



**BLOCKING REQUIREMENTS
MODULE**

DRAFT



MODULE: BL (Blocking Requirements)

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MODULE	BL:	Blocking Requirements
CHAPTER	BL-A:	Introduction

BL-A.1 Purpose

Executive Summary

BL-A.1.1 This Module presents requirements pertaining to “blocking/unblocking of customer’s assets with CBB licensees including bank and investment accounts, life insurance policy and other assets “hereafter referred to as customer’s assets” held in their custody based on orders received by the Central Bank of Bahrain (CBB) from the Courts and from the Public Prosecutor.

BL-A.1.2 The CBB is the intermediary between the courts or as the case may be the Public Prosecutor and the licensees in Bahrain. The Compliance Directorate acts as the central point of contact for the licensees.

Legal Basis

BL-A.1.3 This Module contains the Central Bank of Bahrain’s (CBB’s) Directive (as amended from time to time) pertaining to blocking/unblocking of customers’ assets, and is issued under the powers available to the CBB under Article 38 of the Central Bank of Bahrain and Financial Institutions Law 2006 (‘CBB Law’). The directive in this Module is applicable to all relevant licensees.

BL-A.1.4 For an explanation of the CBB’s rule-making powers and different regulatory instruments, see section UG-1.1.



MODULE	BL:	Blocking Requirements
CHAPTER	BL-A:	Introduction

BL-A.2 Module History

Evolution of the Module

BL-A.2.1 This Module was first issued in MONTH 2019. The Directives included in this Module replaces the circulars issued by the CBB in relation to blocking/unblocking of customer's assets held with a licensee.

Circular Ref.	Date of Issue	Subject

BL-A.2.2 This Module is effective as of the date of issue and shall supersede the circulars specified in Paragraph BL-A.2.1. Pages that are subsequently changed in this Module are updated with the end-calendar quarter date in which the particular change was made.

BL-A.2.3 Any material changes that have subsequently been made to this Module are annotated with the calendar quarter date in which the change was made. Chapter UG-3 provides further details on Rulebook maintenance and version control.

BL-A.2.4 A list of recent changes made to this Module is detailed in the table below:

Module Ref.	Change Date	Description of Changes



MODULE	BL:	Blocking Requirements
CHAPTER	BL-1:	Court Orders

BL-1.1 Introduction and Scope

Blocking Orders

BL-1.1.1 The CBB is the recipient of the orders from the courts or the Public Prosecutor of the Kingdom of Bahrain, hereafter referred to in this Module as “blocking orders” concerning full or partial blocking of customers’ assets, whether held on or off balance sheet, by a licensee in the Kingdom of Bahrain.

BL-1.1.2 The blocking orders may either be one of the following:

- (a) Full blocking Orders;
- (b) Partial blocking Orders; or
- (c) Unblocking Orders.

Full Blocking Orders

BL-1.1.3 A full blocking order is a request by the CBB to licensees based on a blocking order supported by a case execution number(s) for fully blocking customer’s assets in the relevant person’s name.

Partial Blocking Orders

BL-1.1.4 A partial blocking order is a request by the CBB to licensees based on a Court order supported by a case execution number(s) for blocking a specified amount of funds and /or assets in the relevant person’s name.

Unblocking Orders

BL-1.1.5 Upon the request of a Court order, the relevant licensees are obliged to unblock the customer’s assets that were subject to one or more block requests in relation to one or more blocking orders.



MODULE	BL:	Blocking Requirements
CHAPTER	BL-1:	Court Orders

BL-1.1 Introduction and Scope

Inquiry requests

BL-1.1.6 Requests received by the CBB from the courts or the Public Prosecutor inquiring about balances or status of customer's assets held by or with the licensees, hereafter referred to in this Module as "inquiry requests". The inquiries may be with regard to a current or potential blocking request or in relation to inheritance.

Inheritance Requests

BL-1.1.7 In cases pertaining to inheritance, the court may order the blocking/inquiring of assets belonging to a deceased customer.

Inquiry with no block confirmation

BL-1.1.8 Licensees may also be requested to provide the court with specific information about the assets that the relevant customer maintains with any licensee also referred to as – "inquiry with no block confirmation".

Online Blocking System

BL-1.1.9 There is an established online blocking system at the CBB for efficiently executing blocking orders and inquiry requests.

BL-1.1.10 The online blocking system will enable the licensees to view the blocking orders or inquiry requests, as and when received. It will also enable the licensees to send their replies to the CBB immediately online.

BL-1.1.11 A blocking order or an inquiry request is received by the CBB from the relevant court through the online blocking system or by email or mail from the Public Prosecutor instructing partial or full blocking of the assets of a person with regards to a case pending with the court or the Public Prosecutor which must have a "case execution number".



