GENERAL REQUIREMENTS MODULE

MODULE:	GR (General Requirements)

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CHAPTER	GR-A:	Introduction

GR-A.1 Purpose

Executive Summary

GR-A.1.1 The General Requirements Module presents a variety of different requirements that are not extensive enough to warrant their own stand-alone Module, but for the most part are generally applicable. These include general requirements on books and records; on the use of corporate and trade names; and on controllers. Each set of requirements is contained in its own Chapter: a table listing these and their application to licensees is given in Chapter GR-B.

Legal Basis

GR-A.1.2 **This Module contains the Central Bank of Bahrain's ('CBB') Regulation No.(31) of 2008 and Directive (as amended from time to time) governing bank control and general requirements and is issued under the powers available to the CBB under Articles 38 and 52 of the Central Bank of Bahrain and Financial Institutions Law 2006 ('CBB Law'). The Module also contains requirements pertaining to controllers as prescribed under Resolution No.(43) of 2011 governing the conditions of granting a license for the provision of regulated services and is issued under the powers available to the CBB under Article 44(c). The requirements of Resolution No.(33) for the year 2012 with respect to the issuance of the Regulation setting the procedures for processing applications of banks to transfer financial services business in the Kingdom of Bahrain are included in Chapter GR-4. The Regulation, Resolutions and Directive in this Module are applicable to all conventional bank licensees.**

GR-A.1.3 For an explanation of the CBB's rule-making powers and different regulatory instruments, see Section UG-1.1.

GR-A.2 Module History

Evolution of Module

GR-A.2.1 This Module was first issued in July 2006, with immediate effect, as a new Module aimed at aligning the structure and contents of Volume 1 with other Volumes of the CBB Rulebook. All subsequent changes to this Module are annotated with the end-calendar quarter date in which the change was made: Chapter UG-3 provides further details on Rulebook maintenance and version control.

GR-A.2.2 The October 2007 version incorporates the requirements relating to controllers, previously contained in Chapter HC-2 of the High-Level Controls Module. It also expands on certain requirements contained in the Central Bank of Bahrain and Financial Institutions Law (Decree No. 64 of 2006).

GR-A.2.3 A list of recent changes made to this Module is detailed in the table below:

Module Ref.	Change Date	Description of Changes
GR-5	04/2008	New notification and approval requirements in respect of "Controllers"
GR-4, GR-5.4, GR-7	10/2007	Administrative changes due to implementation of CBB Law. Revised notification deadlines etc.
GR-1	10/2007	This Chapter has been relocated to OM Module.
GR-8	10/2007	CBB Fees Chapter has been transferred to Module LR.
GR-5.3	01/2010	Revised approval threshold for controllers which are financial institutions.
GR	01/2011	Various minor amendments to ensure consistency in CBB Rulebook.
GR-A.1.2 and A.1.3	01/2011	Added legal basis.
GR-3.1.1	04/2011	Clarified Rule pertaining to announcement of dividend.
GR-4.12	04/2011	Clarified Guidance and deleted reference to outsourcing and winding up proceedings.
GR-4.1	07/2011	Regulation under consultation.
GR-A.1.2 and GR-5.3.5A	10/2011	New reference added to reflect the issuance of Resolution No.(43) of 2011, and reference made to controllers.
GR-3.1	10/2011	Clarified guidance Paragraphs on CBB's non-objection for dividends.
GR-5.2.2	10/2011	Clarified the definition of "associate".
GR-7	10/2011	Chapter redrafted to be consistent with other Volumes of the CBB Rulebook.
GR-5.3.8	07/2012	Percentage amended to be consistent with Paragraph GR-5.3.5.
GR-A.1.2	10/2012	Updated legal basis.
GR-4	10/2012	Amended to reflect the issuance of Resolution No.(33) of 2012.
GR-4.2.3	01/2013	Specified timeline for CBB preliminary assessment.
GR-5.4.1 and GR-5.4.3	04/2013	Changed Rules to Guidance.
GR-5	07/2013	Changes made to be in line with Regulation No.(31) for the year 2008.
GR-A.2.1	01/2014	Deleted repetitive sentence.
GR-7.1.12	10/2016	Added additional requirements for cessation of business to be in line with all Volumes.
GR-5.1.7	01/2017	Consistency of notification timeline rule on Controllers with other Volumes of the CBB Rulebook.
GR-4.2.6	07/2017	Corrected cross reference.
GR-3.1.3	10/2017	Amended paragraph and changed from Guidance to Rule.
GR-6	04/2019	Added new Section on Open Banking.
GR-B.1.2	04/2020	Amended Paragraph.
GR-B.1.3	04/2020	Amended Paragraph.

