



OG/72/2026

5th February 2026**Chief Executive Officer****All Payment Service Providers****All Money Changers****All Account information and payment initiation service providers****All Crypto-asset Licensees****All Banks****Manama - Kingdom of Bahrain**

Dear Sir/ Madam,

Consultation: Proposed Payment Service Requirements Module

As part of the Central Bank of Bahrain's ("CBB") commitment to improving the safety, efficiency, and innovation in our payment system, the CBB is proposing a new regulatory framework governing Payment Service Providers. The proposed Payment Services Requirements Module (Module PS) attached is designed to match standards adopted in reputable jurisdictions and is aligned with the European Union's Payment Services Directive 2 (PSD2) and the proposed Payment Services Directive 3 (PSD3). The CBB believes this initiative will help Bahrain stay in line with global best practices.

Impact on Existing Licensees

Under the proposed rules:

- Existing licenses for Money Changers, Payment Service Providers (PSPs), Account Information Services (AIS), and Payment Initiation Services (PIS) will now follow these new standards.
- This means all licensees under these categories must now meet the updated requirements for governance, security, customer protection, and operational standards covered in this Module.

Services not covered by your current licenses, such as card processing, can still be offered. However, the regulations applicable to the existing Ancillary Service Providers (ASPs) license will continue. Where appropriate, the CBB will introduce additional requirements for such licensees.

The new proposed rules include enhancements for better controls, transparency, fraud prevention and data control. Key areas of change in the proposed regulations include the following:

- Definition and scope of payment services,
- Introduction of digital token-based payments,



- Strong customer authentication,
- Safeguarding customer funds,
- Transparency and information,
- Inclusion of open banking services as part of payment services,
- Liability in case of errors, frauds and complaints,
- Changes in e-money wallet limits, and
- Other customer protections.

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

The CBB requests your feedback on the proposed requirements, including "nil comments" where applicable, in addition to your responses to the consultation questions, in an editable format, to consultation@cbb.gov.bh by 5th March 2026.

Yours faithfully,

Khalid Humaidan
Governor

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



Annexure

Consultation questions

1. Do you agree that the new integrated payment services will help further innovation?
2. Do you agree with the proposed approach of reducing initial capital requirements with the introduction of risk- based capital, calculated based on total operating expenses in accordance with section PS-1.2? Kindly provide a justification for your response.
3. Please provide the CBB with a computation of capital in accordance with section PS-1.2.
4. Do you have other recommendations for risk-based capital that the CBB should consider?
5. Do you find the proposed BD 10,000 limit on individual (natural person) wallets to be reasonable? From your experience, please comment on whether this limit might restrict digital token-based payment activity.
6. Do you agree with the removal of wallet limits for corporates and legal persons?
7. Do you have any recommendations on introduction of additional standards to aid in fraud prevention?