



<b>MODULE</b>	<b>AU:</b>	<b>Authorisation</b>
<b>CHAPTER</b>	<b>AU-1:</b>	<b>Requirement to Hold a License</b>

## AU-1.2 Definition of Regulated Ancillary Services (continued)

### *Payment Service Provider ('PSP')*

#### AU-1.2.8

Payment service providers, may act as an intermediary for the following services:

- (a) Services enabling cash to be placed ~~on an escrow~~ in clients' money account and all of the operations required for operating ~~an escrow~~ the account;
- (b) Services enabling cash withdrawals from ~~an escrow~~ clients' money account and all of the operations required for operating ~~an escrow~~ the account;
- (c) The settlement of the direct debits of payment transactions;
- (d) Integrating customer delivery channels to enterprises to enable transactions at delivery channels (e.g. ATMs, POS, Interactive Voice Response, mobile, internet); and
- (e) Interfacing with external networks/institutions (e.g. national switch, VISA, MasterCard), enabling automated exchange of transactions between the enterprise and external networks.

AU-1.2.9 Payment service providers also facilitate the payment of high volume periodic/repetitive bills (e.g. utility bills, phone bills etc), and customer initiated payments.

AU-1.2.10 For purposes of Paragraph AU-1.2.8, ~~escrow~~ clients' money account is defined as an account held in a retail bank which is used for the execution of payment transactions. The CBB has the right to stop this ~~escrow~~ clients' money account at any time.

#### AU-1.2.10A

When issuing any multi-purpose, electronic or otherwise, pre-paid cards, payment service providers must comply with the following requirements:

- (a) The maximum amount under each individual customer pre-paid account must not exceed BD200;
- (b) The payment service provider must obtain a bank guarantee of BD100,000 from a retail bank licensed in the Kingdom of Bahrain; instead of the bank guarantee amount required under Paragraph AU-4.1.12.
- (c) Comply with all the requirements outlined under Module FC (Financial Crime) and Module CL (Client Money);
- (d) All pre-paid plastic cards must be EMV compliant (chip and PIN and online authentication);
- (e) Any pre-paid card which is inactive for a period of six months must be placed in a dormant list;
- (f) All transactions on pre-paid cards must be made through ~~an escrow~~ the clients' money account with a retail bank in Bahrain.



<b>MODULE</b>	<b>AU:</b>	<b>Authorisation</b>
<b>CHAPTER</b>	<b>AU-1:</b>	<b>Requirement to Hold a License</b>

## AU-1.2 Definition of Regulated Ancillary Services (continued)

**AU 1.2.10B** In addition to the requirements listed under Paragraph AU 1.2.10A, Payment service providers must maintain up to date Payment Card Industry Data Security Standards (PCI-DSS) certification. The initial certification must be obtained by 31<sup>st</sup> December 2017.

AU-1.2.10C In order to maintain up to date PCI-DSS certification, payment service providers will be periodically audited by PCI authorised companies for compliance. Licensees are asked to make certified copies of such documents available if requested by the CBB.

**AU-1.2.11** When a customer load cash into the card through kiosk or company /bank counter, the payment service provider must update the amount into the card immediately, and must deposit the relevant cash amount into the **eserow clients' money** account within 24 hours.

**AU-1.2.12** **Payment Service Providers must perform an independent audit on clients' money account every 6 months and submit the report to the CBB.**



MODULE	AU: Authorisation
CHAPTER	AU-4: Information Requirements and Processes

## AU-4.1 Licensing (continued)

### *Starting Operations*

#### AU-4.1.16

Within 6 months of the license being issued, the new licensee must provide to the CBB:

- (a) A detailed action plan for establishing the operations and supporting infrastructure of the licensee, such as the completion of written policies and procedures, and recruitment of remaining employees (having regard to the time limit set by Article 48 (c) of the CBB Law);
- (b) The registered office address and details of premises to be used to carry out the business of the proposed licensee;
- (c) The address in the Kingdom of Bahrain where full business records will be kept;
- (d) The licensee's contact details including telephone and fax number, e-mail address and website;
- (e) A description of the business continuity plan;
- (f) A description of the IT system that will be used, including details of how IT systems and other records will be backed up;
- (g) A copy of the external auditor's acceptance to act as an external auditor for the applicant;
- (h) A copy of the Ministry of Industry & Commerce commercial registration certificate in Arabic and English languages;
- (i) A copy of the licensee's business card and any written communication (including stationery, website, e-mail, business documentation, etc.) including a statement that the ancillary service provider is licensed by the CBB;
- (j) An updated organisation chart showing the reporting lines, committees (if any) and including the names of the persons undertaking the controlled functions;
- (k) A copy of the licensee's professional indemnity insurance policy or confirmation that a deposit to an amount specified by the CBB has been placed in an escrow account with a retail bank licensed in the Kingdom of Bahrain;
- (l) A bank guarantee of BD100,000 for payment service providers issuing any multi-purpose, electronic or otherwise, pre-paid cards, instead of the bank guarantee amount required under Paragraph AU-4.1.12. Such bank guarantee must be in the format approved by the CBB;
- (m) Proof that the PSP has set up the **escrow clients' money** account as required under Paragraph AU-1.2.8;
- (n) A copy of the applicant's notarised memorandum and articles of association, addressing the matters described in Paragraph AU-4.1.6; and
- (o) Other information as may be specified by the CBB.