

# Newsletter

April 2019

# keypoint

## UPCOMING SEMINARS

- [VAT workshop - Kuwait](#)  
18 April 2019
- [VAT fundamentals for non-registered companies](#)  
8 May 2019
- [Ramadan webinar series](#)  
7/14/21/28 May 2019
- [PDPL workshop](#)  
15 June 2019



[AML seminar for jewellers](#)

[Bahrain's personal data protection law](#)

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[Keypoint moves to new office premises in Saudi Arabia and Jordan](#)

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## Bahrain's personal data protection law

In July 2018, Bahrain issued Law 30, the personal data protection law (PDPL) which comes into force on 1 August 2019. The PDPL gives individuals and entities in Bahrain rights in relation to how their personal data can be collected, processed and stored. It imposes new obligations on how businesses manage data, including ensuring that personal data is processed fairly, that data owners are notified when their personal data is collected and processed, that collected personal data is stored securely, and that data owners can exercise their rights directly with businesses. The PDPL also requires entities seek approval from the relevant data protection authorities (DPAs) before collecting, processing and storing personal data.

The PDPL contemplates severe penalties (including criminal liabilities) for non-compliance, to be levied by the respective DPAs. To comply with the PDPL, organisations need to:

1. Determine the personal data acquired and processed by the organisation
2. Demonstrate the ability to meet the requirements for processing personal data
3. Apply technical and organisational measures capable of protecting data against unintentional or unauthorised destruction, accidental loss, unauthorised alteration, disclosure or access, or any other form of processing
4. Demonstrate the ability to ensure the confidentiality of processed data
5. Appoint data protection supervisors to liaise with, or report to, the DPA as and when required

The PDPL will impact a business' legal, compliance, technology and data-related operations. Complying with the regulations may require organisations to:

1. Educate stakeholders through awareness sessions
2. Assess impact and readiness

3. Identify data subject data held by organisations
4. Establish or revisit data governance processes
5. Revisit legal and compliance processes to incorporate additions to consent processes
6. Reassess technology areas to address control adequacy

For more information on how the PDPL could impact your 'business as usual', please contact [Srikant](#)

[Ranganathan](#)



## Controllers' lending

The Central Bank of Bahrain has issued a circular prohibiting licensees from having any form of direct or indirect exposure to its controllers. Licensees that are already exposed must list the exposures and develop an action plan to address them within an agreed timeframe. The lists must include the name of the counterparty, its relationship with the licensee, the amount of the exposure, its maturity, its purpose and collateral held, if any.

For more details on this matter, please contact [Nandakumar Narasimhan](#).



## CBB approves Keypoint for AML/CFT annual reviews

The Central Bank of Bahrain (CBB) mandates licensees to annually review the effectiveness of their anti-money laundering and combating the financing of terrorism (AML/CFT) procedures, systems and controls as part of their financial crime (FC) module requirements. This review can be conducted by licensees' external auditors or by a consultancy firm approved by CBB. The licensee must ensure that the personnel conducting the review are qualified, skilled and have the experience needed. The CBB recently (January 2019) revised the AUPs for such reviews, widening review scopes and detailing the requirements of AML framework assessments. Reports must be submitted to the CBB no later than 30 April each year, however, for 2019, following the introduction of the new AUP, the date has been extended to 30 September 2019.



We are pleased to inform you that Keypoint Solutions has been approved by the CBB as a consultancy firm under FC4.3 to conduct annual reviews and report to the CBB. Keypoint Solutions has an established financial regulatory compliance (FRC) service line which provides a range of compliance, AML, corporate governance, FATCA and CRS services to financial institutions and other entities. Our FRC team has deep experience and strong credentials, having been engaged by a wide range of financial institutions of different types within and outside Bahrain.

For more information on how our FRC team can support your compliance with CBB regulations, please contact [Dr Mukund Ballal](#).

## Basic Lines licensed to manage owners' associations

Basic Lines, the real estate services arm within the Keypoint group of companies, has been awarded a licence to manage owners' associations by Bahrain's Real Estate Regulatory Authority (RERA), making it the first real estate professional services provider to have this licence in Bahrain.



