Acknowledgement:

This document is one of the Arab Regional Fintech Working Group activities.

The Arab Regional Fintech WG aims to bolster the Fintech ecosystem in the Arab countries by exchanging knowledge and expertise, enhancing the capabilities of the Arab regulators, as well as connecting Arab and international experts from the public and private sectors to promote the Fintech industry and foster innovation.

The Arab Region Fintech Guide was prepared by Ms. Mirna Sleiman from Fintech Galaxy Limited and Ms. Nouran Youssef from the Arab Monetary Fund.

The Fintech Guide document is based on the findings of a survey directed to the Arab Central Banks and Monetary Authorities and the responses received from the four pilot countries UAE, Bahrain, KSA and Egypt.

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Vision

Our vision is to have the “Arab Region Fintech Guide” as the destination and point of reference to access the Fintech markets in the Arab region.

Mission

Our mission is to offer a comprehensive approach to successfully accessing the Arab Fintech markets by providing a complete set of the necessary information along with a continuous update on regional Fintech activities.

Objective:

The objective of the Fintech guide is:

- To facilitate the entry to the Fintech activities in the Arab region by providing comprehensive information about the relevant regulatory authorities, fintech hubs, regulatory and licensing requirements, applicable regulations, as well as compliance requirements. All information will be updated on a frequent basis.
- To grow the Fintech ecosystem in the Arab region by offering all diversified activities and solutions regionally and internationally.
- To connect regulators, authorities with jurisdictions in other countries by sharing their experience, and best practices.
- To enhance future collaboration aiming to achieve passporting within the Arab region.

Introduction

By 2022, 60% of global GDP is expected to be digitized, with growth in every industry driven by digitally enhanced offerings. Digital financial services are key to drive global economy, improve access to financial services, and open opportunities particularly for vulnerable communities, small business and entrepreneurs alike1.

Collecting information about Fintech initiatives, regulations and activities in the Arab region on a central portal is becoming crucial in order to enhance the ecosystem as most information is either scattered or not easily accessible.

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This guide is dedicated to all Fintech industry stakeholders, whether from the Arab countries or outside the region with the intention to support the workstream of public and private players, e.g. new entrants, Fintech firms, start-ups, financial institutions, regulatory and supervisory authorities, accelerators and incubators, international organizations, academia…etc.

With an initial focus on the Fintech framework in four pilot Arab countries: UAE, Bahrain, KSA and Egypt, the guide will include more Arab countries to the list gradually, once information becomes available. For ease of access the guide will be produced in hard and soft copies and will be updated regularly.

The Arab Fintech guide is divided into two main sections, the current section is to introduce and highlight the framework of the guide illustrating its main components; the next section focuses on pilot countries’ fintech industry arrangements. Accordingly, the guide covers the following parts in each of the four leading pilot countries: introduction about fintech regulations, roles and responsibilities of regulatory and supervisory authorities, current fintech activities, licensing, compliance requirements and licensing applications.

**Regulations**

The regulation section frames and specifies the current regulations that govern Fintech activities in each market, their related links, the availability of a regulatory sandbox, and the graduating firms from such sandbox.

**Roles and Responsibilities of relevant organizations**

This part identifies regulatory and supervisory authorities of financial markets and financial institutions in each country. Also, it highlights the important information needed to access the market, such as the responsible organizations for licensing and whether the market includes financial free zones.

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2 The four pilot countries UAE, Bahrain, KSA and Egypt.
Activities

Activities section identifies the various Fintech initiatives in each market which initially stems from the country vision and strategy.

Licensing

The licensing component illustrates the different aspects of licensing Fintech related activities, it states the diversified range of employed activities and/or applications, the various types of related licenses, as well as the requirements needed for licensing.

Compliance

This section sheds light on the compliance requirements and if any data protection guidelines are applicable within the country. It takes into consideration the capital requirements for various licenses adopted in the market.

Licensing Applications

The licensing applications section covers main questions related to the licensing applications in regard to the application process, related links, the destination to be sent to, the application processing time after submission, as well as the cost of the application submission.
The United Arab Emirates Fintech Guide
• **Introduction**

The United Arab Emirates is the largest MENA Fintech hub, accounting for 46% of all Fintech startups. The Abu Dhabi Global Markets (ADGM) and the Dubai International Financial Centre (DIFC) are the two financial free zones which have established regulatory sandboxes for start-ups.

The primary authorities that focus on Fintech activities and regulations include the Central Bank of the UAE (CBUAE), Dubai Financial Services Authority (DFSA) and the Financial Services Regulatory Authority (FSRA).

The CBUAE launched last year the FinTech Office (FTO) to overssee the development and growth of the FinTech ecosystem in the UAE, and to form strategic partnerships through cross-border collaboration. The FTO prioritizes the development of five key areas:

- Research, advisory and application
- Regulatory interface
- Collaboration and liaison
- Talent development
- Cross-border collaboration

• **Regulatory Authorities**

**CBUAE:**

- Regulatory Framework for Stored Values and Electronic Payment Systems:
  - Cash-in services – Enabling cash to be placed in a payment account
  - Cash-out services – Enabling cash withdrawals from a payment account
  - Retail credit/debit digital payment transactions
  - Peer-to-peer digital payment transactions
  - Money remittances

**DFSA:**

- Framework for loan-based crowdfunding

**FSRA:**

- Regulation of Virtual Asset Activities in ADGM
- Regulation of Digital Securities Activities in ADGM

• **Fintech Regulations**

**Regulatory Framework for Stored Values and Electronic Payment Systems:** The Government of the UAE’s vision is to position the country as a global leader in digital services via a knowledge-based and innovation-driven economy in
harmony with the UAE Vice President, Prime Minister and Ruler of Dubai, His Highness Sheikh Mohammed bin Rashid Al Maktoum’s launch of m-Gov initiative in 2013. The UAE Cabinet decision no. 6/6 2016 authorizes the Central Bank to issue regulations relating to Stored-value and Electronic Payments, Payment Operations, Netting and Settlement systems in the UAE.


Framework for loan-based crowdfunding: In 2016, the DFSA announced its readiness to deal with the evolving world of financial technology, or FinTech. Since then, the DFSA has been dealing with, and discussing opportunities with, a number of interested parties in the FinTech area. Some of these discussions have been in the area of crowdfunding. Crowdfunding is a way in which people, organisations and businesses (including business start-ups) can raise money through online portals (crowdfunding platforms) to finance or refinance their activities and enterprises.

In this Consultation Paper (CP), DFSA proposed the introduction of a framework for firms intending to operate a loan-based crowdfunding platform. This CP is the first of a series of papers which will set out the DFSA’s approach to the regulation of crowdfunding and of FinTech more generally.


Regulation of Virtual Asset Activities in ADGM: This Guidance primarily focuses on the FSRA’s regulatory treatment of Virtual Assets, and the financial services activities that can be conducted in relation to Virtual Assets within ADGM. “Virtual Asset” means a digital representation of value that can be digitally traded and functions as (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but does not have legal tender status in any jurisdiction.


Regulation of Digital Securities Activities in ADGM: This Guidance is intended to provide clarity to those seeking to undertake ‘Digital Securities’-related financial services activities within ADGM. This includes Issuers wanting to make an Offer of Digital Securities and to assist Authorized Persons conducting a Regulated Activity in relation to Virtual Assets and those wanting to extend their digital assets/financial services activities beyond Accepted Virtual Assets. It is also intended to assist entities seeking to utilize new technologies (such as DLT) for the purposes of expanding their activities from the more ‘conventional’ Securities space into Digital Securities.
Fintechs and Financial Institutions in the UAE

The UAE currently has a total of 394 Financial Institutions of which 142 are Fintech startups.

Moreover, UAE has the following financial institutions:

- 21 national banks
- 27 foreign banks
- 1 investment bank
- 25 financial investment companies
- 139 moneychangers
- 27 finance companies
- 12 financial and monetary intermediaries
- 142 FinTech startups (as of 2018/19)

Regulatory Sandbox in the UAE

The UAE has 2 Sandboxes and one under development

DFSA – Innovation Testing License (ITL). DFSA admitted 25 FinTech firms out of 41 applications since 2017, and since then a total of 2 FinTechs (Sarwa, SmartCrowd) have graduated from the sandbox

Abu Dhabi Global Market (ADGM) RegLab – Will eventually be shifted to ADGM Digital Lab. ADGM RegLab admitted 32 FinTech firms out of 83 applications since May 2017, and since then a total of 2 FinTechs (NOW Money, Pyypl) have graduated from the sandbox

CBUAE Regulatory Sandbox – Under development

Fintech Ecosystem in the UAE

The UAE is one of the largest FinTech hub in the region, and includes the following:

• Government funds open to FinTech startups – Examples
  o Abu Dhabi Investment Office (ADIO) – $146m
  o Abu Dhabi Catalyst Partners – $1b
  o Dubai International Financial Centre – $100m

• Government FinTech accelerators and incubators
  o DIFC FinTech Hive
  o Plug and Play

• 46% of all MENA FinTech startups reside in the UAE

• 47% of total FinTech deals completed in MENA in 2019 were in the UAE

• 69% of total FinTech funding in MENA in 2019 were in the UAE

• **Fintech Hubs**

  **ADGM**

  ADGM is home to the first RegLab in the Arab region and one of the world’s most active FinTech regulatory sandboxes. ADGM’s RegLab is a specially-tailored regulatory framework which provides a controlled environment for FinTech participants to develop and test innovative FinTech solutions. This regulatory regime for FinTech participants is designed to foster innovation within the UAE financial services market for both new market entrants and existing financial institutions. Taking into account the unique business model and risks of the FinTech participant and customizing the test boundaries and regulatory requirements accordingly, the RegLab allows the participant to develop and test its FinTech proposition in a safe environment while not putting undue regulatory burden on the participant.

