



EDFIS/C/102/2020
30th November 2020

The Chief Executive Officer/ General Manager
All Licensees
Manama
Kingdom of Bahrain

Attn: MLROs

Dear Sir/Madam,

Re: Virtual Assets – Red Flags and Indicators

As a part of the Central Bank of Bahrain's outreach plan for financial institutions, the CBB is hereby issuing the attached guidance paper which provides guidance on monitoring and reporting suspicious activities with respect to misuse of virtual assets for money laundering and terrorist financing.

This guidance paper produced by the Central Bank of Bahrain (CBB) should be read in conjunction with the pertinent local and international standards. It summarizes the trends, red flags and indicators of how virtual assets and Virtual Assets Service Providers can be misused by criminals to launder their proceeds and/or finance their illicit activities. Therefore, the licensees are urged to comprehensively read FATF issued guidance papers on the same subject. The paper is applicable to all licensees regulated and supervised by the CBB.

Yours faithfully,

Abdul Rahman Al Baker