



EDFIS/C/031/2019
25th March 2019

The Chief Executive Officers

All Investment Firms
All Money Changers
All Trust Service Providers
All Fund Administrators/Registrars
Manama
Kingdom of Bahrain

Dear Sir/Madam,

Re: 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.

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.

Should you have any queries in respect of any matter referred to herein, please do not hesitate to contact Mrs. Ebtisam Al Arrayed – Director of Financial Institutions Supervision Directorate on 17547968.

Yours faithfully,

Abdul Rahman Al Baker

cc: External Audit Firms