



MODULE	AU: Authorisation
CHAPTER	AU-1: Requirement to Hold a License

AU-1.2 Definition of Regulated Ancillary Services (continued)

Payment Service Provider ('PSP')

AU-1.2.8

Payment service providers, may act as an intermediary for the following services:

- (a) Services enabling cash to be placed on an escrow account and all of the operations required for operating an escrow account;
- (b) Services enabling cash withdrawals from an escrow account and all of the operations required for operating an escrow account;
- (c) The settlement of the direct debits of payment transactions;
- (d) Integrating customer delivery channels to enterprises to enable transactions at delivery channels (e.g. ATMs, POS, Interactive Voice Response, mobile, internet); and
- (e) Interfacing with external networks/institutions (e.g. national switch, VISA, MasterCard), enabling automated exchange of transactions between the enterprise and external networks.

AU-1.2.9 Payment service providers also facilitate the payment of high volume periodic/repetitive bills (e.g. utility bills, phone bills etc), and customer initiated payments.

AU-1.2.10 For purposes of Paragraph AU-1.2.8, escrow account is defined as an account held in a retail bank which is used for the execution of payment transactions. The CBB has the right to stop this escrow account at any time.

AU-1.2.10A

When issuing any multi-purpose, electronic or otherwise, pre-paid cards, payment service providers must comply with the following requirements:

- (a) The maximum amount under each individual customer pre-paid account must not exceed BD200;
- (b) The payment service provider must obtain a bank guarantee of BD100,000 from a retail bank licensed in the Kingdom of Bahrain; instead of the bank guarantee amount required under Paragraph AU-4.1.12.
- (c) Comply with all the requirements outlined under Module FC (Financial Crime) and Module CL (Client Money);
- (d) All pre-paid plastic cards must be EMV compliant (chip and PIN and online authentication);
- (e) Any pre-paid card which is inactive for a period of six months must be placed in a dormant list;
- (f) All transactions on pre-paid cards must be made through an escrow account with a retail bank in Bahrain.



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AU 1.2.10B In addition to the requirements listed under Paragraph AU 1.2.10A, Payment service providers must maintain up to date Payment Card Industry Data Security Standards (PCI-DSS) certification. The initial certification must be obtained by 31st December 2017.

AU-1.2.10C In order to maintain up to date PCI-DSS certification, payment service providers will be periodically audited by PCI authorised companies for compliance. Licensees are asked to make certified copies of such documents available if requested by the CBB.

AU-1.2.11 When a customer load cash into the card through kiosk or company /bank counter, the payment service provider must update the amount into the card immediately, and must deposit the relevant cash amount into the escrow account within 24 hours.

AU-1.2.11A When owning or operating Cash Dispensing Machines (CDM) or Kiosks, payment service providers must comply with the requirements stated in Paragraphs AU-1.2.11B to Paragraph AU-1.2.11I:

AU-1.2.11B Payment service providers must obtain CBB's prior written approval for owning or operating any Cash Dispensing Machine (CDM) or Kiosk.

AU-1.2.11C Payment service providers must submit a written application to the Supervisory Point of Contact (SPoC) at the CBB, detailing the type of CDM or Kiosk, the proposed location(s) and the proposed security measures.

AU-1.2.11D The application referred to in Paragraph AU-1.2.11C will be assessed on its individual merits, and at the CBB's sole discretion, taking into account factors which the CBB considers relevant including, but not limited to:

- (a) The suitability of the location(s) in question;
- (b) The level of overall activities of the applicant in the market as well as the size and make-up of its customer base; and
- (c) The type and range of facilities which the applicant proposes to offer through the CDM or Kiosk at the proposed location(s).

AU-1.2.11E In addition to the information required by the CBB, further information/clarification may be requested by the CBB before it takes a decision regarding the application. The CBB's decision in this regard will be communicated to the applicant payment service provider in writing.



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AU-1.2.11F CDMs or Kiosks may be owned individually or jointly by ancillary service providers.

AU-1.2.11G Payment service providers must not charge their customers for cash withdrawal transactions. When a customer uses CDMs, Kiosks or ATMs belonging to other banks or PSPs, the acquiring PSP/ bank may apply a charge capped at 100 fils per transaction to the issuing PSP.

AU-1.2.11H Payment service providers must obtain the CBB's prior written approval for the termination/suspension of any of its CDMs or Kiosks.

AU-1.2.11I The CBB may, at its sole discretion, require a payment service provider to terminate/suspend a CDM or Kiosk at any time.