



The Chief Executive Officers

All Financing Companies
All Microfinance Institutions
All Ancillary Service Providers
Manama
Kingdom of Bahrain

Exposure to controllers

Pursuant to the powers available to the CBB under Article 38 of the Central Bank of Bahrain and Financial Institutions Law 2006, and with a view to establishing stringent controls over licensees being used to finance their controllers, the CBB is hereby prohibiting licensees from having any form of direct or indirect exposure to its controllers (including subsidiaries and associated companies of the controllers). For more clarity on the term 'controller', please refer to its definition in the glossary in Part B of the CBB Rulebook - Volume 5, Specialised Licensees.

Licensees that already have an exposure as of the date of this circular are requested to submit a listing of all such exposures within one month from the date of this circular together with an action plan for addressing such exposures within a timeline to be agreed with the relevant supervisory point of contact of the CBB (SPOC). The submission shall include the name of the counterparty, its relationship (business or legal) with the licensee, the amount of the exposure, its maturity, if any, the purpose of the exposure and the particulars of collateral held if any together with the action plan.

If you have any questions in this regard, please contact your SPOC.

Yours faithfully,


Khalid Hamad

cc: External Audit Firms