



EDBS/KH/C/51/2018
15th August 2018

Chief Executive Officer

All Retail Banks, Financing Companies and Ancillary Service Providers
Manama
Kingdom of Bahrain

Dear Sir,

Interest/profit charges on credit cards

It has come to the CBB's attention that, in the case of non-payment of credit/ charge card dues in full by the due date, certain credit card issuers charge interest/profit on the full amount billed and due instead of on the outstanding amount, billed and due.

All licensees are herewith instructed to stop such practice immediately and ensure that the interest/profit charged is on the unpaid billed and due by the due date. As illustration, if the credit/ charge card amount billed and due by the 25th June is BD1,500, and the customer has paid BD1,000 on the 20th of June, interest or profit can only be charged on the outstanding amount, billed and due of BD500 and not on the BD1000 which was paid by the customer by or before the due date.

Please ensure that your systems are updated accordingly, and the card processors and relevant personnel concerned are made aware of this requirement.

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

Yours faithfully,


Khalid Hamad

cc: Bahrain Association of Banks