



EDFIS/C/034/2016
6th June 2016

Chief Executive Officer
All Insurance Companies
All Insurance Brokers
Manama
Kingdom of Bahrain

Dear Sir,

Re: Premiums/Contributions and Brokerage Commissions

It has come to the Central Bank of Bahrain (CBB) knowledge that some insurance companies and insurance brokers are not abiding by Paragraph CL-2.3.3 and Paragraph CL-2.3.4 of Module 'Client Money' of the CBB Rulebook (Volume 3), a copy of which is attached, which requires them to strictly adhere to the premiums/contributions and brokerage commissions payment timeframe.

The CBB wishes to draw your attention to the above rules and requests all insurance companies and insurance brokers to strictly adhere to the permitted timeframes for the receipt and payment of premiums/contributions and brokerage commissions as per the CBB Rulebook (Volume 3).

Failure to comply with the above may result in taking necessary measures as outlined in Module EN (Enforcement) of the CBB Rulebook (Volume 3).

Yours faithfully,

Abdul Rahman Al Baker

CL-2.3.3

Other than noted in Paragraph CL-1.1.6, *insurance brokers^G* and corporate *appointed representatives^G* must pay to *insurance firms^G* premiums/contributions received no later than (15) calendar days from the date of the receipt of such amounts.

April 2012

CL-2.3.4

Except as permitted under Paragraph CL-2.3.4A, *insurance brokers^G* and corporate *appointed representatives^G* are prohibited from deducting their brokerage commission from the premiums/contributions account(s). *Insurance brokers^G* and corporate *appointed representatives^G* must be paid separately their brokerage commission from the *insurance firms^G* after transferring the amounts due (premiums/contributions) to *insurance firms^G* no later than (10) calendar days from the receipt of the premiums/contributions by *insurance firms^G*.