capital (VC):** VC firms provide equity financing to high-potential startups and growth-stage companies. Bahrain has seen an increase in VC activity, with both local and regional VCs actively investing in the fintech sector.
- **Angel Investors:** High-net-worth individuals who provide capital for startups in exchange for ownership equity or convertible debt. Bahrain has a growing network of angel investors interested in supporting innovative fintech solutions.
- **Bank Financing:** Traditional loans provided by banks. While more commonly accessed by established businesses due to their requirements, innovative fintech companies with solid business models can also secure bank loans.
- **Government Grants and Support Programs:** The Bahraini government, through various initiatives and entities such as the Bahrain Economic Development Board (EDB) and Tamkeen, offers financial support, grants, and incentives to startups, including fintech companies, to foster innovation and entrepreneurship within the Kingdom.
- **Crowdfunding:** Platforms that allow businesses to raise small amounts of money from a large number of people, typically via the internet. Bahrain's regulatory framework includes provisions for both conventional and *Sharia*-compliant crowdfunding.

2.2 Are there any special incentive schemes for investment in tech/fintech businesses, or in small/medium-sized businesses more generally, in your jurisdiction, e.g. tax incentive schemes for enterprise investment or venture capital investment?

Bahrain has implemented several incentive schemes to promote investment in the tech and fintech sectors, as well as in small and medium-sized enterprises (SMEs) more broadly:

- **Regulatory Sandbox:** The CBB offers a regulatory sandbox that allows fintech firms to test their innovative solutions in a controlled environment, facilitating easier access to funding by showcasing their viability.
- **Dedicated Funds:** Entities like the Bahrain Development Bank (BDB) and initiatives supported by the Bahrain EDB provide dedicated funds and investment opportunities for tech startups and fintech companies.
- **Tax Incentives:** While Bahrain does not levy corporate or income taxes, it offers other financial incentives, such as no restrictions on repatriation of capital, profits, and dividends, making it an attractive environment for investment.

2.3 In brief, what conditions need to be satisfied for a business to IPO in your jurisdiction?

To conduct an Initial Public Offering (IPO) in Bahrain, a business must satisfy conditions laid out by the Bahrain Bourse and the CBB, including:

- **Financial Health:** The applicant should have at least achieved net profits during the last three years preceding the submission of its application, or achieved net profits of an average of approximately 10% of its issued and paid-up capital as per its audited financial statements preceding the submission of the application or since its incorporation, whichever is less. This rule does not apply to newly established issuers.

- **Corporate Governance:** Adherence to stringent corporate governance standards as per the guidelines of the CBB and Bahrain Bourse.
- **Transparency and Reporting:** Commitment to transparency and accuracy in financial reporting, including the adoption of international accounting standards.
- **Minimum Capital Requirements:** The paid-up capital of the issuer should not be less than BHD 1,000,000, or its equivalent in other currencies.
- **Minimum Number of Shareholders:** An issuer intending to list on the Mainboard Market must have 100 or more shareholders who are not employees or associated persons.
- **Free Float:** The issuer must issue to the abovementioned shareholders a Free Float of at least 10% of the total issued outstanding shares.

2.4 Have there been any notable exits (sale of business or IPO) by the founders of fintech businesses in your jurisdiction?

No, not to the best of our knowledge.

3 Fintech Regulation

3.1 Please briefly describe the regulatory framework(s) for fintech businesses operating in your jurisdiction, and the type of fintech activities that are regulated.

Bahrain's regulatory framework for fintech businesses, established by the CBB in 2017, demonstrates an intention to moving towards fostering a conducive environment for innovation in financial services. Notably, this framework ensures a balance between innovation, financial stability, and consumer protection:

