



EDBS/KH/C/62/2020  
8<sup>th</sup> October 2020

**Chief Executive Officer**  
Ahli United Bank B.S.C.  
National Bank of Bahrain B.S.C.  
CrediMax B.S.C.  
Arab Financial Services B.S.C.  
The BENEFIT Company B.S.C.  
Manama  
Kingdom of Bahrain

Dear Sir/Madam,

**Re: Fund Transfers by Customers of Payment Service Providers**

It has come to CBB's attention that when customers of Payment Service Providers (PSPs) make fund transfers through Fawateer to their accounts with a PSP, 0.8% of the transaction value is charged to the PSP by the Benefit Company. In addition, when a PSP customer makes a fund transfer through the mobile application of the PSP, the PSP is charged 0.5% of the transaction value by the relevant acquirer/ payment gateway. In both instances, the payments are considered as payment to merchant rather than a fund transfer; thus, increasing cost unjustifiably to PSPs.

In line with CBB's objectives of encouraging more digitalization in the financial sector, Licensees to whom this circular is addressed are required to charge 100 fils only on each of such transactions mentioned above, in line with the Electronic Funds Transfer System (EFTS), as long as the transaction is a normal fund transfer, and that such charge should be borne by the customer instead of PSP.

This circular is effective immediately. Should you have any further queries on this matter, please contact your normal Supervisory Point of Contact (SPoC) at CBB.

Yours faithfully,

  
Khalid Hamad Al-Hamad

cc: Bahrain Association of Banks  
Payment Service Providers