  **DIFC**

  DIFC FinTech Hive is located in Dubai at the heart of the Middle East, Africa, and South Asia's leading financial district. It is the place where FinTech, InsurTech, RegTech, Islamic FinTech startups capitalize on unlimited opportunities and get their products or solutions in front of the region's most established financial service organisations. The DIFC Hive provides accelerator programmes, licensing, co-working support, community of like-minded individuals and an enabling regulatory framework.
• Fintech Activities and Initiatives

Currency issuance

CBUAE has recently completed a central bank digital currency (CBDC) proof-of-concept (PoC) project jointly with the Saudi Arabian Monetary Authority (SAMA). CBDC for domestic and cross-border inter-bank and inter-central bank payments was dually issued by the two central banks as an experiment as part of this PoC.

Accounts and payments

CBUAE is currently implementing an Instant Payment Platform which will connect all banks and non-bank payment service providers with payments done within a few seconds and on a 24/7 basis.

Smart Dubai launched a ‘Payment Reconciliation and Settlement’ System in 2018 which introduced the Blockchain technology into the Department of Finance’s processes, allowing transactions to be performed accurately and in real-time and economizing time and effort – a time-consuming process that could take up to 45 days.

Trade finance and digitization

CBUAE, the banking sector and related Government Departments are currently working on a trade digitization project with an aim to digitize the end-to-end trade, trade reporting process and the trade financing arrangement including invoices and purchase order management.

RegTech, SupTech

The DFSA has developed a Chat Bot that uses AI to respond promptly and accurately to public queries.

The DFSA has tested a Compliance Review Tool that uses AI to conduct initial reviews of large documents (e.g. Prospectus for an issue of securities) and to identify gaps/missing information.

Cyber security

CBUAE and the UAE Banking Federation have implemented a Cyber threat intelligence platform to allow banks to share cyber intelligence while DFSA also developed a similar platform to enable Dubai International Financial Centre (DIFC) companies to share intelligence on cyber threats. In September 2020, the DIFC will hold the first industry level Cyber-attack simulation.

CBUAE is also to explore connectivity with similar platforms in the GCC countries.
Regulation of tokens and cryptocurrencies

ADGM has developed detailed regulations for digital / tokenized securities, crypto assets and stable coins to ensure the safe and proper use of such instruments in an increasingly digital financial services environment and started licensing activities and building out its surveillance capabilities since 2019. ADGM has since been invited to share its learnings with regulatory counterparts including the IOSCO, US Commodity Futures Trading Commission and Monetary Authority of Singapore.

DFSA will issue regulation of securities tokens and exchanges in summer 2020.

Instant payment regulation

As part of the implementation of the National Payment Systems Strategy (i.e. the Instant Payment Platform), CBUAE is also developing a comprehensive and holistic regulatory framework for all payment systems and related activities, including the instant payment regulation.

The DFSA has developed a comprehensive Money Services Regime and will start receiving applications in Q3 2020.

Tokenization/DLT/Blockchain

Smart Dubai is building a thriving Blockchain ecosystem in the city and establishing Dubai as the world capital of Blockchain development. The ongoing implementation includes 24 use cases across eight industry sectors (namely, finance, education, real estate, tourism, commerce, health, transportation, and security), launch of the Dubai Blockchain Platform, and the Dubai Blockchain Policy are all testament to this fact. Smart Dubai and IBM will also offer the first government Blockchain platform based in the Cloud.

Dubai has become home to over 100 Blockchain businesses. Dubai’s Blockchain market grew by 24% in 2018, surpassing the global average of 19%. The Dubai Blockchain Strategy has played a key role in encouraging international Blockchain and Fintech firms, such as Atlas Capital, to host the Blockexpo and World Blockchain Summit 2020 in Dubai during the Expo 2021 Dubai. Atlas Capital has also committed to establishing a Blockchain Campus as part of the District 2020 site.

Digital ID

A national digital identity/ID of the UAE, UAE-PASS, was implemented in 2019 and is a foundational pillar in the country’s journey towards digital transformation. UAE-Pass enables citizens, residents and visitors to create a secure digital identity that can be used to seamlessly access all public and private digital services in the country from the mobile app and using a single credential. With UAE-Pass, customers can also digitally sign transactions and documents using their digital certificates. Moreover, UAE-Pass will provide customers with a digital vault that allows them to request, share and store all their government issued credentials/e-documents securely in their mobile phones.
UAE-Pass is built on a national secure public key infrastructure and it utilizes the country’s identity systems as trust anchors. It is due to this level of security that CBUAE endorsed the usage of UAE-Pass for banking and financial institutions for customers’ onboarding process.

- **Regulatory and Supervisory Authorities**

CBUAE, FSRA and DFSA are mandated to handle, process and decide on various license applications. The UAE has two financial free zones: ADGM and DIFC:

- FSRA is the regulatory body for ADGM
- DFSA is the regulatory body for DIFC

**CBUAE**\(^{14}\) – Regulates and supervises financial services firms, CBUAE aims to:

- Prepare and implement monetary policy in line with UAE’s National Agenda
- Exercise the privilege of currency issuance
- Organize licensed financial activities, establish the foundations for carrying them out, and determine the standards required for developing prudential practices
- Set-up appropriate regulations and standards for protection of customers of licensed financial institutions
- Monitor the credit condition in the state, in order to contribute to the achievement of a balanced growth in the national economy
- Manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base
- Regulate, develop, oversee and maintain soundness of the Financial Infrastructure Systems in the state, including electronic payment systems, digital currency, and stored value facilities

**Securities and Commodities Authority (SCA)**\(^{15}\) – Issues regulations and instructions that ensure the development of the organizational and supervisory framework of the list joint-stock companies and other companies operating in the securities field

- Safeguards the rights of investors
- Promotes sound practices
- Creates an environment attractive to capital

**FSRA**\(^{16}\) – Regulates and supervises financial institutions and markets involved in ADGM

- Assesses regulatory complaints
- Promotes sound practices in financial crime compliance including AML/CFT and compliance with international tax reporting including FATCA and CRS

\(^{14}\) [https://www.centralbank.ae/en/about-us](https://www.centralbank.ae/en/about-us)


\(^{16}\) [https://www.adgm.com/financial-services-regulatory-authority](https://www.adgm.com/financial-services-regulatory-authority)
Supervises regulated firms to prevent, detect, and restrain conduct that may cause damage to the reputation of ADGM and UAE

**DFSA**\(^7\) – Regulates and supervises financial institutions and markets involved in DIFC

- Authorizes and registers institutions and individuals who wish to conduct financial services in or from DIFC
- Supervises regulated participants and monitor their compliance with the laws, regulations and rules that apply
- Enforces the legislation registered by DFSA

Insurance Regulatory and Development Authority regulates insurance companies in the UAE

**Licensing**

CBUAE regulates, supervises and/or licenses the following:

- Financing activity
- Payment services
- Foreign exchange activities
- Peer-to-peer lending

<table>
<thead>
<tr>
<th>Activity</th>
<th>Requirements needed for a license</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing activity</td>
<td><a href="https://www.centralbank.ae/sites/default/files/2018-11/Regarding%20Regulations%20for%20Finance%20Companies._0.pdf">https://www.centralbank.ae/sites/default/files/2018-11/Regarding%20Regulations%20for%20Finance%20Companies._0.pdf</a></td>
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</tbody>
</table>

\(^7\) [https://www.dfsa.ae/en/About-Us/Our-Purpose#Who-We-Are](https://www.dfsa.ae/en/About-Us/Our-Purpose#Who-We-Are)
Compliance and Capital Requirements

The capital requirements for the various licenses are as follows (for more details kindly refer to the links above):

Financing activity: No less than AED 35m

Payment services:
Retail: AED 50m

Micro-payments: AED 50m

Government: No capital

Non-issuing PSP: AED 25m

Foreign exchange activity:

Category A license: Minimum paid up capital must be AED 2m. In case the legal form is a LLC, the minimum paid-up capital must be AED 50m

Category B license: Minimum paid up capital must be AED5m. In case the legal form is a LLC, the minimum paid-up capital must be AED 50m

Category C license: Minimum paid up capital must be AED 10m. In case the legal form is a LLC, the minimum paid-up capital must be AED 50m

Peer-to-Peer lending

Category 1: AED 1m

Category 2: AED 300k

Licensing Applications

Currently, to apply for the relevant license, the process requires contacting CBUAE to share hard-copies or PDF files. CBUAE is currently undergoing a project to provide license applications online. License applications should be sent to the licensing division. The application process time is 60 working days from the date of submission of a completed application. There is no cost to submit an application.
Introduction

The Central Bank of Bahrain (CBB), the Kingdom of Bahrain’s single financial regulator established the Fintech and Innovation Unit and the Regulatory Sandbox in 2017. Given its progressive financial system, changing customer behaviour and technological advancements, Bahrain has identified FinTech as a top priority. It aims to establish itself as a leading regional hub shaped by regulatory support. Through the Regulatory Sandbox, the Kingdom of Bahrain welcomes innovative and developing fintech start-ups to the Bahraini markets. The Kingdom of Bahrain is also the first country in the MENA region to mandate all retail banks to comply with Open Banking regulations.

