



EDFIS/C/046/2021  
3<sup>rd</sup> October 2021

**The Chief Executive Officer/General Manager**  
All Licensees  
Manama  
Kingdom of Bahrain

Dear Sir/Madam,

**Subject: Guidance Paper – Risk Assessment**

As a part of its on-going outreach plan for financial institutions, the Central Bank of Bahrain is hereby issuing the attached guidance paper which aims to provide guidance on the role of financial institutions with respect to implementing risk assessments. The attached paper outlines the method of identifying money laundering, terrorist financing and proliferation financing risks and the means to assess, evaluate, and mitigate such risks using a risk-based approach. It describes the application of risk assessment and the necessity of reviewing and evaluating the risk assessment effectiveness of financial institutions.

The guidance paper should be read in conjunction with the Financial Crime (“FC”) Module of the CBB Rulebook, international standards and best practices in this regard.

Yours faithfully,

**Abdul Rahman Al Baker**