RERA, launched on 1 March 2018, announced last November that managers of owners' associations had to apply for a licence and meet eligibility requirements, underlining its determination to ensure the delivery of efficient, transparent and effective services in the real estate sector by professional service providers. Having provided services in Jordan for over 10 years, Basic Lines now offers a full range of real estate services in Bahrain, including facility and lease management, the set up and management of owners' associations, valuations and advisory, real estate brokerage services and letting services. Rami Al Jallad, a director with Basic Lines, commented: "Capitalising on our significant credentials in Jordan, we are determined to build on this important milestone by continuing to focus on what we do best – bringing regional and international leading practice to Bahrain's real estate market. We now have licences to manage property, to broker real estate and to set up and manage owners' associations." Al Jallad continued: "With RERA expecting all developments, both new and existing, with common areas to have fully functioning owners' associations before the end of March, we are focused on providing trusted, professional and innovative services to all of our clients."

For more information on recent changes to Bahrain's real estate sector, including updates on owners' associations, please contact [Rami Al Jallad](#).



## Keypoint hosts key decision makers at VAT seminar

In a keenly anticipated VAT seminar attended by key decision makers from many of Bahrain's leading businesses, Keypoint's market-leading tax team showcased leading practice when calculating and reviewing VAT returns for the first time, as well as updating the audience on developments in Bahrain's tax environment over the last three months. The seminar included a panel featuring executives from the financial services, construction, retail and distribution sectors who had been responsible for VAT implementations in Bahrain, the UAE and Saudi Arabia.

Mubeen Khadir, the head of Keypoint's tax function who has led over 500 VAT implementations across industry sectors in the three GCC countries to have so far introduced VAT, highlighted the impact VAT had already had on businesses, governments and economies across the region. "VAT is - no matter what anyone says - not a straightforward tax. It affects every one of us and is in many cases the most significant change management issue businesses here have had to deal with."

To be invited to our next VAT seminar, please contact [Fatema Ghaith](#) or our BD team.

## Keypoint hosts insurance roundtable

Key decision makers from Bahrain's insurance industry met at the Capital Club in Bahrain's Financial Harbour to discuss pressing VAT questions at a roundtable hosted by Keypoint. Omar Hisham and Zainab Mearaj, trusted VAT advisors to the insurance industry who have worked on engagements with insurance companies in the UAE, Saudi Arabia and Malaysia as well as Bahrain, led discussions on a number of issues for insurers, reinsurers and brokers.

Mubeen Khadir, a senior director and the head of tax for the Keypoint group, welcomed the opportunity to address pressing concerns for a critical segment of Bahrain's financial services industry. "Insurance globally is recognised as a complicated, specialist industry. VAT has added an extra layer of complication – and we know that regulators across the world are already struggling to develop and maintain consistent approaches to the issues that insurance raises. As a leading service provider to the insurance industry, we were delighted to share our experience and industry focus with a range of insurance companies."

For more information on our tax seminars, please contact [Fatema Ghaith](#).



## New AML regulations for legal firms and notaries

The Minister of Justice and Islamic Affairs has issued resolution 20 of 2019 (published on 28 March 2019) which contains significant new guidance on anti-money laundering and combating the financing of terrorism (AML/CFT) for the legal profession. Similar to the requirements imposed on jewellers covered elsewhere in this newsletter, the guidance includes requirements imposed on lawyers and foreign legal consultants and requirements imposed on notaries.

For more information on how our FRC team can support your compliance with AML/CFT regulations, please contact [Dr Mukund Ballal](#).



## AML seminar for jewellers hailed by MOICT

Under the patronage of H.E. the Minister of Industry, Commerce & Tourism (MOICT), the Under-Secretary of Commerce Affairs at MOICT, Mr Nader Khalil Almoayyed, opened a seminar on anti-money laundering for over 130 jewellers at the Downtown Rotana in Manama in February. The Under-Secretary hailed continuing efforts by his ministry - and other interested parties like Keypoint - to help jewellers understand how they could support and strengthen the ongoing fight against money laundering and the financing of terrorism.

The seminar featured presentations by Ebrahim Mohammed Awachi from MOICT, Sindhu Balasubramanian and Osama Al Alawi from Keypoint and First Lieutenant Ahmed Al Hashel from the Ministry of Interior's Financial Intelligence Directorate, the national centre for receiving and analysing information relevant to money laundering and terrorist financing.

