



BUSINESS AND MARKET CONDUCT MODULE

CONSULTATION



MODULE	BC: Business and Market Conduct
CHAPTER	BC-1: Promotion of Financial Products and Services

BC-1.1 Promotions

BC-1.1.1 The purpose of the content of this Section is to set out requirements pertaining to the promotion of financial services and products offered in/from Bahrain by conventional retail bank licensees. For the purposes of this Section, promotions mean all types of promotional campaigns, competitions, merchant discount schemes/loyalty programmes or other schemes of similar nature offered to customers or prospective customers by means of incentives etc.

BC-1.1.2 Conventional retail bank licensees must ensure that all the following requirements are met with regards to promotion of products or services:

- (a) They do not involve a breach of Bahrain law or any other relevant applicable law or regulation;
- (b) All documentation concerning promotions is in Arabic and English and, if relevant, any other language necessary for customers to fully understand and appreciate the products or services;
- (c) Customers to whom promotions are directed must enjoy equal opportunity in terms of access to, and treatment within, such schemes;
- (d) The communication concerning promotions must be clear, concise, truthful, unambiguous and complete to enable customers to make a fully informed decision; and
- (e) Where the promotion involves communication of earnings potential or benefits associated with the products or services promoted, all costs, charges or levies and risks are also disclosed.

BC-1.1.3 Licensees using character-limited media (e.g. social media platforms such as Instagram, Facebook etc.) as a means of promoting complex features of financial products or services should provide a reference or link to more comprehensive information available elsewhere.



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BC-1.1 Promotions (continued)

BC-1.1.4

Conventional retail bank licensees must ensure that the following requirements are met with regards to raffles/lotteries:

- (a) Adequate systems and documented procedures are in place that describe the checks and balances to ensure fair play, impartiality and the inclusion of eligible participants as well as for informing participants of the results of a raffle/lottery within 5 business days of the draw;
- (b) They are subject to the rules and requirements (including prior authorisation/approval) laid down by the Ministry of Industry, Commerce and Tourism;
- (c) The raffle draws schedule is disclosed in advance to the public. Raffle dates must not be postponed unless a valid reason is stated/indicated;
- (d) The winner(s) report includes the winner's name, CPR number, mobile number and the number of chances (e.g. tickets/certificates) in the draw;
- (e) Each draw of the raffle/lottery held as part of the bank's promotional scheme is independently verified and monitored/witnessed by the bank's external auditor and the internal auditor. The electronic system must be subject to external IT audit;
- (f) An annual check and a comprehensive audit on the "raffle draw" system is conducted by the external technical auditor. In addition, a detailed report in this regard from such auditor must be submitted to the CBB and a copy is sent to the consumer protection department in the Ministry of Industry, Commerce and Tourism; and
- (g) The internal auditor periodically reviews, at least annually, all promotions, raffles/lotteries in addition to the systems, procedures, processes and related operational risks.

BC-1.1.5

The requirements of Paragraph BC-1.1.4 do not apply to promotions or giveaways generally offered and selected through draws to customers on an ad hoc basis (at no cost to the customer, implicit or otherwise). In such cases, there is no direct link between the acquisition of the products or services by the customers and the periodic raffle draw/lotteries.

BC-1.1.6

Licensees may use small 'gifts' as an inducement to members of the public to use banks' services, provided such gifts are offered on a general basis and have a monetary value not exceeding BD 100.



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BC-1.2 Advertisements

BC-1.2.1 Conventional retail bank licensees must obtain the customer's consent whether in writing or electronically for sending promotional or advertisement material through e-mail, short messages (SMS), WhatsApp or other communication means.

BC-1.2.2 The CBB may, at its discretion, require the licensee to withdraw the advertisement or any material thereof, if it believes that the advertisement is not compliant with the requirements of this Module or that it has a negative impact on the financial sector or on the society.

BC-1.2.3 Conventional retail bank licensees must ensure that advertisements:

- a) Are clear, fair, accurate and not misleading;
- b) Are simple to understand and presented in a way that is likely to be understood by the average person to whom it is directed;
- c) Clearly state what the letters stand for if acronyms are used (for e.g. APR);
- d) Font size must be 12 or bigger, including footnotes;
- e) Terms and conditions are easily accessible by customers;
- f) Any concessionary offer/promotion in an advertisement contains the validity period of such offer/promotion;
- g) Clearly present any comparison or contrast (if any) in a fair and balanced way. Such comparison or contrast must be meaningful and presented in general terms, i.e. banks must avoid making direct comparisons of their products with those of their competitors;
- h) Are publicly announced by the licensee only;
- i) Clearly state the name of the bank, bank logo, and contact details;
- j) The name of the product and its details are clear to the customers;
- k) Include a proper link to the terms and conditions including fees and charges;
- l) Include a statement that the bank is licensed by CBB as a conventional retail bank licensee; and
- m) Do not make use of the name of CBB in any advertisement in such a way that would indicate endorsement or approval of its products or services.



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BC-1.2 Advertisements (continued)

BC-1.2.4 Conventional retail bank licensees must ensure that advertisements do not:

- a) Include the expression ‘interest free’ or any similar expression when there is implicit interest embedded in the product or service;
- b) Include the descriptions of product or service as ‘free’ or ‘with no cost’ or any similar expression if any type of fee would be imposed;
- c) Include the descriptions of feature of a product or service as ‘guaranteed’ or ‘secured’ or use a similar expression unless the bank communicates all the necessary information, and present that information with sufficient clarity and prominence to make the use of that term fair, clear and not misleading;
- d) Contain any statement such as “the best in”, “the most competitive”, “the best rate in”, “the first in”, ‘the highest’ or ‘the lowest’ or ‘the best’ in the market unless it is fully supported by evidential documents;
- e) Emphasise any potential benefits of a product or service without also giving a fair and prominent indication of any relevant risks; and
- f) Disguise, omit, diminish or obscure important information, statements or warnings.

Digital Advertisements

BC-1.2.5 Conventional retail bank licensees must ensure that each digital advertisement through the internet/social media (e.g. Twitter, Instagram, WhatsApp, Facebook, web page, etc.) complies with the requirements in this Section.

BC-1.2.6 Where a licensee publishes customer feedback/review on the internet/social media, it must display both positive and negative feedback/review.