- **Regulatory Sandbox:** Launched in June 2017, Bahrain's regulatory sandbox provides fintech startups and firms an opportunity to test their novel solutions in a controlled, regulatory environment for up to nine months, with a possibility of extension.
- **Crypto-Asset Regulations:** In February 2019, Bahrain introduced the Crypto-Asset Module (CRA Module) within its CBB Rulebook Volume 6 (Capital Markets), outlining a regulatory framework for crypto-assets. This includes licensing, prudential standards, business conduct rules, and measures for anti-money laundering (AML) and counter-terrorist financing (CTF) for crypto-related activities.
- **Open Banking:** Bahrain implemented open banking regulations in 2019. These regulations mandate banks to enable third-party providers to access customer financial data, with customer consent, thus promoting competition and innovation in financial services.
- **Digital Financial Advice and Robo-Advisory:** The CBB issued guidelines for digital financial advice in 2018, setting forth standards for robo-advisory services that include operational, technical, and regulatory requirements.
- **Crowdfunding and Peer-to-Peer Lending:** Bahrain introduced crowdfunding regulations in 2017, which include frameworks for both equity and debt crowdfunding platforms. These regulations aim to facilitate access to finance for startups and SMEs in a regulated environment.
- **Payment Services:** Bahrain's regulations for payment services providers are part of a comprehensive strategy to ensure the security and efficiency of payment systems within the fintech ecosystem.

3.2 Is there any regulation in your jurisdiction specifically directed at cryptocurrencies or cryptoassets?

Bahrain has specific regulations directed at cryptocurrencies and crypto-assets, making it one of the pioneering countries in the Middle East to do so. The CBB's CRA Module, part of its Rulebook Volume 6, outlines the regulatory framework for crypto-asset services. This framework covers a range of activities including, but not limited to, the operation of crypto-asset platforms (exchanges), crypto-asset custody services, and crypto-asset brokerage services. The regulations define licensing requirements, provide guidelines for the protection of customer assets, and set forth AML and CTF measures, among other provisions.

3.3 Are financial regulators and policy-makers in your jurisdiction receptive to fintech innovation and technology-driven new entrants to regulated financial services markets, and if so how is this manifested? Are there any regulatory 'sandbox' options for fintechs in your jurisdiction?

Receptiveness to Fintech Innovation

Bahrain's financial regulators and policymakers have displayed a strong receptiveness to fintech innovation, actively fostering a regulatory environment that encourages technological advancement and entry of new players into the regulated financial services markets. This pro-innovation stance is embodied in several key initiatives:

Fintech & Innovation Unit

The CBB established the Fintech & Innovation Unit as part of its commitment to the digital transformation of the Kingdom. This unit plays a critical role in ensuring that financial services provided to individual and corporate customers leverage the latest in fintech innovations. It also underscores the CBB's dedication to fostering an agile regulatory framework that supports fintech growth and innovation. This initiative is in line with other strategic actions by the CBB, such as the regulatory sandbox and the issuance of crowdfunding regulations, both conventional and *Sharia*-compliant.

FinHub 973: CBB Digital Lab

Launched by the CBB, FinHub 973 stands as the region's first cross-border, digital innovation platform. Powered by Fintech Galaxy, it connects financial institutions with fintechs under the supervision of the CBB, facilitating collaboration, exploration, testing, and prototyping in a centralised digital sandbox. FinHub 973 not only underscores Bahrain's position as a financial hub but also drives innovation and cross-border collaboration across the region. The platform integrates technical testing of digital solutions with the regulatory framework of the CBB.

Global Financial Innovation Network (GFIN)

Bahrain's engagement with the GFIN launched in January 2019. The GFIN comprises 28 international financial regulators and related organisations and supports financial innovation in the interest of consumers. It offers innovative firms a more efficient way to interact with regulators and navigate between countries as they look to scale new ideas. This includes a pilot for firms wishing to test innovative products, services, or business models across multiple jurisdictions.

Regulatory Sandbox

A cornerstone of Bahrain's fintech-friendly regulatory regime is the regulatory sandbox mentioned in question 3.1, which has been introduced by the CBB. This sandbox allows startups, fintech firms, and licensees to test and provide innovative banking and financial solutions within a regulated environment, fostering a culture of innovation and risk-taking with appropriate oversight.

Through these initiatives, Bahrain demonstrates receptiveness to fintech innovation by supporting technological advancements and facilitating the growth of new entrants in the financial services sector.

3.4 What, if any, regulatory hurdles must fintech businesses (or financial services businesses offering fintech products and services) which are established outside your jurisdiction overcome in order to access new customers in your jurisdiction?