Regulatory Authorities

The FinTech & Innovation Unit has been established to ensure that the Kingdom of Bahrain embraces an agile regulatory framework that encourages innovation within the financial services sector and supports digital financial transformation. As of date, the CBB has issued a number of fintech related regulations relating to Payment Service Providers (PSP’s), Card Processing Service Providers, e-wallets (part of Payment Service Providers license), Crowdfunding (both Equity and Debt based, conventional and Shariah-compliant), Cloud Computing, Open Banking, Crypto Assets, National e-KYC project, Digital Financial Advice, Insurance Aggregators and the Regulatory Sandbox framework.

Fintech Regulations

- Crypto-assets:

  The CBB's crypto-asset regulations cover the licensing and supervision of crypto-asset exchanges and other crypto-asset services, including trading, dealing, advisory, and portfolio management in accepted crypto-assets as principal, agent, or custodian. The regulations also cover provisions relating to professional indemnity coverage, technology standards, cyber security risk requirements, counterparty risk, reporting and notification requirements, etc.

- Payment Service Providers (PSPs):

  The CBB’s payment service provider regulations fall under Volume 5: Ancillary Service Provider. The regulations cover the licensing and supervision of payment service providers.

- Crowdfunding:

  The CBB’s crowdfunding regulations cover finance-based and equity-based crowdfunding operating platforms. The regulations support person-to-business and business-to-business financing models. Crowdfunding regulations fall under Volume 5 of the CBB Rulebook and cover licensing and supervision
requirements, as well as provisions relating to technology standards, cyber security risk requirements, etc.

Financing-Based Crowdfunding:
https://cbben.thomsonreuters.com/rulebook/gr-5a-general-requirements-financing-based-crowdfunding-platform-operators

Equity-Based Crowdfunding:
https://cbben.thomsonreuters.com/rulebook/mae-211-obligations-crowdfunding-platform-operators

https://cbben.thomsonreuters.com/rulebook/mae-212-equity-crowdfunding-offer

➢ Open Banking:

The CBB’s open banking regulations cover retail banks and third-party providers under Volumes 1, 2 and 5. The open banking regulations cover general requirements of the licensing and supervision of account information service providers (“AISPs”) and payment initiation service providers (“PISPs”). The regulations cover the risks, systems, technology standards including application program interfaces (“APIs”), electronic identification, transmission of data, controls, cyber security risk requirements, counterparty risk, etc.


https://cbben.thomsonreuters.com/entiresection/105560

➢ Cloud Computing:

The CBB’s cloud computing regulations are embedded into each Rulebook. The CBB allows licensees to utilize cloud computing services through an outsourcing arrangement whilst applying appropriate safeguards such as encryption of customer information, maintaining a secure audit trail, providing information on measures taken by the cloud service provider to ensure security and confidentiality, and ensuring that the right to release customer information/data in case of foreign government/court orders must be the sole responsibility of the licensee, subject to the CBB Law.

Reference to cloud computing regulations as an example under cloud computing: https://cbben.thomsonreuters.com/entiresection/115814
➢ Digital Financial Advice:

The CBB’s Digital Financial Advice regulations cover digital financial advice providers (“robo-advisors”) alongside banks and investment firm licensees offering digital financial advice services. The regulations are available under Rulebook Volume 1 (Conventional Banks), Rulebook Volume 2 (Islamic Banks) and Volume 4 (Investment Businesses).

➢ Insurance Aggregators:

The CBB’s “insurance aggregators” regulations targets intermediaries with an insurance broker’s license that operate on an online platform and provide the following services: price comparisons of insurance policies and facilitate the purchase of insurance policies on behalf of insurance companies. The regulations are under Rulebook Volume 3 (Insurance).

• **Fintechs and Financial Institutions in the Kingdom of Bahrain**

There are several active fintechs, fintech companies currently operating in the sandbox, and financial institutions in the Bahraini market as follows:

- Conventional Banks/Retail: 25
- Banks/Wholesale: 49
- Islamic Banks/Retail: 6
- Islamic Banks/Wholesale: 14
- Insurance Licensees/Locally Incorporated Insurance Firms: 22
- Insurance Licensees/Overseas Insurance Firms: 12
- Insurance Licensees/Insurance Broker: 34
- Insurance Licensees/Insurance Managers: 4
- Conventional Insurance Licensees/Insurance Consultants: 3
- Insurance Licensees/Insurance Firms (Restricted to Business Outside Bahrain): 11
- Insurance Licensees/Insurance Brokers (Restricted to Business Outside Bahrain): 4
- Insurance Licensees/Insurance Consultants (Restricted to Business Outside Bahrain): 2
- Insurance Licensees/Registered Actuaries: 32
- Insurance Licensees/Registered Loss Adjusters: 12
- Insurance Licensees/Insurance Pools and Syndicates: 2
- Investment Business Firms/Category 1: 22
- Investment Business Firms/Category 2: 14
- Investment Business firms/Category 3: 16
- Specialized Licensees/Money Changers: 19
- Specialized Licensees/Fun Administrator License: 3
- Specialized Licenses/Registered Administrators: 1
- Specialized Licensees/Financing Companies: 5
- Specialized Licenses/Banking Representative Offices: 8
- Specialized Licenses/Insurance Representative Offices: 2
- Specialized Licenses/Investment Firm Representative Offices: 6
- Specialized Licenses/Microfinance Institutions: 2
- Specialized Licenses/Trust Service Providers: 3
- Specialized Licenses/Ancillary Service Providers: 24
- Specialized Licenses/Insurance Ancillary Services: 7
- Specialized Licenses/Societies: 4
- Specialized Licenses/Registered Professional Body: 1
- Capital Markets/Licensed Exchanges: 1
- Capital Markets/Licensed Clearing, Settlement and Central Depository Systems: 1
- Capital Markets/Licensed Securities Broker-Dealer: 2
- Capital Markets/Licensed Securities Broker: 3
- Capital Markets/Crypto-Asset Services – Category 3: 1

- **Regulatory Sandbox in Bahrain**

As part of the CBB’s ongoing initiatives towards the development of the financial sector, the Fintech and Innovation Unit was established, and the Regulatory Sandbox was launched in 2017. Through the Regulatory Sandbox, the Kingdom of Bahrain welcomes innovative and developing fintech start-ups to the Bahraini markets. As of Q2 2020, 6 fintech companies have graduated from the sandbox and we currently have 29 companies testing their fintech solutions.

Crypto services remain to be the largest category in terms of the types of solutions being tested within the Regulatory Sandbox. In addition, solutions being tested are of the following: loan automation platforms, open banking, robo advisory, mobile micro finance, challenger banks, card processing, remittance, insurtech solutions, etc. From the 6 fintechs that have graduated from the Regulatory Sandbox, one has received an open banking license to operate as an AISP/PISP and another has received a crypto-asset license category 3. The remaining companies operate varying crypto platforms, as well.

The Kingdom of Bahrain is also the first country in the MENA region to mandate all retail banks to comply with Open Banking regulations.

The best way to be updated is to visit the CBB’s website: www.cbb.gov.bh/fintech

Applications to the Regulatory Sandbox are to be submitted online, by filling an online application form. Following is the link to the Regulatory Sandbox application form:

https://www.cbb.gov.bh/application-for-regulatory-sandbox/

As part of the application process, the CBB shall provide a formal decision on a Regulatory Sandbox application within 15 calendar days after all required documentation have been submitted in a form acceptable to the CBB.
• **Fintech Ecosystem in Bahrain**

The fintech ecosystem in the Kingdom of Bahrain is ranked first in the MENA region and the Central Bank of Bahrain has won an award for the Most Innovative Fintech Regulator of the Year in 2019 by the Fintech Galaxy FinX Awards.

