



EDBS/KH/79/2018
6th December, 2018

Chief Executive Officers/General Managers
All Banks, Financing Companies, Ancillary Service Providers
Manama
Kingdom of Bahrain

Dear Sir,

Regulations relating to 'Open Banking'

Following the industry consultation process, the CBB is pleased to issue the following amendments to the CBB Rulebook Volumes 1 and 2 and also a new Module on Open Banking, Module OB, under Volume 5, Ancillary Service Providers.

These new requirements are to pave the way for the introduction of 'open banking' which is a transformative development within financial services in the Kingdom of Bahrain. The concept of open banking is part of a larger 'disruption' that is taking place with increasing use of mobile devices. The disruptions taking place in banking have been given a boost by the pace of innovation taking place and the adoption of new technologies.

The issuance of new rules and amendments to the CBB Rulebook Volumes, which are summarised below are aimed at supporting the CBB's efforts in providing the necessary regulatory framework to facilitate and support the transformations taking place:

CBB Rulebook Volumes 1 and 2

Amendments to existing rules

- Volumes 1 and 2 – Module GR, Chapter 6 on Open Banking
- Volumes 1 and 2 – Appendix, Glossary of defined terms

CBB Rulebook Volume 5

New Module

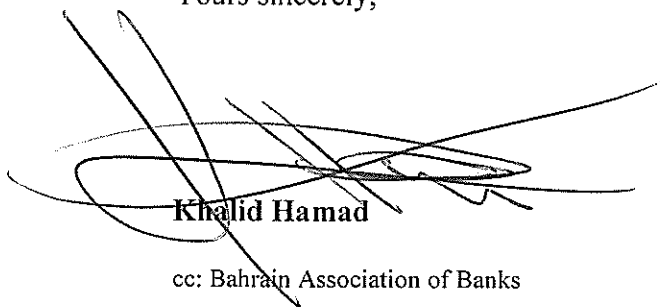
- Volume 5 – Module OB: Open Banking (New)
- Volume 5 – Module AU: Ancillary Service Providers
- Volume 5 – Module GR: General Requirements
- Volume 5 – Module BR: CBB reporting requirements
- Volume 5 – Appendix, Glossary of defined terms

In the CBB Rulebook Volumes 1 and 2, the references made to banks are to the retail banks. The CBB will consider including wholesale banks and financing companies in the next phase after consulting them.

The new rules and the relevant industry feedback statement shall be available on the CBB website (www.cbb.gov.bh) under Volumes 1, 2 and 5 in due course.

Should you have any further queries on this matter, please contact the Regulatory Policy team at the CBB.

Yours sincerely,



Khalid Hamad

cc: Bahrain Association of Banks