MODULE	BL: Blocking Requirements
CHAPTER	BL-1: Court Orders

BL-1.2 Key Requirements

BL-1.2.1 Licensees must strictly adhere to the requirements of the blocking orders or the inquiry requests immediately upon its receipt in the online blocking system.

BL-1.2.2 Licensees must ensure that they have systems and processes in place to monitor incoming blocking orders or inquiry requests on a real-time basis.

BL-1.2.3 Licensees must establish comprehensive policies and procedures that govern the processes covering the requirements in this Module and ensure that the policies and procedures:

- are approved by the Board of Directors of the licensee and are subject to periodic reviews;
- specifically prohibit staff from effecting changes to the customer's assets or their titles or status to avoid blocking of assets;
- include procedures to ensure that the Directors, officers and employees of the licensee do not warn or inform its subject customer, or its representatives of the blocking orders prior to blockings;
- include procedures to ensure that customers are informed on a post facto basis of the relevant details of blocking order; and
- assign different levels of access for assigned users, such as, maker, checker and approver.

BL-1.2.4 Licensees must assign the necessary staff for carrying out the handling of the online blocking system and related processes in compliance with the requirements of this Module.

BL-1.2.5 Licensees must implement procedures to ensure that staff designated to handle the online blocking system and related processes expeditiously handle the blocking orders/inquiry requests in accordance with this Module. These procedures must include arrangements for taking disciplinary action against any staff who fails to comply with these requirements.

BL-1.2.6 Staff responsible for handling blocking and inheritance orders/inquiries must be adequately trained to handle the process and assignments effectively.



MODULE	BL: Blocking Requirements
CHAPTER	BL-2: Blocking Orders

BL-2.1 Blocking Orders

BL-2.1.1 Licensees must take immediate action upon receipt of blocking orders and submit their responses on the actions taken within the period specified in the request.

BL-2.1.2 The CBB shall submit the blocking requests to all relevant licensees with the required amount to be blocked from customer's assets held at different licensees as per the court order.

BL-2.1.3 For the purposes of Paragraph BL-2.1.1, licensees must execute the blocking orders regardless of the currency in which the assets are held.

BL-2.1.4 All licensees must indicate the existence or non-existence of assets as of the day of receipt of the blocking order.

BL-2.1.5 Licensees must report to the CBB where the person whose assets are to be blocked has liabilities in the form of credit obligation or has insufficient assets in the account (s), as compared to the amount to be blocked.

BL-2.1.6 Upon receipt of the blocking order, the relevant licensee must not deduct, transfer or pay any amount that is subject to the blocking order.

BL-2.1.7 A licensee may approach the relevant court or the Public Prosecutor, as the case may be, to make a request or plea to use customer's assets which are maintained by it for the purpose of making deductions or repayments against customer's specific debt or obligations.

BL-2.1.8 In case that the amount required to be blocked exceeds the assets value held with a licensee, it must block the assets held and notify the CBB that the subject assets as the case may be are insufficient. The licensee must specify the exact assets blocked and its value.

BL-2.1.9 The court may request a licensee to transfer the customer's assets held. In case of funds, the transfer must be made by cheque.

BL-2.1.10 Where the blocking order is only a partial blocking request, the relevant licensee must not block more than the assets actually requested to be blocked.



MODULE	BL:	Blocking Requirements
CHAPTER	BL-2:	Blocking Orders

BL-2.2 Unblocking Orders

BL-2.2.1

Upon receipt of requests for unblocking, licensees must immediately unblock the assets as the case may be related to one or more blocking requests pertaining to certain case execution number(s)/(court letter numbers), and must advise the relevant customer on the same day through appropriate communication means.



MODULE	BL: Blocking Requirements
CHAPTER	BL-3: Inquiry Requests

BL-3.1 Court Inquiries

BL-3.1.1

Upon receipt of inquiry requests, the licensees must provide the required information within the period of time specified through the online blocking system.

BL-3.1.2

The licensee need not block a customer's asset if the court requests pertain to a query.



MODULE	BL: Blocking Requirements
CHAPTER	BL-3: Inquiry Requests

BL-3.2 Inheritance Requests

BL-3.2.1 In the case of inheritance, the court may request that a deceased person's specified asset(s) be blocked immediately by a relevant licensee. In all such cases, a confirmation of the blocking should be communicated to the customers' representative in a post-factor basis in the manner and within the time specified. The court may, subsequently, instruct the licensees to transfer the assets so blocked to the Court or other designated body. The licensee should abide by the court's subsequent order as communicated by the CBB to the relevant licensee.



MODULE	BL: Account Blocking
CHAPTER	BL-4: Enforcement

BL-4.1 Enforcement Action

BL-4.1.1 Failure to comply with the requirements of this Module would lead to an enforcement action being taken against the licensee concerned, as specified in Article 128 of the CBB Law (as amended).