As part of the CBB’s ongoing initiatives towards the development of the financial sector, the Fintech and Innovation Unit was established and the Regulatory Sandbox was launched in 2017. Through the Regulatory Sandbox, the Kingdom of Bahrain welcomes innovative and developing fintech start-ups to the Bahraini markets.

The Kingdom of Bahrain is also the first country in the MENA region to mandate all retail banks to comply with Open Banking regulations. Bahrain encourages financial institutions to adopt innovation and stay informed of fintech developments that may positively impact their respective institutions as well as participate in the prosperity of the Kingdom’s financial services sector.

The CBB’s Fintech and Innovation Unit makes an effort to collaborate and form close relationships with various members of the Fintech ecosystem within Bahrain. These members include but are not limited to: the Bahrain Economic Development Board, Bahrain FinTech Bay, banks, telecoms, etc. This helps foster a more innovative and collaborative Fintech ecosystem. The Fintech & Innovation Unit also collaborates with regional and international regulators on policy and regulatory matters related to Fintech.

• **Fintech Hub**

Bahrain FinTech Bay is one of the leading FinTech Hubs in the region and a dedicated FinTech co-working space with the purpose to position Bahrain as a regional FinTech hub. Bahrain FinTech Bay offers a co-working space, innovation labs, acceleration programmes, curated activities, educational opportunities, and a collaborative platform to source partners, investors, talent and build a regional network.

• **Fintech Activities and Initiatives**

CBB runs various initiatives to support the fintech vision of the country:

- Conduct market research and develop strategic initiatives on FinTech.
- Lead the drafting of and the development of regulatory policy initiatives in relation to FinTech.
- Facilitate FinTech testing in the Regulatory Sandbox.
- Coordinate with key Fintech ecosystem players to work on growing the FinTech Sector in the Kingdom.

• **Regulatory and Supervisory Approach**

The Kingdom of Bahrain has a liberal business environment that offers 100% foreign ownership. The Central Bank of Bahrain is responsible for regulating and
supervising financial markets and financial institutions in the Kingdom of Bahrain. The insurance sector is also regulated and supervised by the CBB, including InsurTech. The CBB follows a risk-based regulatory and supervisory approach.

As part of its role, the Central Bank of Bahrain is also mandated to handle, process and decide on the various license applications in the Kingdom of Bahrain. CBB also regulates insurance and insurtech companies in the Kingdom.

- **Licensing**

Any activity that is considered to be a regulated financial service/product under the Central Bank of Bahrain (“CBB”) law must be licensed by the CBB, and is broadly categorized under 7 Rulebook volumes as follows:

- Volume 1: https://cbben.thomsonreuters.com/rulebook/part-1
- Volume 3: https://cbben.thomsonreuters.com/rulebook/part-3
- Volume 4: https://cbben.thomsonreuters.com/rulebook/part-4
- Volume 6: https://cbben.thomsonreuters.com/rulebook/part-13
- Volume 7: https://cbben.thomsonreuters.com/rulebook/part-15

All capital requirements including the financial resources are mentioned in the link provided for each activity.

The License applications for all types of licenses can be accessed here: https://www.cbb.gov.bh/application-for-a-license/

- Clearing, Settlement and Depository: https://cbben.thomsonreuters.com/rulebook/csd-clearing-settlement-and-depository
- Crypto-asset Services: https://cbben.thomsonreuters.com/rulebook/cra-crypto(asset
Below table indicates the license requirements for several activities along with the license types:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Requirements needed for a license</th>
<th>Type of license</th>
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<tr>
<td>Financing activity</td>
<td>Link</td>
<td>Financing company</td>
</tr>
<tr>
<td>Receiving deposits or</td>
<td>Link to Conventional banks, Link to Islamic banks</td>
<td>Conventional Bank, Islamic</td>
</tr>
<tr>
<td>other repayable funds</td>
<td></td>
<td>Bank</td>
</tr>
<tr>
<td>Payment services</td>
<td>Link to Payment services</td>
<td>Payment Service Provider</td>
</tr>
<tr>
<td>Issue of electronic</td>
<td>Link to Electronic Money</td>
<td>Not a regulated activity</td>
</tr>
<tr>
<td>money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange activity</td>
<td>Link to exchange activity</td>
<td>Money Changer</td>
</tr>
<tr>
<td>Insurance activity</td>
<td>Link to Insurance activities</td>
<td>Insurance Firms</td>
</tr>
<tr>
<td>Investment services</td>
<td>Link to Investment Services</td>
<td>Investment Business Firms</td>
</tr>
<tr>
<td>Funds management</td>
<td>Link to funds management</td>
<td>Administrator</td>
</tr>
<tr>
<td>Insurance mediation</td>
<td>Link to insurance mediation</td>
<td>Insurance firms</td>
</tr>
<tr>
<td>Intermediation of loans</td>
<td>Link to Conventional Banks, Link to Islamic Banks, Link to Financing</td>
<td>Conventional Bank, Islamic</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>Bank, Financing Company</td>
</tr>
<tr>
<td>Peer-to-peer lending</td>
<td>P2P is not allowed, however, P2B and B2B are allowed as a crowdfunding</td>
<td>Crowdfunding Platform</td>
</tr>
<tr>
<td></td>
<td>platform operator</td>
<td>Operator</td>
</tr>
<tr>
<td>Finance agent</td>
<td>Link to Investment Firm:</td>
<td>Investment Business Firm</td>
</tr>
<tr>
<td>Financial adviser</td>
<td>Link to Financial Advisor</td>
<td>Investment Business Firm</td>
</tr>
</tbody>
</table>
• **Compliance and Capital Requirements**

All capital requirements including the financial resources are mentioned in the link provided for each activity. License application forms are separately available for each rulebook volume in the following links respectively:

- **Volume 1: Conventional Banking**
  https://cbben.thomsonreuters.com/rulebook/part-b-1
- **Volume 2: Islamic Banking**
  https://cbben.thomsonreuters.com/rulebook/part-b-2
- **Volume 3: Insurance firms**
  https://cbben.thomsonreuters.com/rulebook/part-b-3
- **Volume 4: Investment Business firms**
  https://cbben.thomsonreuters.com/rulebook/part-b-4
- **Volume 5: Specialized licenses**
  https://cbben.thomsonreuters.com/rulebook/part-b-5

<table>
<thead>
<tr>
<th>Specific Modules (By Type of Licensee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1: Money Changers Licensees</td>
</tr>
<tr>
<td>Type 2: Representative Office Licensees</td>
</tr>
<tr>
<td>Type 3: Financing Companies</td>
</tr>
<tr>
<td>Type 4: Administrators</td>
</tr>
<tr>
<td>Type 5: Trust Service Providers</td>
</tr>
<tr>
<td>Type 6: Microfinance Institutions</td>
</tr>
<tr>
<td>Type 7: Ancillary Service Providers</td>
</tr>
</tbody>
</table>

- **Volume 6: Capital market**
  https://cbben.thomsonreuters.com/rulebook/part-b-6
- **Volume 7: Collective Investment Undertaking**
  https://cbben.thomsonreuters.com/rulebook/part-b-6

• **Licensing Applications**

All new license applications must be addressed to:

**The Director, Licensing Directorate**  
Central Bank of Bahrain  
PO Box 27  
Manama  
Kingdom of Bahrain  
E mail: licensing@cbb.gov.bh

The application process time is 60 working days from the date of submission of a completed application to the CBB.

Applicants seeking a license from the CBB must pay a non-refundable license application fee of BD 100 at the time of submitting their formal application to the CBB.
The Kingdom of Saudi Arabia Fintech Guide
• Introduction

In line with the Kingdom of Saudi Arabia's Vision 2030 to support entrepreneurship and the enhancement of financial technology (FinTech) services, the Saudi Arabian Monetary Authority (SAMA) launched in 2019 the Fintech Saudi initiative.

The initiative aims to support the FinTech ecosystem in order to promote the Kingdom as a FinTech hub embracing a thriving, responsible ecosystem of banks, investors, companies, colleges, and state institutions; thereby contributing to the support of financial inclusion and the rise of digital transactions.

In addition, and in order to understand and assess the impact of new technologies in the KSA’s FS market, as well as to help transforming the Saudi market into a smart financial center, SAMA has designed a Regulatory Sandbox which welcomes local as well as international firms wishing to test new digital solutions in a ‘live’ environment with a view to deploy them in the KSA in the future.

• Regulatory Authorities

SAMA has designed a Regulatory Sandbox, for the following purposes:

1. Transforming the Saudi Market into a Smart Financial Center.


3. Understanding and assessing the impact of new technologies in the financial sector, in order to enhance or draft new guidelines and regulations.

