

EXECUTIVE SUMMARY OF AMENDMENTS

COVERAGE: **CENTRAL BANK OF BAHRAIN**

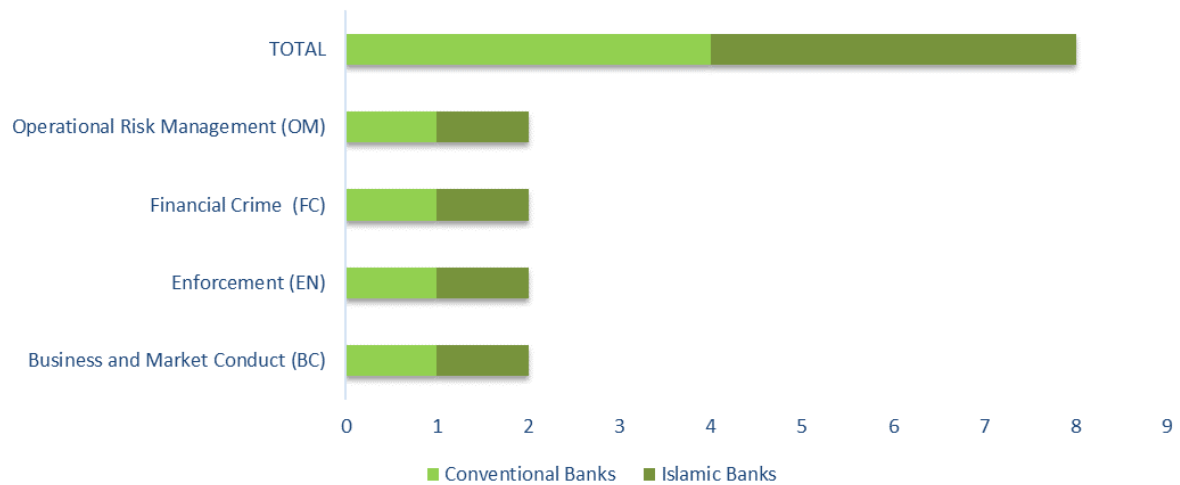
LOCATION: **BAHRAIN**

ISSUE: **FEB, 2021 TO APR, 2021**



INTRODUCTION & SUMMARY

During the period from February 2021 to April 2021, Central Bank of Bahrain (CBB) made a total 8 amendments in module I & II 04 in Volume I and 04 in Volume II. These regulations/instructions were predominantly in the areas of CBB Reporting Requirements and High Level Controls.



DETAILS OF ISSUED/AMENDED REGULATIONS

Key instructions / regulations disseminated by CBB during February, 2021 to April, 2021 are summarized as below:

Business and Market Conduct (BC)

BC-4.19.1 (Conventional & Islamic Banks)

CBB added the new section. This section is related to exemption of merchant fee on payments to Zakat and Charity Fund.

New section as under:

- Conventional and Islamic Banks must exempt the Zakat and Charity Fund (“the Fund”) of the Ministry of Justice, Islamic Affairs and Awqaf from merchant fees for payments made to the Fund.

Enforcement (EN)

EN.6.2B (Conventional & Islamic Banks)

According to amendment, CBB added new section regarding the Financial penalties.

New section is as under:

- “The financial penalty for late execution of blocking/unblocking orders issued by the Court/Public Prosecution is BD 100 per day per customer account. Such financial penalties will be deducted directly from the Conventional & Islamic Bank licensee’s clearing account at the CBB or charged through billing on a weekly basis.”

Financial Crime (FC)

FC. 1.1.14 (Conventional & Islamic Banks)

This section is pertained to enhance due diligence of None resident accounts. As per amendments enhance due diligence of accounts should be done as per measures outlined in the FC-1.3.

Amended section is as under:

- “Accounts opened for customers residing outside Bahrain, are subject to the enhanced customer due diligence measures outlined in Section FC-1.3. Licensees must not open accounts for natural persons residing outside the GCC through a digital on boarding process.”

Operational Risk Management (OM)

OM - 5.1.5 (Conventional & Islamic Banks)

This section is regarding the security measures compulsory do by the retail banking.

Revised section is as given below:

- “External windows must have security measures such as anti-blast films and movement detectors. For ground floor windows, banks must add steel grills fastened into the wall. ”

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