Fintech businesses or financial services businesses offering fintech products and services that are established outside of Bahrain and looking to access new customers within the jurisdiction must navigate a series of regulatory requirements. These are designed to ensure that foreign entities operate in alignment with Bahrain's legal, regulatory, and operational standards, safeguarding the interests of consumers and maintaining the integrity of the financial system. Key regulatory requirements include:

Licensing and Registration

- **Obtaining Local Licences:** Foreign fintech firms must obtain the appropriate licences from the CBB to operate within the country. This might involve applying for a specific fintech licence or a more traditional financial services licence, depending on the nature of the services offered.
- **Regulatory Sandbox Entry:** For innovative fintech products and services, entering the CBB's regulatory sandbox could be a preliminary step before full-scale operation. Accessing the sandbox requires meeting specific eligibility criteria and obtaining approval from the CBB's Fintech & Innovation Unit.

Compliance with Local Regulations

- **Adherence to Financial Regulations:** Foreign entities must comply with Bahrain's financial regulations, including those related to AML, CTF, consumer protection, data privacy, and cybersecurity.
- **Open Banking Regulations:** If the fintech service involves accessing banking data (under the open banking framework), the entity must comply with the open banking regulations, ensuring that customer data is handled securely and with consent.

Market Entry Strategy

- **Establishing a Local Presence:** While not always a regulatory requirement, establishing a local presence (e.g., through a branch or a subsidiary) might be necessary for operational or practical reasons and could be encouraged or required by specific regulations.
- **Partnerships with Local Financial Institutions:** Engaging in partnerships with local banks or financial institutions can be a strategic way to overcome regulatory hurdles. Such partnerships might facilitate easier integration into the local financial ecosystem and compliance with regulatory expectations.

Cross-Border Restrictions and Reporting

- **Cross-Border Data Flow:** Compliance with regulations regarding the cross-border flow of data, particularly concerning personal and financial information, is crucial. Bahrain's data protection laws may impose certain conditions or restrictions on how data is transferred internationally.
- **Reporting Obligations:** Foreign fintech firms may be subject to reporting obligations to the CBB, ensuring transparency and regulatory oversight of their operations in Bahrain.

Engagement with Regulators

- **Continuous Dialogue:** Maintaining an open and continuous dialogue with the CBB and other relevant regulatory bodies is essential for navigating the regulatory landscape effectively. This can help foreign fintech businesses understand local regulatory expectations, changes in the regulatory framework, and any sector-specific guidance that may apply.

4 Other Regulatory Regimes / Non-Financial Regulation

4.1 Does your jurisdiction regulate the collection/use/ transmission of personal data, and if yes, what is the legal basis for such regulation and how does this apply to fintech businesses operating in your jurisdiction?

Yes, Bahrain regulates the collection, use, and transmission of personal data of data subjects residing in Bahrain, a data controller or data processor with a place of business in Bahrain, and processing of data using means available in Bahrain. Pursuant to Law No. (30) of 2018, the Personal Data Protection Law (PDPL). This PDPL sets out the legal framework for data protection in Bahrain, ensuring that personal data is processed fairly, lawfully, and securely. The PDPL follows the same principles set out by the General Data Protection Regulation in the European Union (GDPR), which include data accuracy, the requirement of obtaining consent of data subjects, and the implementation of appropriate security measures to protect personal data. Companies must ensure that their data processing activities comply with the PDPL, including when collecting customer data, processing transactions, or transmitting data across borders.

4.2 Do your data privacy laws apply to organisations established outside of your jurisdiction? Do your data privacy laws restrict international transfers of data?

As mentioned in our answer to question 4.1, the PDPL applies to organisations established outside of Bahrain if such entities process personal data using means available within Bahrain, except when the processing means are used only for transmitting data through Bahrain. Such organisations are required to appoint a representative in Bahrain to carry out their obligations under the PDPL.

Regarding international data transfers, the PDPL restricts the transfer of personal data to countries that do not offer an adequate level of data protection, unless specific conditions are met, such as obtaining consent from the data subject or the approval of the Personal Data Protection Authority, with the approval being given on a case-by-case basis. Moreover,

cross-border transfers of personal data may be made without obtaining the consent of the data subject or the approval of the Personal Data Protection Authority to countries that provide an adequate level of protection, as determined by the Personal Data Protection Authority in Order 42 of 2022, and are permissible without prior authorisation.

4.3 Please briefly describe the sanctions that apply for failing to comply with your data privacy laws.

Failing to comply with the PDPL can result in various sanctions, including fines, penalties, imprisonment sentences and corrective orders issued by the Personal Data Protection Authority. The PDPL outlines both civil and criminal liabilities for breaches of data protection principles, unauthorised processing of data, and violations of data subject rights. Specific sanctions depend on the nature and severity of the breach. Legal persons shall be punished with two times the fine prescribed for an offence committed if the crime was made in a legal person's name and/or to their benefit.

