



EDBS/KH/C/16/2020
27th February 2020

Chief Executive Officer
All Retail Banks
All Financing Companies
Manama, Kingdom of Bahrain

Dear Sir,

Caps on Fees for Credit Facilities Provided to Individuals

Following the industry consultation process on the subject matter, please find attached the final caps on processing fees for credit facilities provided to individuals which become effective from 1st June 2020.

Accordingly, licensees must not increase their interest/profit rates and annual percentage rate (APR) as a result of the above caps and that any adjustment to such rates must be based on changes to CBB policy rate. Licensees must also not introduce any other fees related to the processing, review or approval of credit applications.

Licensees are also reminded that any fees charged by third parties in relation to services such as insurance, valuations, governmental services, etc. may be borne by customers. In case of outsourcing of any services related to credit facilities applications, total fees to be paid by the borrower must not exceed the subject caps in the attached list.

Should you have any further queries on this matter, please contact your normal supervisory point of contact at CBB.

Yours sincerely,


Khalid Hamad

cc: Bahrain Bankers Association
External Audit Firms

Caps on Fees for Credit Facilities Provided to Individuals

Item	Maximum Permissible Fee
Mortgage Credit Facilities – Aggregate processing fees	<ul style="list-style-type: none">• Facilities up to the value of BD150K, fees are subject to a cap of BD200.• Facilities above BD150K but not exceeding BD250K, fees are subject to a cap of BD300.• For facilities above BD250K, fees are subject to a cap of BD500.• No fees shall be charged for top up.
Consumer Credit Facilities - Aggregate processing fees	<ul style="list-style-type: none">• Fees are subject to a cap of BD100.• No fees shall be charged for top up.
Auto Credit Facilities for new and used motor vehicles - Aggregate processing fees	<ul style="list-style-type: none">• Fees are subject to a cap of BD100.• No fees shall be charged for top up.