CMA issued a Financial Technology Experimental Permit Instructions, for the following purposes:

1. Enable new FinTech applicants to test their technologies.

2. Show how CMA would assess FinTech to determine their eligibility to enter the FinTech lab.

3. Enhance the relevant regulations or wave them as necessary.

Also, CMA developed additional regulatory requirements that the Fintech company shall comply with during the testing period.
• **Fintech Regulations**

**SAMA:** SAMA’s Sandbox directly connects with ‘KSA’s 2030 Vision’, which endeavors to reinforce economic growth and investment activities. The ‘KSA’s 2030 Vision’ has been further developed into 12 Executive Programs, which includes the ‘Financial Sector Development Program’ (FSDP). The FSDP program seeks to develop the financial industry as a diversified and effective financial services sector to support the development of the national economy by stimulating savings, finance and investment, inter alia, enabling financial institutions to support private sector growth.


**CMA:** issued a regulatory framework that is conducive for the innovation of financial technology in capital market within the Kingdom of Saudi Arabia. The CMA regulates innovative FinTech products, services and business models related to the securities activities and issues a FinTech ExPermit to enable applicants to participate in the FinTech Lab to deploy and test their innovative FinTech products related to capital market within specified parameters and timeframes.


• **Fintechs and Financial Institutions in the Kingdom of Saudi Arabia**

**SAMA:** For the Regulatory Sandbox: 30 FinTech companies and 13 Banking products have been permitted to enter the Regulatory Sandbox, 6 FinTech companies (all payment companies) and 12 Banking products have been graduated from the Regulatory Sandbox while 26 fintech companies and bank fintech solutions are still in the process of testing.

As for active financial institutions: there are 12 local banks, 18 foreign banks branches, 39 Finance and refinance companies (other than banks), 32 insurance and reinsurance companies, 2 credit bureaus, in addition to the four payment companies mentioned above.

**CMA:** 106 Authorized persons and 10 FinTech companies, the lists are in the links below. Fintechs in the CMA sandbox are still in the process since the FinTech ExPermit period extends to 2 years, and none of the 10 companies completed it yet.


• **Fintech Ecosystem in the Kingdom of Saudi Arabia**

Saudi Arabia encourages innovation in all sectors, including financial services. Both Regulatory and Supervisory Authorities and policy makers (SAMA and CMA) have a regulatory sandbox where Fintech companies can apply based on their activity. Moreover, SAMA and CMA signed a joint agreement to establish a centre for Fintech Saudi in April 2018 under the Financial Sector Development Program to act as a catalyst for the development of the financial technology (“fintech”) industry. The centre’s objective is to:

- Communicate and organize events with FinTech partners and stakeholders,
- Start initiatives that support the development of the infrastructure required by the Fintech industry;
- Build the skills and knowledge required for the growth of the Fintech activity;
- Support Fintech entrepreneurs at every stage of their development. In addition to collaboration with different members and partners.

• **Fintech Hub**

SAMA and CMA signed a joint agreement to establish a centre for Fintech Saudi in April 2018 under the Financial Sector Development Program to act as a catalyst for the development of the financial service technology (“fintech”) industry. Fintech Saudi is involved in communication, events, initiatives that support the development of the infrastructure required by the fintech industry; build the skills and knowledge required for the growth of the fintech activity; and support fintech entrepreneurs at every stage of their development. Fintech Saudi is supported by members and partners.

• **Fintech Activities and Initiatives**

**SAMA FinTech Initiatives:**

- SAMA has designed a Regulatory Sandbox which welcomes local as well as international firms wishing to test new digital solutions in a ‘live’ environment with a view to deploy them in the KSA in the future.
- Also, SAMA launched FinTech Saudi to act as catalyst for the development of the financial technology (FinTech) industry.

**For CMA:** There are multiple initiatives related to FinTech that aim for:

- Enhancing the process of evaluating the applications and processing them in FinTech Lab to expedite the process of issuing Ex-permits.
- Diversifying FinTech products related to securities business activities and identifying the regulatory frameworks and standards related to these FinTech products.
- Reinforcing the tools to supervise FinTech companies that have obtained Ex-permits and identifying standards for graduating them to the post-FinTech Lab phase.
Roles and Responsibilities (Regulatory and Supervisory Authorities and policy makers)

Saudi Arabia has one national jurisdiction and no financial freezones. **Saudi Arabian Monetary Authority (SAMA)** is mandated to regulate and supervise financial institutions, and **The Capital Market Authority (CMA)** is mandated to regulate and develop the Capital Market in Saudi Arabia.

- **SAMA** is responsible of Licensing financial institutions and FinTech companies with any activity/product that is under SAMA authority (e.g. Payment, Finance, Insurance, Banking, etc…).
- **CMA** is responsible of licensing credit rating agencies, financial services companies and Fintechs engaged in capital market activities and securities businesses including investment and asset management, brokerage, issuing securities and funding, in addition to any other securities business activities.

Licensing

**For SAMA sandbox:** Licensed activities include -but are not limited to- payment, financing, crowdfunding platforms, saving, currency exchange and lending platform.

**For CMA FinTech Lab:** Licensed activities include- but are not limited to- equity and debt instruments crowdfunding platforms and Robo-advisory and the use of DLT in arrange the offer of Securities and Custody Services.

1. Below table indicates the license requirements for several activities along with the license types:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Requirements needed for a license</th>
<th>Type of license</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing activity</td>
<td>For Banking License: <a href="#">here</a></td>
<td>Banking/Finance Companies include:</td>
</tr>
<tr>
<td></td>
<td>For Digital-only Banks: <a href="#">here</a></td>
<td>a. Real estate finance</td>
</tr>
<tr>
<td></td>
<td>For Finance companies: <a href="#">here</a> and <a href="#">here</a></td>
<td>b. Production asset finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c. Small and medium enterprise finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d. Finance lease</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e. Credit card finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>f. Consumer finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>g. Microfinance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>i. Consumer Microfinance</td>
</tr>
<tr>
<td>Receiving deposits or other repayable funds</td>
<td>For Banking License: <a href="#">here</a></td>
<td>Banking</td>
</tr>
<tr>
<td></td>
<td>For Digital-only Banks: <a href="#">here</a></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Service Type</th>
<th>Banking License</th>
<th>Digital-only Banks</th>
<th>Payment Companies</th>
</tr>
</thead>
</table>
| Payment services                 | For Banking License: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | For Digital-only Banks: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | Banking Payment Companies:  
- Major PI (Payment Institution)  
- Micro PI (Payment Institution) |
| Issue of electronic money        | For Payment companies: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | Payment Companies:  
- Major EMI (Electronic Money Institution)  
- Micro EMI (Electronic Money Institution) |
| Foreign exchange activity        | CMA: Brokerage license, and it is not considered as fintech activity.  
For Banking License: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | CMA: Please refer to part three for, the Authorized Persons Regulations in the following link: [Here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx)  
Banking/Foreign Exchange Companies |
| Insurance activity               | For Insurance and/or Reinsurance licensing requirements: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx)  
For Insurance and/or Reinsurance foreign branches: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | Insurance and/or Reinsurance Company  
Foreign Insurance and/or Reinsurance Branch |
| Investment services              | Please refer to the [Financial Technology Experimental Permit Instructions](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | FinTech Ex-permit in securities business activities |
| Funds management                 | Please refer to the [Financial Technology Experimental Permit Instructions](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | FinTech Ex-permit in securities business activities |
| Insurance mediation              | For Insurance Services Providers: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx)  
Insurance Aggregator: [here](http://www.sama.gov.sa/en-US/payment/Pages/Payment_Forms.aspx) | Insurance Broker  
Insurance Aggregator |
<p>| Intermediation of loans          | N/A              | N/A               |
| Peer-to-peer lending             | N/A              | N/A               |</p>
<table>
<thead>
<tr>
<th>Finance agent</th>
<th>N/A</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial adviser</td>
<td>Please refer to the Financial Technology Experimental Permit Instructions</td>
<td>FinTech Ex-permit in securities business activities</td>
</tr>
<tr>
<td>Marketing of financial products or services</td>
<td>CMA: Please refer to the Financial Technology Experimental Permit Instructions</td>
<td>CMA: FinTech Ex-permit in securities business activities</td>
</tr>
<tr>
<td>For Banking License: <a href="#">here</a></td>
<td>Banking</td>
<td></td>
</tr>
<tr>
<td>For Digital-only Banks: <a href="#">here</a></td>
<td>Payment companies</td>
<td></td>
</tr>
</tbody>
</table>

For Payment companies:

(a) A Payment Service Provider must ensure that any advertising or promotional material for its Payment Services is not deceptive, misleading or exaggerated. All text and numbers stated in such material should be clearly visible and understandable, with a legible font size used for all text (including footnotes).

(b) A Payment Service Provider should ensure that advertising and promotional material is designed and presented so that any customer can reasonably be expected to understand that it is an advertisement and that the availability of the product or service may require the customer to meet certain criteria.

(c) All advertising and promotional material must be approved in writing by the compliance function of a Payment Service Provider.

(d) A Payment Service Provider must not send promotional material to any person under the age of 18 years, where such material presents unsuitable risk to such customers.

