



No. BC/2/2001
3 March, 2001
Date _____

الرقم _____
التاريخ _____

*The General Manager
All FCBs, OBUs, IBs
Manama
Bahrain*

Dear Sir,

Brokerage Fees in Bahrain

The attachment to this Circular sets out the new scale of brokerage fees effective for banks in Bahrain. The new scale takes effect from 1st March 2001, and replaces the 1987 scale of fees. Any arrangements relating to the 1987 scale of fees should terminate as at 28th February 2001. The new scale of fees is the result of discussion and consultation between The Bankers' Society and the Bahrain Money Brokers and reflects a significant reduction in rates compared with the 1987 scale. The discounting methodology has been simplified with the result that a significantly more competitive and transparent fee structure is in place, thereby providing increased business flows via the brokers and greater added value for local banks.

The Agency emphasises that the new scale of fees is the result of discussion between the Bankers' Society and the Brokers, and therefore any comments or questions concerning it should be directed first to the Bankers' Society and/or the Brokers. The Agency endorses the new scale and is prepared to assist in the resolution of any disputes or discussions concerning its implementation.

Yours faithfully,

*Dr. Khalid Abdulla Ateeq
Executive Director - Banking Control*

BAHRAIN MONEYBROKERS
PROPOSED SCALE OF BROKERAGE FEES

FOREIGN EXCHANGE

Gulf Currencies

Spot	US\$ 20 per million
Forward 1 to 20 days	US\$ 1 per million per day
Forward 21 days to 6 months	US\$ 25 per million
Forward 6 months and 1 day onwards	US\$ 30 per million

International Currencies

Spot	US\$ 40 per million
Forward 1 to 14 days	US\$ 1 per million per day
15 days onwards	US\$ 15 per million

DEPOSITS

Gulf Currencies

1 day to 3 months	1/32 % per annum
3 months + 1 day to one year	1/40 % per annum

International Currencies

1 day to 3 months	1/32 % per annum
3 months + 1 day to one year	1/40 % per annum

DERIVATIVE INSTRUMENTS & CAPITAL MARKETS

Gulf Currencies

Forward Rate Agreements	1/150 % per annum
Interest Rate Swaps	1/150 % per annum
Saudi Government Bonds	2/100 % per annum

International Currencies

Forward Rate Agreements	1/200 % per annum
Interest Rate Swaps	1/200 % per annum
Certificates of Deposit	1/200 % per annum

OVERALL VOLUME DISCOUNTS

US\$ 0,001	to 10,000	=	0%
US\$ 10,001	to 25,000	=	25%
US\$ 25,001	onwards	=	50%

w.e.f. 1st March 2001