



EDBO/F23/2021

12th July 2021

Chief Executive Officer

All Retail Banks

Manama

Kingdom of Bahrain

Dear Sir/Madam,

Consultation: Procedure for Lost Cheques

It has come to the attention of the Central Bank of Bahrain "CBB" that, the current bank procedures for lost cheques require the drawer/ issuer of cheques to report the matter to the police and submit a police report to the bank in order to stop the payment, or for the cancellation, of such cheques.

The CBB, in accordance with the requirements of the Law of Commerce, believes that such requirement is unnecessary, impractical and without legal basis. Therefore, the CBB is proposing to include the following requirements in the Business Conduct Module of the CBB Rulebook Volumes 1 and 2:

In the case of stop payment/cancellation request by the customer (drawer/issuer of cheques) due to the loss of a cheque, licensees must comply with the following procedures:

- a) The drawee bank must require its customers (the drawer/ issuer of cheques) to report the loss of cheque and request stop payment/cancellation in writing via a letter or email; and
- b) Upon receipt of such request, the drawee bank must immediately stop payment/ cancel the cheque.

You are kindly requested to review the above proposal and provide CBB with your comments, including 'nil comments' electronically, in an editable format, to consultation@cbb.gov.bh by 27th July 2021.



The proposed material shall be available on the CBB website ('www.cbb.gov.bh') under the 'open consultations' section.

Yours faithfully,

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Hesa Abdulla Al Sada

Executive Director - Banking Operations

cc: Bahrain Association of Banks
External Auditors