



EDBS/KH/0348/2011
11th September 2011

Chief Executive Officer
All Retail Banks and Financing Companies
Manama
Kingdom of Bahrain

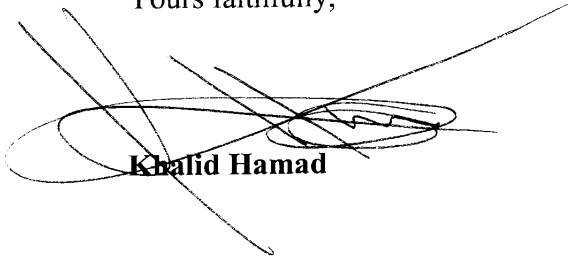
Dear Sir,

Re: Transaction Advice and Internet Security

With reference to the consultation paper dated 14th July 2011 regarding Transaction Advice and Internet Security, we would like to inform you that the Central Bank of Bahrain ('CBB') has reviewed comments received from banks & financing companies. Based on these comments and internal discussions, the CBB is putting in place new requirements for all retail banks & financing companies to provide free of charge transaction advice service through SMS for all types of local & international financial transactions (e.g. POS, ATM, Internet, etc) on credit and debit cards no later than 31st March 2012. This new requirement will be added to Module BC (Business and Market Conduct) of the CBB Rulebook for Volumes 1 & 2 as part of October 2011 updates.

Furthermore, with regard to internet security measures, the CBB has opted not to put in place any new requirements dealing with specific internet security measure. However, the CBB will assess as part of its supervisory process, the current measures implemented by retail banks & financing companies and whether these satisfy basic security requirements.

Yours faithfully,



Khalid Hamad