



OG/275/2025

27th October 2025

Chief Executive Officer

All Banks

All Insurance Firms, Insurance Brokers

All Fund Administrators,

All Trust Service Providers

All Payment Service Providers, Money Changers

All Crowdfunding Platform Operators

Manama - Kingdom of Bahrain

Dear Sir/ Madam,

Consultation: Proposed client money requirements

As part of the Central Bank of Bahrain's ("CBB") commitment to enhancing confidence and maintaining the integrity of the financial sector, the CBB is hereby issuing a consultation on its proposal to revise the client money safeguarding requirements applicable to Payment Service Providers (PSPs) and Crowdfunding Platform Operators.

Also attached to this circular is a questionnaire (See Annexure) that licensees should complete for the CBB to get a better understanding of the implementation implications of the proposed requirements.

The proposed requirements shall be available on the CBB website (www.cbb.gov.bh) under the "Open Consultations" Section.

The CBB requests you to provide your comments, including "nil comments", on the proposed requirements as well as your responses to the consultation questions, in an editable format to consultation@cbb.gov.bh by 10th November 2025.

Yours faithfully,

Khalid Humaidan

Governor

cc: All Law Firms
All External Audit Firms
Bahrain Association of Banks
Bahrain Insurance Association



Annexure: Consultation questionnaire

1. What measures in the proposed rules are not practical or burdensome?
2. For Crowdfunding Platform Operators: which out of the three choices of methods below for safeguarding client money do you find practical and why?
 - (a) Holding the client money in a trust or escrow account or an account subject to a fiduciary arrangement with a retail bank; or
 - (b) Insurance from a regulated insurance firm which is fully liable to the investor or lender for the client money; or
 - (c) A guarantee given by a bank for the amount of the client money.
3. For Payment Service Providers: which out of the three choices of methods below for safeguarding client money do you find practical and why?
 - (a) Insurance from a regulated insurance firm which is fully liable to the customer for the client money; or
 - (b) A guarantee given by a retail bank for the amount of the client money; and
 - (c) By depositing the relevant money in a trust account maintained with a safeguarding institution.
4. What are the operational and cost implications for licensees in adopting such arrangements?
5. Are there any other specific operational, legal or regulatory consequences that the CBB should consider?
6. With regards to fiduciary accounts: do you agree with the list of controls to be established to maintain integrity of the account? Are there any other controls that are relevant and can be introduced by the bank?