4.4 Does your jurisdiction have cyber security laws or regulations that may apply to fintech businesses operating in your jurisdiction?

Payment and Remittance Services

Fintech companies offering payment solutions or remittance services may operate under licences that fall within the ambit of payment services providers. These companies are subject to regulations that ensure secure and efficient payment processing. They must adhere to cybersecurity practices as outlined in relevant sections of Volume 5 of the CBB Rulebook that apply to payment service operations.

Crypto-Asset Services

Fintech firms engaged in activities related to cryptocurrencies or blockchain technology, such as crypto exchanges or wallet services, would be regulated under the CRA Module of Volume 6. The CRA Module includes specific cybersecurity guidelines to protect against the unique risks associated with crypto-assets.

Robo-Advisory and Digital Wealth Management

Fintech startups providing automated financial advice or digital asset management services are regulated under the CBB's rules for digital financial advice or investment business. Such entities must implement cybersecurity measures relevant to safeguarding client data and ensuring the integrity of their investment platforms. For example, under Volumes 1 and 2 of the CBB Rulebook, which include conventional banks and Islamic banks, respectively, the Operational Risk Management Module provides a comprehensive framework for managing operational risks, including cybersecurity. This framework mandates the implementation of robust cybersecurity measures to mitigate risks associated with digital banking operations.

Insurtech

Companies leveraging technology to enhance or innovate within the insurance industry would be subject to the regulations in Volume 3, which pertains to the insurance sector. These regulations would include requirements for managing cybersecurity risks specific to the digital delivery of insurance products and services.

4.5 Please describe any AML and other financial crime requirements that may apply to fintech businesses in your jurisdiction.

In Bahrain, fintech businesses are required to adhere to stringent AML and financial crime regulations to combat money laundering, terrorist financing, and other related financial crimes. These requirements are integral to maintaining the integrity and security of Bahrain's financial sector.

Adherence to the Financial Crimes Module

Fintech businesses must comply with the Financial Crimes Module outlined in their relevant Volume of the CBB Rulebook. This module provides a comprehensive framework for the prevention and detection of financial crimes, detailing the obligations of licensed entities in identifying, reporting, and mitigating risks associated with money laundering and terrorist financing.

Money Laundering Reporting Officer (MLRO)

A key requirement for fintech companies under the Financial Crimes Module is the appointment of an MLRO. The MLRO is responsible for overseeing the implementation of the company's AML policies and procedures, ensuring compliance with Bahrain's financial crime regulations, and acting as the primary point of contact with the CBB on matters related to AML and financial crimes.

Relevant Laws

Fintech businesses must also align their operations with the broader legal framework for AML and financial crimes in Bahrain, which includes:

- **The Anti-Money Laundering Law:** Legislative Decree No. (4) of 2001 on the Prohibition and Combating of Money Laundering and Terrorism Financing, as amended, sets the foundation for AML efforts in Bahrain, outlining the legal obligations for financial institutions in preventing, detecting, and reporting money laundering and terrorist financing activities.
- **Decree Law No. (54) of 2018:** This law establishes the Anti-Money Laundering and Terrorism Finance Supervision and Enforcement Directorate within the CBB, reinforcing the regulatory framework for combating financial crimes and enhancing the supervisory and enforcement capabilities of the CBB.

4.6 Are there any other regulatory regimes that may apply to fintech businesses operating in your jurisdiction (for example, AI)?

While Bahrain does not have a standalone regulatory framework specifically for AI, fintech businesses employing AI should ensure that their use aligns with global best practices and ethical standards.

Cross-Sectoral Regulations

Fintech companies operating at the intersection of financial services and other sectors (like telecommunications, healthcare, or e-commerce) may encounter regulations beyond those directly tied to financial services. For instance, collaborations with healthcare providers on fintech solutions might require adherence to health data protection standards.

Intellectual Property (IP) Protection

Innovations in fintech, especially those involving proprietary algorithms, software, or business methods, may be eligible for

IP protection. Navigating the IP laws to protect these innovations could be crucial for fintech businesses seeking to maintain competitive advantages and secure investment.

