



EDBS/KH/C/19/2018

15th March, 2018

Chief Executive officer

All Retail Banks

All Ancillary Service Providers - Payment Service Providers (PSP)

Manama

Kingdom of Bahrain

Dear Sir,

Re: Implementation of Wage Protection System (WPS)

Reference is made to the CBB's Circular No. EDDBS/KH/C/48/2017 dated 25th September 2017, requesting Retail Banks and Payment Service Providers (PSPs) to submit proposals on WPS solutions.

The Central Bank wishes to advise you that the Government has approved the implementation of WPS framework for employees of all entities and housemaids with effect from 1st May, 2018 and 1st May, 2019; respectively.

Accordingly, Retail Banks and PSPs which have already been approved by the CBB to participate in the WPS framework must take the necessary measures to develop the required systems for implementing the proposed framework within the above deadlines. The CBB expects these licensees to provide it with their implementation plans within two weeks from the date of this circular followed by a progress report at end of April 2018. These licensee must consult and coordinate with LMRA while developing their own systems for the implementation of the proposed scheme and action plan.

For other Retail Banks and Payment Service Providers which are interested to participate in WPS system may also approach the CBB.

Please also note that one of the issues raised by the Government is the need to increase the number of ATMs in certain areas so as to ensure that the system will work effectively.

Yours faithfully,

Khalid Hamad