



**Chief Executive Officers**

All Retail Banks

Manama

Kingdom of Bahrain

Dear Sir/Madam,

**Subject: Off-Plan Sale Projects Escrow Account Manager**

This has reference to CBB's circular EDBS/KH/C/9/2020, Resolution No.3 of 2018 on Escrow Accounts of Off-Plan Sale Projects and Resolution No. 19 of 2018 regarding Regulation of the Activity of Off-Plan Sale Projects Escrow Account Manager.

The Real Estate Regulatory Authority 'RERA' has brought to CBB's attention, based on its review of Off-Plan Sale Projects Escrow Account Managers practices, that retail banks acting as Off-Plan Sale Projects Escrow Account Managers are not complying with the requirements of the aforesaid Resolutions.

As you are fully aware, CBB takes non-compliance issues very seriously since the reputation of banks is highly correlated with its compliance track records; bad compliance records lead to bad reputation. As such all retail banks who are currently acting as an escrow account manager for off-plan sale projects must uphold their responsibilities in accordance with the relevant laws and regulations, failure of which will subject the relevant bank to severe enforcement actions, including but not limited to financial penalties and fit and proper status withdrawal.

Accordingly, all retail banks who are currently acting as an escrow account manager or intend to offer such service must require their Compliance Function to carry out an annual review of their compliance on such matter. Furthermore, CBB will soon initiate, through appointed experts, detailed review of relevant banks' practices on the subject area.

Yours faithfully,

  
**Khalid Hamad Al-Hamad**

Cc: Bahrain Association of Banks