- **Compliance and Capital Requirements**

Capital Requirements:

**SAMA sandbox:** It depends on the Business size and the activities that will be tested during the Sandbox period.
Banking:
SAMA will also assess the adequacy of capital for an applicant on a case-by-case basis depending on the scale, nature and complexity of the operations as proposed in the business plan. Foreign Bank branches are not required to maintain capital in Kingdom of Saudi Arabia although capital requirements may be set on a case-by-case basis, for example, those intending to conduct high risk businesses and/or wanting to specialize in particular business lines that require specific level of capacity or competence.
Applicants must be able to comply with SAMA’s capital adequacy requirements from the commencement of their banking operations. All locally incorporated banks are required to maintain, at all times, a minimum capital ratio (CAR) as set by SAMA. Newly established banks may be subject to a higher minimum capital ratio in their formative years, depending on the risk profile of their proposed operations.

Finance Companies:
- Real Estate Activity: (200,000,000) two hundred million riyal.
- Finance Activities other than real estate activity: (100,000,000) one hundred million riyal.
- Microfinance activity: (10,000,000) ten million riyal.
- Consumer microfinance: (20,000,000) twenty million riyal.

Payment Companies:
(1) For a Micro PI license, the company must provide a satisfactory evidence to SAMA of at least SR1,000,000 in paid-up equity.
(2) For a Major PI license, the company must provide a satisfactory evidence to SAMA of at least SR3,000,000 in paid-up equity.
(3) For a Micro EMI license, the company must provide a satisfactory evidence to SAMA of at least SR2,000,000 in paid-up equity.
(4) For a Major EMI license, the company must provide a satisfactory evidence to SAMA of at least SR10,000,000 in paid-up equity.

Insurance:
- Insurance Company: one hundred million Saudi Riyals
- Reinsurance Company: two hundred million Saudi Riyals
- Insurance Brokerage: three million Saudi Riyals
- Insurance aggregation: five hundred thousand

CMA: It depends on the business size and the activities that will be carried out during the Fintech Ex-permit period. It may start from SR 400,000 and it may reach SR 7,000,000.

Data Protection Guidelines:

SAMA
Cyber Security Framework (issued by SAMA) for regulated entities regulated by SAMA (May2017).
Please refer to the link below:
For payment companies:
(a) A Payment Service Provider must protect Customer Data and maintain the confidentiality of that data, including when it is held by a third party or Agent of the Payment Service Provider. The personal information of customers may be accessed and used by personnel authorized by the Payment Service Provider only for the purpose of complying with regulatory requirements applicable in the Kingdom, including anti-money laundering reporting, fraud and financial crime reporting.

(b) A Payment Service Provider must not disclose Customer Data except where:
(i) required, pursuant to applicable laws and regulations, by SAMA or other competent authority in the Kingdom; or
(ii) the disclosure is made with the prior written consent of the customer.

(c) A Payment Service Provider must put in place and maintain adequate policies, procedures and controls, as well as employee awareness training, to protect Customer Data and to identify, act to prevent and resolve any information security breaches.

(d) In addition, a Payment Service Provider must put in place and maintain data protection controls in accordance with SAMA's cyber security framework.

CMA: We apply general guidance for data protection and Cybersecurity, please refer to the following link:

Addresses for license applications:

**SAMA Sandbox:** Regulatory Sandbox applications must be submitted to the following email: sandbox@sama.gov.sa

**Banking:**

Both (hard and soft) copies need to be submitted.

*Hard copy to be delivered to:*

Saudi Arabian Monetary Authority (SAMA)

General Department of Banking Control

Banking Licensing Division

Level 3, SAMA Building 2
PO Box 2922 Riyadh KSA 11169

*Soft copy should be sent by email to following email address:*

   BankingLicenseApp@sama.gov.sa

**Finance Companies:**

Founding shareholders of the Finance Company, or their representatives, shall submit application to SAMA main office address.

**Payment companies:**

The completed form along with its supporting documents should be submitted (paper/ electronic) to the Saudi Arabian Monetary Authority SAMA’s postal and email address below:

   PSCC@SAMA.GOV.SA

   Saudi Arabian Monetary Authority (SAMA)
   Payment Systems and Companies Control Department
   King Saud St. P.O. box 2992 Riyadh 11169

**Insurance and/or Reinsurance Companies:**

Both (hard and soft) copies need to be submitted.

*Hard copy to be delivered to:*

   Saudi Arabian Monetary Authority (SAMA)
   General Department of Insurance Control
   Insurance Licensing Division
   Level 2, SAMA Building 2
   PO Box 2922 Riyadh KSA 11169

*Soft copy should be sent by email to following email address:*

   IC.Lic@SAMA.GOV.SA

**CMA:** It shall be submitted to the following email: FinTech.ExPermit@cma.org.sa.

Processing Applications:
SAMA sandbox: Evaluating an application takes up to 60 calendar days

Banking:
All applications are processed within reasonable time, having regard to the particular circumstances of each application, including the completeness of information and documents submitted to SAMA by the applicant. For applicant’s application to be assessed as complete, it would need to have provided SAMA with a fully and correctly completed Application Form with all its supporting requirements. The information provided must also be of sufficient quality and details to allow SAMA to complete its assessment. Applicants should expect to receive written acknowledgement (by e-mail) of receipt of their application from SAMA along with confirmation of their case officer’s name within fifteen (15) business days. SAMA will endeavor to assess an application and reach a decision within a reasonable time. Throughout the processing and assessment of the application, SAMA may have queries or require further information from the applicants. Applicants can help to make the process as efficient as possible by responding promptly and comprehensively to any SAMA queries.

Finance Companies:
SAMA shall notify the applicant in writing of its initial approval or reasoned rejection within 60 working days from the date of the application completion notification. The initial approval shall not constitute a license or approval to engage in finance activity. The founding shareholders must establish the Finance Company as a joint stock company within six months of the preliminary approval and provide SAMA with copies of the Finance Company’s commercial registration and by-laws reflecting the licensed activities in accordance with the preliminary approval. The preliminary approval will expire after six months of its issuance except when a non-objection letter has been obtained from SAMA to extend its duration for an additional six months maximum.

Payment companies:
Once application is submitted, SAMA will evaluate it within 90 calendar days.

Insurance and/or Reinsurance Companies:
SAMA shall notify the applicant within 30 working days confirming that the application is complete. Whereby, the application is incomplete SAMA shall notify the applicant of any further requirements or missing documents. All incomplete and/or missing documents shall be provided within 30 working days from SAMA’s notification, otherwise the application shall be cancelled and the applicant must re-submit a new application for consideration. SAMA shall notify the applicant within 90 working days from the receipt of a completed application of its approval, or its rejection by providing reasons.

CMA: It depends on the Completeness of the information and maturity of the application.
Cost for submitting applications:

**SAMA sandbox:** There is no fee for submitting an application for the Regulatory Sandbox.

**Banking:** Nil

**Finance Companies:**

For issuing the license for finance companies, SAMA may charge the following:
- Real Estate Activity and other than real estate activity: (200,000) two hundred thousand riyal.
- Microfinance activity: (10,000) ten thousand riyal.
- Consumer microfinance: (20,000) twenty thousand riyal.

**Payment Companies:**

As per the regulations.

**Insurance and/or Reinsurance Companies:**

- The applicant shall pay SAMA a non-refundable licensing application processing fee of ten thousand Saudi Riyals (SR 10,000).
- Upon approval of the application, the applicant shall pay SAMA the following licensing fee:
  - (SR 100,000) One hundred thousand Saudi Riyals for Insurance Company.
  - (SR 200,000) Two hundred thousand Saudi Riyals for Re-insurance Company.
  - (SR 300,000) Three hundred thousand Saudi Riyals for Insurance and Reinsurance Company.
  - (SR 25,000) Twentyfive thousand Saudi Riyals for Insurance and reinsurance Services Providers, except the actuary and the insurance advisor.
  - (SR 5,000) Five thousand Saudi Riyals for Actuaries and Insurance Advisors.

**CMA:** CMA decided to subsidize the applicants, accordingly, fintech applicants won’t be charged any fee.
• **Introduction**

- The Central Bank of Egypt (CBE) recognizes the importance of FinTech to support the modernization of Egypt’s financial sector; committing to drive an era of Less Cash transformation.

- The Central Bank of Egypt has launched its FinTech and innovation integrated strategy on March 2019 to promote Egypt’s FinTech ecosystem, with a vision “to become a globally recognized Fintech hub in the Arab world and Africa, home to next generation financial services, talent and innovative development.”

- CBE’s FinTech & Innovation strategy focuses on addressing needs of the unbanked and underserved segments by solving national challenges, aspired to be the flagship for financial inclusion, SME financing and cross border payments.

- The FinTech and Innovation Department at CBE was established aiming to orchestrate all FinTech related activities to achieve Digital Financial Inclusion, as well as launching the Regulatory Sandbox June 2019, and the FinTech hub portal.