Dr Mukund Ballal, who heads Keypoint's financial and regulatory compliance function, welcomed the opportunity to address a significant proportion of Bahrain's jewellers' community, stressing that Keypoint saw the seminar as a first step in upgrading anti-money laundering across the sector. "As we all know, precious metals and stones can be an easy way to transfer money illicitly. By following leading practice, including MOICT's PROTECT scheme, we can help shelter the sector from harmful activity."

The seminar was also welcomed by Bahrain's jewellers, with many suggesting that working with the authorities including MOICT and FID and consultants like Keypoint would help strengthen and improve the industry and its working practices.

The seminar included a panel featuring Prakash Devji, the CEO of the Devji Group; Ebrahim Awachi, Chief, Anti-Money Laundering at MOICT; First Lieutenant Ahmed Al Hashel; Dr Soumaya Efthkharyan, an AML and compliance expert and the first Bahraini to gain the prestigious CAMS qualification; and Dr Mukund Ballal, an AML veteran who has worked in a number of different fields, including bullion trading.

## Keypoint co-hosts cloud seminar with Infonas

Following up on January's successful seminar on data and the cloud, Keypoint co-hosted a seminar with Infonas, an Amazon Web Services (AWS) consulting partner specialising in data centre migrations, re-platforming, and serverless technologies, to discuss not only why moving to the cloud can be the right thing to do but also the different ways of moving to the cloud.

Srikant Ranganathan, a senior director with Keypoint, says that the case for cloud has to be emotional as well as financial, highlighting the benefits in terms of working practices as well as improvements to bottom lines. "Cloud is not a magic wand and is certainly – not yet anyway – the answer to every IT issue. There will be companies that have just invested in expensive hardware where they want to see a reasonable return on their investment. There will be businesses that are interested in dipping their toes in the water, moving simpler, less business-critical data and systems to the cloud. There will be others where budget holders are not yet convinced that cloud is for them. But the trend is clear – many companies are moving more and more of their IT infrastructure to the cloud."

Ali Khalil, Chief Information Officer at Infonas adds, "Even without the incentives that Tamkeen here in Bahrain is offering to businesses looking at their next technology investment, the opportunities cloud offers are significant. Business need – now - to have a clear understanding of what is going to move, when it is going to move and how organisations are going to move to the cloud."

## National eKYC project

The Central Bank of Bahrain (CBB), working with Bahrain's Information & eGovernment Authority (iGA), have formally kicked off the national electronic know-your-customer (eKYC) project which marks yet another milestone in Bahrain's journey towards a collaborative and conducive financial services ecosystem. As a unified platform, the national eKYC project aims to streamline financial institutions' client identity authentication processes and simplify the process of updating customer information.



The BENEFIT company is the agency in charge of implementing this two-phase project under the CBB's supervision. The first phase will cover CBB retail licensees including banks, financing companies, micro-finance institutions, payment services providers and licensees approved under the wage protection system. The second phase will cover remaining CBB licensees and is scheduled to be concluded by September 2019.

Amendments to CBB regulations - mainly in the Financial Crime (FC) modules of the CBB Rule Book volumes – will follow.

## Compliance functions – HC modules of volume 1 & 2

Following a consultation process on banks' compliance functions, the CBB issued circular EDBS/KH/4/2019 on 15 January 2019 amending section HC 6.4, substantially enhancing the scope of compliance functions:

1. The new requirements are aligned with Basel recommendations on compliance.
2. The compliance function must be reviewed by a third-party consultant – not the regulated body's external auditor – every three years and the results of the independent review and action must be provided to the CBB by 30 September each year.

## CBB releases crypto-assets module (CRA)

The Central Bank of Bahrain (CBB) has issued a crypto-assets module (CRA) under Volume 6 (Capital Markets) of its Rule Book, outlining four licensing categories, with capital requirements dependent on the scope and type of crypto-asset-services offered. Bahrain is the first country in the region to have an on-shore regulatory framework for crypto-assets.

The CRA module includes requirements for licensing and supervising crypto-asset exchanges and other crypto-asset services, including trading, dealing, advisory, and portfolio management in accepted crypto-assets as principals, agents or custodians. The module introduces specific rules relating to market abuse, manipulation and enforcement and explains how the CBB will penalise late – or non-compliant – submissions.





