



OG/53/2017
30th January 2017

Chief Executive Officer

All Banks
All Investment Business Licensees (Cat. 1 & 2)
All Life Insurance Providers
All Trust Service Providers
Manama
Kingdom of Bahrain

Dear Sir/Madam,

Directive
Common Reporting Standard (CRS)

The Central Bank of Bahrain "CBB" wishes to inform all licensees that the government of the Kingdom of Bahrain is in the final stages of signing the Convention on Mutual Administrative Assistance in Tax Matters "MAC" and the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account information "MCAA" to commence Automatic Exchange of Information for Tax Purposes "AEOI".

The Kingdom of Bahrain has chosen the **Wider Approach** reporting standard stipulating that all licensed financial institutions are required to perform customer due diligence procedures on all accounts held by accountholders resident for tax purposes.

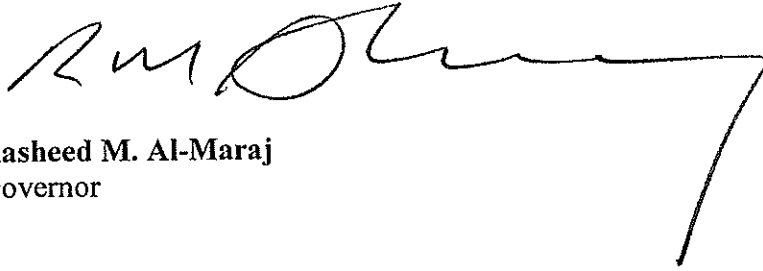
In order to be fully apprised of the progress of each licensee towards compliance with CRS regulations, the CBB requires all licensees to provide the CBB with a detailed report outlining the steps that have been taken to ensure that all systems and procedures, including IT systems and customer accounting operating procedures, are in place and ready to meet the CRS requirements. In addition, each licensee must provide the CBB with a detailed action plan which will be implemented to ensure full compliance with CRS.

In this regard, all financial institutions are advised to seek independent consultant opinion to assess the impact of CRS on the entity, customers, products and services, legal framework, IT systems and operations of the institution. For further guidance regarding CRS, you are kindly requested to refer to the following link:

<http://www.oecd.org/tax/automatic-exchange/>

The report should be sent to the Director of Compliance Directorate, Dr. Ahmed Bumtaia, at the CBB, or electronically to compliance@cbb.gov.bh on a date not later than 31st March 2017.

Yours faithfully,



Rasheed M. Al-Maraj
Governor