Cybersecurity and Data Protection

While the PDPL and specific cybersecurity guidelines from the CBB apply, fintech firms utilising substantial consumer data, particularly those deploying blockchain for data management and transactions, should continuously monitor and enhance their data protection measures to comply with evolving standards and expectations.

5 Accessing Talent

5.1 In broad terms, what is the legal framework around the hiring and dismissal of staff in your jurisdiction? Are there any particularly onerous requirements or restrictions that are frequently encountered by businesses?

The legal framework governing the hiring and dismissal of staff in Bahrain is primarily outlined in the Labour Law for the Private Sector, promulgated by Law No. (36) of 2012 (Bahrain Labour Law). This legislation covers aspects of employment, such as contracts, working hours, leave entitlements, end-of-service benefits, and the termination process.

No particularly onerous requirements are prescribed under the Bahrain Labour Law with regard to the hiring and termination of employees. Particularly with regard to termination of employees, the Bahrain Labour Law clearly sets out a formula to determine the amount of compensation applicable to employees in case of unfair dismissal, dismissal without justifiable cause, dismissal due to downsizing of business/redundancy, and the process of terminating an employee's employment due to poor performance. However, in our experience, one particularly onerous requirement frequently encountered by businesses is the changing of employment terms during the course of the employment relationship due to Article 4 of the Bahrain Labour Law, which may deem null any contractual provision that is considered a derogation from the rights provided to an employee. Recent caselaw suggests an inclination by Bahrain courts towards allowing for an employer and employee to agree on a salary reduction, and other employment terms subject to obtaining the consent of the relevant employee. However, due to caselaw not being legally binding in Bahrain, such a restriction still remains a possibility.

5.2 What, if any, mandatory employment benefits must be provided to staff?

Mandatory employment benefits include the following:

- **Annual Leave:** Employees are entitled to a minimum of 30 days of annual leave after one year of service.
- **Sick Leave:** The entitlement includes 15 days with full pay, 20 days with half pay, and 20 days without pay, totaling 55 days of sick leave allowance.
- **Maternity Leave:** Female employees are entitled to 60 days of maternity leave with full pay, including before and after childbirth, with additional provisions for unpaid leave for childcare.

5.3 What, if any, hurdles must businesses overcome to bring employees from outside your jurisdiction into your jurisdiction? Is there a special route for obtaining permission for individuals who wish to work for fintech businesses?

To hire employees from outside Bahrain, businesses must navigate Bahrain's immigration and labour regulations, which include obtaining work permits and ensuring compliance with the Labour Market Regulatory Authority (LMRA). While there is no specific route exclusively for fintech businesses, all employers must adhere to the standard process, which involves:

- **Work Permits:** Securing and renewing work permits for non-Bahraini employees.
- **LMRA Requirements:** Meeting the LMRA's criteria, including the submission of necessary documents periodically and the payment of applicable fees.
- **National Labour Force Consideration:** Adhering to regulations that prioritise the employment of Bahraini nationals, part of the Bahransisation policy. It is worth noting that the Bahransisation policy is not legally binding on entities. Not adhering to the Bahransisation policy may only incur additional fees to issue additional work permits, exceeding the limit set out in the Bahransisation policy, for expatriate workers.

Fintech businesses, like all sectors, are encouraged to contribute to the development of the local workforce, aligning with Bahrain's vision for economic diversification and the growth of the fintech ecosystem.

6 Technology

6.1 Please briefly describe how innovations and inventions are protected in your jurisdiction.

In Bahrain, innovations and inventions are primarily protected under Law No. (1) of 2004 concerning Patents and Utility Models (Patent Law), Law No. (6) of 2014 with Approval of Trademarks Law (Regulation) of the Cooperation Council of the Arab States of the Gulf (Trademarks Law), and Law No. (22) of 2006 on the Protection of Copyright and Neighbouring Rights (Copyright Law). The Patent Law ensures that patents are awarded for new inventions that include a creative step and are capable of industrial application, covering new industrial products, methods, or improvements. The Copyright Law protects intellectual works such as books, articles, software, and other forms of literature.

Copyright protection is provided to intellectual works without the need for registration. The Trademarks Law protects names, words, signatures, logos, etc. that are registered in Bahrain with the Intellectual Property Division of the Ministry of Industry and Commerce.

6.2 Please briefly describe how ownership of IP operates in your jurisdiction.

Ownership of IP in Bahrain is governed by laws that align with international standards and agreements. The rightful owner of an invention or a piece of IP is typically the person registered to be the owner of the IP except in the case of copyright, which is automatically attributed to the author as mentioned in our answer to question 6.1.