• **Regulatory Authorities**

The Central Bank of Egypt has issued several regulations in addition to the less cash law that issued under the umbrella of the national payment council to endorse Fintechs and digital financial services for example:

- Mobile Payments Regulations and Simplified KYC and Due Diligence Procedures For Customers of Mobile Payments in cooperation with the Egyptian AML unit.
- Pre-paid Cards regulations and Simplified KYC and Due Diligence Procedures For Customers of prepaid cards in cooperation with the Egyptian AML unit.
- Standards for Issuance and Acceptance of Contactless Payments.
- Technical Payment Aggregators and Payment Facilitators Regulations.
- Unified QR code regulation.
- Internet Banking regulations.

In addition, CBE has issued its [Fintech and Innovation Strategy](https://fintech.cbe.org.eg/home/index?en) in March 2019 based on five main pillars followed by introducing Sandbox Framework to create a roadmap for the FinTech industry in Egypt with clear milestones to enable the market. [https://fintech.cbe.org.eg/home/index?en](https://fintech.cbe.org.eg/home/index?en)
• **Fintech Regulations**

  ▪ **FinTech Sandbox Framework:**

    CBE Regulatory Sandbox helps in understanding and managing the risks associated with new and disruptive technologies before products hit the mass market. The Sandbox helps in driving more effective competition in Egypt’s financial services market by carefully monitoring and integrating the Fintechs in the wider ecosystem. The sandbox is a virtual constructed well-defined space, within which applicants can experiment with innovative FinTech solutions in a live and relaxed regulatory environment for a limited period of time and under a well-defined testing parameter where challenges and risks to the financial system and ordinary Fintech consumers have been strictly contained.

    [https://fintech.cbe.org.eg/home/sandboxCohorts](https://fintech.cbe.org.eg/home/sandboxCohorts)

  ▪ In recent years, Fintechs have witnessed an unprecedented growth and success, with this success comes several new regulations which emerged as the number one concern for central banks. In Egypt, CBE issued several regulatory rules aiming to govern and support this sector:

    ▪ **Technical Payment Aggregators and Payment Facilitators Regulations.**

        [https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%A3%EF%BB%B2%20%D8%A7%EF%BB%9F%EF%BA%A8%EF%BB%AA%EF%BB%A3%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA.pdf](https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%A3%EF%BB%B2%20%D8%A7%EF%BB%9F%EF%BA%A8%EF%BB%AA%EF%BB%A3%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA.pdf)

    ▪ **Less-Cash Law for Using Non-Cash Instruments.**

        [https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA%9%20%2019.pdf](https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA%9%20%2019.pdf)

    ▪ **Mobile Payments Regulations.**

        [https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA%9%20%2019.pdf](https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%EF%BB%BF%EF%BB%98%EF%BB%AE%EF%BB%8B%EF%BB%BA%A8%EF%BB%A8%EF%BB%BA%94%20%EF%BB%91%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BB%A4%EF%BB%98%EF%BB%AA%EF%BB%8B%EF%BA%8E%D8%AA%9%20%2019.pdf)
B3%D8%AA%D8%AE%D8%A7%D9%85%20%D8%A7%D9%84%D9%85%D8%AD%D9%85%20%D9%87%D8%A7%D8%AA%20%D8%A7%D8%B5%D8%A7%D8%B1%202016.pdf

- Simplified KYC and Due Diligence Procedures For Customers of Mobile Payments
  
  https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2FHighlights%2520Documents%2520Mobile%2520Payment%2520Systems%2520KYC%2520Due%2520Diligence.pdf

- Prepaid cards regulations
  

- Simplified KYC and Due Diligence Procedures For Customers of prepaid cards
  

- Standards for Issuance and Acceptance of Contactless Payments
  

- Unified QR code regulation
  
  https://www.cbe.org.eg/_layouts/download.aspx?SourceUrl=%2FContactless%20Regulations%20Website%20QR.pdf
- Internet banking regulations

- **FinTechs and Financial Institutions in Egypt**

  According to EY Marking Research in September 2019, the number of FinTechs in Egypt was 8+; a new survey by GIZ\(^{18}\) reported that Egypt has around 48 Fintechs in 2020 under various scopes such as InsurTech, Lending, Personal Financing, RegTech, HR and Payroll, Payments.

  FinTech Egypt Digital Portal and Dashboard are registered Egyptian start-ups; the lists of start-ups and the ecosystem stakeholders can be accessed via the Portal [https://fintech-egypt.com/](https://fintech-egypt.com/); to Sign In or Register through this link, [https://fintech-egypt.com/register/](https://fintech-egypt.com/register/)

  Egypt has a regulatory sandbox. The Sandbox soft launch started in June 2019 where FinTech start-ups and companies (backed by bank / banks) were invited to apply for its first cohort. The first cohort is a thematic cohort focusing on e-KYC for customer Mobile Wallet on boarding. Currently this cohort is made of 3 Start-ups that were short listed out of 5 applicants; They are currently under the solutions’ preparing and testing stages. For more details regarding the cohort, framework, and application requirements please use the following link [https://fintech.cbe.org.eg/home/sandbox?en](https://fintech.cbe.org.eg/home/sandbox?en)

- **FinTech Ecosystem in Egypt**

  As the FinTech arena grows, so does the demand for faster and easier financial technology solutions; it has become essential to clearly identify the different stakeholders that directly or indirectly influence the FinTech arena, below graph indicates the Egyptian ecosystem stakeholders in reference to the EY Market Research in September 2019:

  [FinTech Egypt portal](https://fintech-egypt.com/ecosystem/) and dashboard to Sign In or Register through this link, [https://fintech-egypt.com/register/](https://fintech-egypt.com/register/)

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• **Fintech Hub**

FinTech Egypt Hub is planning to be located in the heart of downtown Cairo in the heritage building of Central Bank of Egypt which will open its doors to become the gateway to all FinTech players. FinTech Egypt is a unified platform to foster and connect all FinTech ecosystem stakeholders, including FinTech startups, financial institutions, regulators, service providers, mentors and investors. Its vision is to become a globally recognized FinTech hub in the Arab world & Africa, home to next generation financial services, talent and innovative development.

• **Activities and Initiatives**

Central Bank of Egypt has issued the FinTech Strategy Highlight [https://fintech.cbe.org.eg/home/index?en](https://fintech.cbe.org.eg/home/index?en) Egypt’s Fintech Vision is to be “a regionally recognized FinTech hub in the Arab world and Africa, home to next generation financial services, talent and innovation development” by focusing on five pillars:

These pillars are expected to be supported with 32 initiatives to enable the Egypt FinTech Ecosystem, as a pilot in 2019, we have launched four main initiatives:
<table>
<thead>
<tr>
<th>Demand:</th>
<th>Funding:</th>
<th>Regulation:</th>
<th>Talent:</th>
<th>Governance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of financial institutions engagement model</td>
<td>• Set up of the innovation fund with mandate to focus on FinTechs operating in priority segments</td>
<td>• Mobile wallet rules and payment regulations</td>
<td>• Launch of FinTech portal as a virtual platform with a social media presence and a network of FinTech ambassadors</td>
<td>• Set-up of a FinTech Hub to facilitate collaboration and promote ecosystem growth.</td>
</tr>
<tr>
<td>Behavioral Scoring Lending.</td>
<td>• Launch of a regulatory sandbox; first cohort focused on e-KYC to onboard mobile wallet customers</td>
<td>• Organization of FinTech competitions Seamless 2019 Challenge, French Embassy Innovation Challenge 2019.</td>
<td>• FinYology Initiative FinTech for youth initiative was rolled out. Its main objective is to endorse FinTech education and explore the youth talents among undergraduate and post-graduate students and include Fintech projects as their graduation project and course curricula.</td>
<td>• Establishment of memorandum of understanding between CBE and local regulators to endorse the Egyptian FinTech market.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Development of a FinTechpreneur guidebook</td>
<td>• Development of a FinTechpreneur guidebook</td>
<td>• Establishment of memorandum of understanding with number of Central banks like: Central Bank of Bahrain, Monetary Authority of Singapore and ADGM Abo Dhabi Global Market.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Promotion of the Egyptian FinTech ecosystem at local and international events.</td>
</tr>
</tbody>
</table>
Regulatory and Supervisory Authorities

Egypt has one national jurisdiction and no financial free zones. The Financial Sector is mainly regulated by three entities:

- Central Banking of Egypt – CBE
- Financial Regulatory Authority – FRA
- Anti-Money Laundry – AML
- In cooperation with the National Telecom Regularity Authority (NTRA) when it comes to mobile money domain.

According to the Egyptian law, Banking and Non-Banking Activities are regulated by different entities as per below:

- Banking Financial Activities are regulated by the Central Banking of Egypt-CBE, e.g. Payments, Remittance.
- Non-banking Financial Activities are regulated by Financial Regulatory Authority-FRA, e.g. insurance, capital market
- Both entities work in collaboration with the Anti Money Laundry.

