



EDBS/KH/C/26/2019
26th March 2019

Chief Executive Officer
All Banks
Manama
Kingdom of Bahrain

Dear Sir,

Consultation: Operational Risk Management Module (Module OM)

Please find attached the revised proposed Directive governing the CBB's requirements in respect of Operational Risk Management, which is included in Module OM of the Rulebook Volumes 1 and 2.

As you are aware, the CBB embarked on an exercise in 2017 to enhance the rules in all areas of risk management and to align with principles and standards of the Basel Committee on Banking Supervision. The revised Module OM reflects a number of qualitative improvements in a number of areas relevant to operational risk management.

The CBB requests all banks, audit firms and interested parties to provide their comments, including 'nil comments' on these proposed changes. Responses must be sent electronically, in an editable format, to consultation@cbb.gov.bh by 26th April 2019.

The proposed revised Module OM for Volumes 1 and 2 shall be available on the CBB website (www.cbb.gov.bh) under the "open consultations" section.

Yours faithfully

Khalid Hamad

cc: Bahrain Bankers Association
External Audit Firms