



EDBS/KH/C/91/2019
25th December 2019

Chief Executive Officer
All banks
Manama
Kingdom of Bahrain

Dear Sir,

CBB Regulatory Policy Initiatives for the banking industry for the year 2020

As part of the CBB's policy in enhancing transparency and raising awareness on CBB's regulatory banking reform initiatives, the CBB lists below the expected proposed rules that the CBB would issue for consultation during 2020:

1. Introduction of rules on Digital Only Banks;
2. Capital Adequacy Module, Part 2: Credit Risk, revised as per Basel III;
3. Enhanced High Level Controls Module in-line with Basel Corporate Governance;
4. Updated Business Conduct rules in Volume 1 to be in-line with Volume 2 relevant rules including introduction of rules on Clients Assets;
5. Supervisory Review Process – part of Basel III;
6. Public Disclosure Module revised as per Basel III;
7. Redesigned license fees to take into account CBB's regulatory and supervisory cost;
8. Introduction of E-KYC rules in the Financial Crime Module; and
9. New requirements on Interest Rate Risk in the Banking Book for Volume 1 and Rate of Return Risk in the Banking Book for Volume 2.

Yours faithfully,


Khalid Hamad

cc: Bahrain Association of Banks