Each regulator is handling the process of its regulatory jurisdiction, however and as per CBE FinTech strategy, and because of the intersecting nature of the FinTech activities that may require the involvement of multi regulators, CBE has signed an MOU with the local regulators FRA, AML, and NTRA in June 2019 and established the FinTech and innovation committee. The purpose of this committee is to ensure collaboration between the mentioned national regulators and encourage a unified FinTech license coordination. The committee escalates to electronic payments’ development committee of the National Payments Council.

The Financial Regulatory Authority-FRA is the regulating entity of the Insurance and InsurTech companies which are considered as non-banking financial services.

Licensing

Banking Financial Services such as: Payments services, Remittance, saving and lending activities, foreign currency exchange, e-money issuing, Cards Issuance (Chip, Strip, contactless), etc…

For details on the Digital Financial Services regulations, please refer the below link: https://www.cbe.org.eg/ar/PaymentSystems/Pages/Regulations.aspx

Below table indicates the license requirements for several activities along with the license types:
<table>
<thead>
<tr>
<th>Activity</th>
<th>Requirements needed for a license</th>
<th>Type of license</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing Activity</strong>&lt;br&gt;Description: The granting of credits/loans and supply of guarantees for own account, including financial leasing</td>
<td>- License is issued based on CBE assessment on case by case basis.</td>
<td>License is issued based on CBE assessment</td>
</tr>
<tr>
<td><strong>Receiving Deposits Or Other Repayable Funds</strong>&lt;br&gt;Description: Receiving deposits from an unrestricted range of depositors.</td>
<td>- License is issued based on CBE assessment on case by case basis.</td>
<td>License is issued based on CBE assessment</td>
</tr>
<tr>
<td><strong>Payment Services</strong>&lt;br&gt;Description: Payment services constitute the following:&lt;br&gt;1. Services enabling cash to be placed on and cash withdrawals from a payment account as well as all the transactions required for operating a payment account&lt;br&gt;2. Execution of payment transactions, including:&lt;br&gt;1. Transfers of funds on a payment account or covered by a credit line,&lt;br&gt;2. Direct debits, including one-off direct debits,&lt;br&gt;3. Payment transactions through a payment card or a similar device, or&lt;br&gt;4. Credit transfers, including standing payment orders&lt;br&gt;3. Issuing of payment instruments and acquiring of transactions where such payment instruments are used</td>
<td>- This service is a Banking Financial Service and falls under the CBE Mobile Payment Regulations as well as other services including aggregators and facilitators explained in the following link: <a href="https://www.cbe.org.eg/en/PaymentSystems/Pages/Regulations.aspx">https://www.cbe.org.eg/en/PaymentSystems/Pages/Regulations.aspx</a>&lt;br&gt;- According to law article 185 for the new law of Central Bank of Egypt regarding Payment Service Providers - PSP licensing, which is approved by the parliament in Q2 2020, states several conditions and procedures for granting licenses for operating payment systems or providing payment services. These conditions include the following: the minimum capital, legal form, requirements for technical competence, financial solvency and reputation for the applicant for licensing, disclosure of the ownership structure, the technology used, quality standards for service delivery, and rules necessary to operate. Note that the license application fees do not exceed five hundred thousand pounds for the operator of the payment system and one hundred thousand pounds for the payment service provider.</td>
<td>License is issued based on CBE assessment</td>
</tr>
</tbody>
</table>
### Issue of Electronic Money

**Description:** Electronic money is an electronically stored monetary value, represented by a claim on the issuer that is issued on receipt of funds with the purpose of carrying out payment transactions, and that is recognized as means of payment by entities other than the issuer.

This service is a Banking Financial Service and falls under the CBE Mobile Payment Regulations explained in the following link:

[https://www.cbe.org.eg/_layouts/download.aspx?sourceurl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%D8%A7%D9%84%D9%82%D9%88%D8%A7%D8%B9%D8%AF%20%D8%A7%D9%84%D9%87%20%D8%A7%202016.pdf](https://www.cbe.org.eg/_layouts/download.aspx?sourceurl=%2Far%2FPaymentSystems%2FRegulationsDL%2F%D8%A7%D9%84%D9%82%D9%88%D8%A7%D8%B9%D8%AF%20%D8%A7%D9%84%D9%87%20%D8%A7%202016.pdf)

License is issued based on CBE assessment.

### Foreign Exchange Activity

**Description:** Foreign exchange activity is deemed to be an activity consisting of foreign exchange transactions, i.e. purchase and sale of foreign currencies.

This service is a Banking Financial Service and falls under the guide of CBE supervision regulations chapter 8 – Foreign Exchange Supervisions:

[https://www.cbe.org.eg/ar/BankingSupervision/Pages/GuideBankingSupervisionRegulations.aspx](https://www.cbe.org.eg/ar/BankingSupervision/Pages/GuideBankingSupervisionRegulations.aspx)

License is issued based on CBE assessment.
Description: The following are deemed to be insurance businesses:
1. Life insurance: insurance against death and disability risk and insurance in the form of provision of a guaranteed return
2. Non-life insurance: insurance against damage to or loss of property, rights or other claims, insurance against liability for damages or costs, as well as accident insurance, sickness insurance and other personal insurance that is not life insurance
3. Credit insurance: insurance against the risks of incorrect settlement of claims, customer credit insurance and suretyship insurance
4. Reinsurance: accepting risks ceded by insurance institutions

<table>
<thead>
<tr>
<th><strong>Investment Services</strong></th>
<th><strong>This service is regulated via Financial Regulatory Authority since it is categorized as a non-banking financial service.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Description: Investment services related to financial instruments. Financial instruments are transferable securities, such as shares and comparable securities, bonds and other debt instruments, units in collective investment funds, money market instruments, derivatives and emission allowances.</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Funds Management</strong></th>
<th><strong>This service is regulated via Financial Regulatory Authority since it is categorized as a non-banking financial service.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Description: Securities funds management comprises collective portfolio management, administration and marketing, including sale of securities funds. A securities fund is an independent pool of assets which has arisen through capital contributions from an undefined range of persons against the issuance of units in the fund and which consists essentially of financial instruments and/or deposits in a credit institution.</td>
<td>-</td>
</tr>
</tbody>
</table>
| **Insurance Mediation**  
| **Description:** Insurance mediation is a set of commercial activities that consist of presenting, proposing or carrying out other preparatory work in connection with the conclusion of insurance contracts, or of concluding such contracts, or of assisting in the administration and performance of such contracts, particularly in the event of a claim.  
| **- This service is regulated via Financial Regulatory Authority since it is categorized as a non-banking financial service.**

| **Intermediation of Loans**  
| **Description:** Intermediation of loans means the activities as a loan intermediary between a lender and a borrower. The lender is typically a financial institution, but may also be other undertakings or persons.  
| **- Not Applicable.**

| **Peer-To-Peer Lending**  
| **Description:** of services related to peer-to-peer lending may normally consist of Intermediation of loans.  
| **- Under Study by the FinTech Committee.**

| **Finance Agent**  
| **Description:** Finance agent act on the basis of an agreement with a bank or financing company regarding assignments related to contracts concerning deposits, loans and/or guarantees.  
| **- License is issued based on CBE assessment on case by case basis.**

| **Financial Adviser**  
| **Description:** Activities as financial adviser may involve assignments for customers regarding deposits, loans and/or guarantees.  
| **- Services as Financial advisory are now emerging in the banking sector in the form of Chabot and CBE approves the service on Bank request level.**

| **Marketing of Financial Products or Services.**  
| **Description:** Marketing offering of financial services or products or invitations/encouragement to acquire the products and services.  
| **- Not Applicable.**
• **Compliance and Capital Requirements**

The capital requirements for the various licenses is currently, not applicable.

**Data Protection Guidelines**

Currently we are following the guide of CBE supervision regulations articles 504
[https://www.cbe.org.eg/ar/BankingSupervision/Pages/GuideBankingSupervisionRegulations.aspx](https://www.cbe.org.eg/ar/BankingSupervision/Pages/GuideBankingSupervisionRegulations.aspx)

Cyber Security measures are determined by CBE assessment team and by the end of Q2 2020 cyber security guidebook will be issued.

• **Licensing Applications**

License request is sent via a written memo from the recipient bank with its request addressed to the sub-governor, and supervision team for review and assessment.

The sandbox has an online application [https://fintech.cbe.org.eg/Home/applanding?en](https://fintech.cbe.org.eg/Home/applanding?en)

Applicants can apply their license applications (tackling banking financial services) to the CBE in a written memo to be evaluated. However, and because of the intersecting nature of the FinTech services, FinTech committee (consisting of CBE, FRA, AML unit and NTRA) is working on introducing a “one-stop shop” for all FinTech license related services.

Also FinTechs that have regulatory challenges can apply and participate in the CBE regulatory sandbox according to its mentioned framework [https://fintech.cbe.org.eg/Home/sandboxCohorts?en](https://fintech.cbe.org.eg/Home/sandboxCohorts?en)

Each application is assessed differently based on different measure identified by the subject matter experts such as the novelty of the service, new feature is an add on and so forth.

There is no cost to submit an application.