



CBB Consultation Policy

This document outlines the CBB's general policy approach to consultation, when issuing new (or amending existing) regulatory requirements.

Under the Central Bank of Bahrain and Financial Institutions Law 2006, the CBB is normally obliged to consult whenever it issues a Regulation (an exception is allowed where the Regulation in question is urgently required, in the opinion of the Central Bank). Furthermore, the Central Bank is obliged to review and consider comments received during the consultation.

No such obligation applies with respect to Directives. However, as a matter of general practice, the CBB also undertakes to publish draft Directives for consultation, where these are similarly used to implement CBB's rules and guidance with respect to licensees. Again, an exception is made where a Directive is urgently required; and Directives that are issued to an individual licensee, as a formal direction aimed at addressing a particular supervisory issue, are also not subject to consultation.

The CBB's consultation policy consists of three tiers, namely those of industry involvement, public consultation and general feedback. The formal policy is set out on the following page.



CBB Consultation Policy Statement

Tier One – industry involvement

When considering and developing new proposed policy requirements, the CBB shall where appropriate:

- (i) endeavour to involve relevant licensees in its deliberations at the earliest stage possible;
- (ii) discuss with selective licensees having relevant expertise in relation to the requirements under consideration; and
- (iii) may undertake where appropriate a selective pre-consultation prior to engaging in a full public consultation.

Tier Two – public consultation

After adopting an in-house draft of a potential requirement, the CBB shall:

- (i) consult with all licensees likely to be affected by the regulation, as well as publish on its website a draft of the consultation;
- (ii) allow a reasonable time for representations to be made – which in no event shall be less than 14 days from the day of receipt;
- (iii) give due consideration to the representations made by its licensees.

Tier Three – general feedback

After the public consultation process has concluded, the CBB shall:

- (i) to the extent possible, share the representations received back from its licensees; and/or
- (ii) to the extent reasonably practicable, reply to the representations made by licensees.