



EDBS/KH/247/2013
26th December, 2013

The Chief Executive Officer
All Financing Companies
Manama
Kingdom of Bahrain

Dear Sir,

Compliance with Resolution No. (16) 2012

In January 2013, the Authorisation Module was issued for Financing Companies, including Paragraph AU-1.1.1 to 1.1.3 reflecting the issuance of Resolution No. (16) for the year 2012 to the effect that no person may market any financial services in the Kingdom of Bahrain unless licensed to do so or have obtained written permission to offer such services (for full text and guidance, please refer to the CBB Rulebook Volume Five – Specific Modules to Financing Companies on the CBB website).

The purpose of this circular is to request each licensee to explain in writing how it is complying with the requirement of paragraph AU-1.1.1(c). More specifically, if any aspect of the marketing of financial services in the Kingdom of Bahrain has been outsourced to third parties (note the meaning of 'marketing' in paragraph AU-1.1.2), then the licensee should explain how compliance with Resolution No. (16) and paragraph AU-1.1.1(c) of the CBB Rulebook is achieved with due regard to the licensing status of the outsourcing service provider. In cases of outsourcing, licensees should explain which financial services are marketed and how they are marketed (in terms of specific personnel for specific products for example). You should also indicate whether the concerned outsourcing service provider is licensed by the CBB or not.

Full written replies should be submitted to the undersigned by 31st January 2014. Your co-operation in this important matter of compliance is much appreciated.

Yours faithfully,


Khalid Hamad