6.3 In order to protect or enforce IP rights in your jurisdiction, do you need to own local/national rights or are you able to enforce other rights (for example, do any treaties or multi-jurisdictional rights apply)?

To protect or enforce IP rights in Bahrain, it is necessary to have rights registered in the jurisdiction. Bahrain is a member of several international treaties, including the Paris Convention for the Protection of Industrial Property, which facilitates the protection of IP across member states. Local registration provides direct protection within Bahrain, while international treaties enable broader protection and enforcement capabilities across multiple jurisdictions.

6.4 How do you exploit/monetise IP in your jurisdiction and are there any particular rules or restrictions regarding such exploitation/monetisation?

The exploitation or monetisation of IP in Bahrain can take various forms, including licensing, sale, or commercialisation of patented inventions, trademarks, and trade secrets. The legal framework allows IP owners to license their rights to others, sell their IP, or otherwise commercially exploit their inventions and innovations. Specific provisions under Bahraini law, such as those found in the patents and trademarks regulations, outline the conditions under which IP can be licensed, including the requirement for licensing agreements to be in writing. However, there are restrictions to ensure that licensing or exploitation practices do not violate public order or moral standards or lead to anti-competitive practices.



Noora Janahi is a partner at Hassan Radhi & Associates. She has been admitted as a practising lawyer since 2012 and before the Court of Cassation and Constitutional Court since 2019. Noora holds a Master 2 professional degree in International Business Law from l'Université de Bourgogne (Dijon, France) (2008) and a licence in law from the same university (2006). Noora leads the Banking and Finance team at the firm and is a member of the Lex Mundi network and the IBA. She has worked on financial restructuring transactions as well as liquidations (voluntary and involuntary).

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Saifuddin Mahmood is a senior legal consultant with expertise in banking and finance law, investment management, company law, commercial law, labour law, maritime law, and international arbitration. He holds LL.B. (Hons) and LL.M. degrees from UK universities and is called to the Bar of England and Wales. He is also eligible to practise law in Bangladesh. Saifuddin is a co-author of the Bahrain chapter in the World Bank's "Doing Business" project and has written many legal articles and conducted legal research.

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Abdulla Alkhaja is a dedicated and ambitious associate at Hassan Radhi & Associates who excels in fast-paced environments. He is currently working towards his Bahraini qualification. Abdulla recently completed the Legal Practice Course and earned a Master's degree in Law, Business, and Management from the University of Law in the UK (2022) and a Bachelor of Laws degree from the University of Leeds (2021). Before joining Hassan Radhi & Associates, Abdulla demonstrated exceptional abilities in a rigorous banking and finance programme organised by a prominent bank, gaining valuable experience in banking laws and regulations, including the Central Bank of Bahrain Rulebook and principles of Islamic banking and finance.

As a member of the Corporate team, Abdulla's expertise lies in banking and debt finance, corporate law, bankruptcy law, insurance, data protection and telecommunications matters. He also assists the Litigation team in insurance, employment and banking matters.

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Mohamed Altraif is an associate at the firm. He was admitted as a trainee lawyer before the courts of Bahrain in 2022. Mohamed completed the Legal Practice Course and holds a Master's degree in Law, Business and Management from the University of Law in the UK (2021), and holds a Bachelor of Laws degree from the University of Leeds (2020). Recently, he also accomplished the Advanced Diploma in Islamic Finance, a Professional Award L9 bestowed by BIBF in Bahrain.

Mohamed's practice is general, with a focus on banking and debt finance, corporate law, bankruptcy law, insurance and reinsurance, and data protection.

Mohamed assists the Litigation team at Hassan Radhi & Associates in a variety of insurance, employment and banking matters.

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Hassan Radhi & Associates (HRA) is a leading law firm in Bahrain, established in 1974 by Dr. Hassan Ali Radhi. Over the years, HRA has provided Bahraini law comprehensive legal solutions to clients in Bahrain and beyond. With its exclusive representation of Lex Mundi's global network, HRA provides access to more than 22,000 reputable legal professionals across the globe. Over its 50 years of existence, HRA has built a strong reputation for its exceptional expertise and dedicated team, consisting of eight partners and a team of 16 legal professionals, including trainee lawyers and administrative personnel.

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