



EDBS/KH/047/2020
18th May 2020

Chief Executive Officers

All Financing Companies
Manama
Kingdom of Bahrain

Dear Sir,

**Amendment to Operational Risk Management (OM) Module – Volume 5 Type 3:
Financing Companies**

Further to the Local Tokenization Project, CBB is hereby issuing the following amendment to OM Module of the CBB Rulebook, Volume 5 Type 3: Financing Companies, in order to allow issuers and acquirers to conduct mobile initiated Near Field Communications (NFC) payments with no PIN entry:

OM-5.1.20AAA

Where contactless payments use Consumer Device Cardholder Verification Method (CDCVM) for payment authentication and approval, then the authentication required for transactions above BD 20 limit mentioned in Paragraph OM-5.1.20AA is not applicable given that the customer has already been authenticated by his device using PIN, biometric or other authentication methods. This is only applicable where the debit/credit card of the customer has already been tokenized in the payment application.

The above amendment is effective immediately and will be part of the upcoming Rulebook update. The circular will be available on the CBB website under ad-hoc communications for Volume 5 in due course.

Yours sincerely,


Khalid Hamad Al-Hamad