



EDBS/KH/181/2013
5th September, 2013

The Chief Executive Officer
All Retail Bank Licensees (Conventional & Islamic)
Kingdom of Bahrain

Dear Sirs,

Deposits from Private Security Firms Operating in the Kingdom of Bahrain

The Central Bank of Bahrain (the 'CBB') was recently informed by the Ministry of Interior (the 'MOI') that certain banks have not complied with their rules regarding Letters of Guarantee which have been issued in favour of the MOI in respect of private security firms.

The relevant rules are contained in the MOI Resolution No. 36 of 2007 pursuant to Law No. 24 of 2006. In brief, firms intending to hold a license to provide security guard activities in Bahrain are required to provide an irrevocable guarantee of BD20,000/- issued by a bank in the Kingdom of Bahrain. The guarantee is renewable each time the security guard license is renewed.

The CBB wishes to advise you that, based on the MOI's requirements set out above, no such guarantee for the above purpose may be withdrawn/returned to the firm unless prior written approval from the Ministry of Interior represented by the General Directorate of Guards is obtained.

Furthermore, if the security guard firm decides to change the issuing bank, a prior written approval from the Ministry of Interior, represented by the General Directorate of Guards, must also be obtained.

All banks are required to familiarize themselves with the relevant rules.

Yours faithfully,


Khalid Hamad