Amman

Al Khobar

### Keypoint moves to new office premises in Saudi Arabia and Jordan

With professional services firms like Keypoint significant indicators of business confidence, Keypoint has moved to new, larger office premises in Al Khobar and Amman.

Wajdi Al Jallad, the managing director of the Keypoint group, says he is proud of our record of success in Bahrain, having grown over the last 13 years from a business with 15 employees spread over 4 service lines in one country into what we are today - a multi-national enterprise with over 120 professionals offering leading edge services in nine service lines to clients that value us for what we do."

Keypoint offers a wide range of professional services in Jordan and Saudi Arabia, as well as Bahrain, from financial regulatory compliance and management consulting to accounting solutions and IT consulting.

Its clients include some of the region's leading companies, as well as emerging sector leaders, family businesses and SMEs.

Congratulating on the firm on the opening of the new offices, Guruparan Kumarasamy said that the continuing success of the business was the result not just of good management but also the continuous efforts of each member of staff, who had all contributed to Keypoint's success, "Keypoint is very much a family". Our clients are also - obviously- an important part of our success and we look forward to contriving to meet, if not exceed, their expectations, not just in Saudi Arabia and Jordan but everywhere we operate."

The Saudi offices of Keypoint are on the eleventh floor of the Al Fardan Tower next to the Mercure Hotel in Al Khobar, Our Jordanian offices are on the seventh floor of the Riyadh Centre In Amman, in the heart of the commercial and business district.

## New joiners



[Raman Ohri](#), who has joined Keypoint's market leading tax team as a Senior Manager, is a seasoned VAT and indirect tax advisor. A chartered tax advisor (CTA (UK)) with significant direct, indirect and international tax experience, he has 'Big 4' and top tier tax experience in the UK and GCC. Raman has managed over 100 tax engagements across the GCC over the last two years. His deep sector expertise includes oil & gas, utilities, real estate, manufacturing, retail and leisure.

Contact [Raman](#) on +973 1720 6814.



[Lauren Gamble](#), who has joined Keypoint's SCA function as a senior manager, is a highly-qualified Australian lawyer with a broad range of legal expertise. Having worked with a number of different law firms, including 'magic circle' firms in Australia, she adds significant depth to Keypoint's statutory and corporate affairs function.

Contact [Lauren](#) on +973 1710 3484.



[Mark Gamble](#), who has joined Keypoint's tax team as a senior manager, is a qualified Australian lawyer who has significant indirect tax experience with a range of professional services firms in both Australia and the UK. As a senior member of the Keypoint Group's tax team, he adds a deep understanding of how VAT and other indirect taxes – both in theory and in practice – continue to evolve even decades after introduction.

Contact [Mark](#) on +973 1720 6872.



[Adil Fawzi](#), who has joined the tax function as a manager, has over 13 years of experience in accounting, external and internal auditing, special assignments and taxation - including Saudi tax and zakat compliance and advisory. With a recent focus on tax and zakat compliance across industries including oil & gas, power & utilities, property and investments, retail, finance (including Islamic finance) and hotels and leisure, he has worked both for 'Big 4' professional services firms as well as in industry in Saudi Arabia.

Contact [Adil](#) on +973 1720 6876.



# Your business is our priority



Tushar Kashikar, who has joined Keypoint's tax team as a manager, is a VAT technical expert with a focus on financial services. Until recently an assistant vice president focusing on VAT for a well-known UAE bank, Tushar has been responsible for VAT implementation while also advising group companies on VAT and ongoing compliance. As a result, he has an in-depth understanding of the UAE's and GCC VAT legislation as well as an insider's perspective on how VAT has impacted a key GCC economic sector.

Contact Tushar on +973 1710 3470.

Keypoint is one of the GCC's most comprehensive providers of business advisory services. Our services - including accounting solutions, statutory & corporate advisory, investment administration & share registry services, trust services, IT consulting, tax services, human capital solutions, management consulting and financial regulatory compliance advisory - are valued by a wide range of clients, from large multinationals and financial services institutions to family-managed conglomerates and small and medium-sized enterprises.