GR-A.2 Module History (continued)

GR-A.2.3

Module Ref.	Change Date	Description of Changes
GR-2.1.2	04/2020	Amended Paragraph.
GR-4.1.5	04/2020	Amended Paragraph.
GR-4.3.2 (d)	04/2020	Amended sub-Paragraph.
GR-5.1.1	04/2020	Amended Paragraph.
GR-5.1.10	04/2020	Amended Paragraph.
GR-7.1.4	04/2020	Amended Paragraph.
GR-7.1.12	04/2020	Amended Paragraph.
GR-9	01/2021	Added a new Chapter on Prepaid Cards.
GR-5	07/2021	Deleted Chapter and superseded by Resolution No. 16 of 2021.
GR-6.1.3	07/2021	Amended Paragraph.
GR-6.1.5	07/2021	Amended Paragraph.
GR-6.1.7	07/2021	Amended Paragraph.
GR-6.1.8	07/2021	Added a new Paragraph on access to customer information and data.
GR-6.2.1	07/2021	Amended Paragraph.
GR-6.2.3	07/2021	Amended Paragraph.
GR-6.2.6	07/2021	Amended Paragraph.
GR-6.3.8	07/2021	Paragraph moved to GR-6.1.7.
GR-6.3.12	07/2021	Amended Paragraph.
GR-6.3.13	07/2021	Amended Paragraph.
GR-6.3.14	07/2021	Amended Paragraph.
GR-6.3.15	07/2021	Amended Paragraph.
GR-6.4.1	07/2021	Amended Paragraph.
GR-6.4.2	07/2021	Amended Paragraph.
GR-6.5	07/2021	Deleted Section.

Superseded Requirements

GR-A.2.4 This Module supersedes:

Circular / other reference	Provision	Subject
Module LR (April 2006 version)	LR-6: Record-keeping Keeping	Record-keeping keeping requirements were moved to GR-1, and edited down to simplify and avoid duplication of record-keeping keeping requirements contained in Module FC.
Module HC (April 2006 version)	HC-2: 'Fit and Proper Requirement'	Requirements relating to controllers were moved to GR-5. Remaining 'fit and proper' elements regarding Directors and key employees of licensees were retained in HC-2, in a re-drafted form.

MODULE	GR:	General Requirements
CHAPTER	GR-B:	Scope of Application

GR-B.1 Conventional Bank Licensees

License Categories

GR-B.1.1 **The requirements in Module GR (General Requirements) apply to both retail and wholesale conventional bank licensees.**

Bahraini and Branches of Foreign Bank Licensees

GR-B.1.2 **The scope of application of Module GR (General Requirements) is as follows:**

Chapter	Bahraini bank licensees	Branches of foreign bank licensees
GR-2	Applies to the whole bank.	Applies to the Bahrain branch only.
GR-3	Applies to the whole bank.	Doesn't apply.
GR-4	Applies to the whole bank.	Applies to the Bahrain branch only.
GR-5	Applies to the whole bank.	Applies to the whole bank..
GR-6	Applies to the retail bank.	Does not apply.
GR-7	Applies to the whole bank.	Applies to the Bahrain branch only.

GR-B.1.3 In the case of Bahraini bank licensees, certain requirements apply to the whole bank, irrespective of the location of its business; other requirements apply only in respect to business booked in Bahrain. In the case of branches of foreign bank licensees, the requirements of Module GR mostly only apply to business booked in the Bahrain branch.

MODULE	GR:	General Requirements
CHAPTER	GR-1:	Books and Records

[This Chapter has been relocated to Module OM.]

MODULE	GR:	General Requirements
CHAPTER	GR 2:	Corporate and Trade Names

GR-2.1 Vetting of Names

GR-2.1.1 **Conventional bank licensees must seek prior written approval from the CBB for their corporate name and any trade names, and those of their subsidiaries located in Bahrain.**

GR-2.1.2 **GR-2.1.1 applies to branches of foreign bank licensees only with respect to their Bahrain branch.**

GR-2.1.3 Rules GR-2.1.1 and GR-2.1.2 refers to the requirements contained in Article 41 of the CBB Law.

GR-2.1.4 In approving a corporate or trade name, the CBB seeks to ensure that it is sufficiently distinct as to reduce possible confusion with other unconnected businesses, particularly those operating in the financial services sector. The CBB also seeks to ensure that names used by unregulated subsidiaries do not suggest those subsidiaries are in fact regulated.

MODULE	GR:	General Requirements
CHAPTER	GR-3:	Dividends

GR-3.1 CBB Non-Objection

GR-3.1.1 **Bahraini conventional bank licensees must obtain a letter of no-objection from the CBB to any dividend proposed, before announcing the proposed dividend by way of a press announcement or any other means of communication and prior to submitting a proposal for a distribution of profits to a shareholder vote.**

GR-3.1.2 The CBB will grant a no-objection letter where it is satisfied that the level of dividend proposed is unlikely to leave the licensee vulnerable – for the foreseeable future – to breaching the CBB's capital requirements, taking into account (as appropriate) the licensee's liquidity and the adequacy of provisions against impaired loans or other assets.

GR-3.1.3 **To facilitate the prior approval required under Paragraph GR-3.1.1, conventional bank licensees subject to GR-3.1.1 must provide the CBB with:**

(a) The licensee's intended percentage and amount of proposed dividends for the coming year;

(b) A letter of no objection from the bank's external auditor on such profit distribution; and

(c) A detailed analysis of the impact of the proposed dividend on the capital adequacy requirements outlined in Module CA (Capital Adequacy) and liquidity position of the bank.

GR-4.1 CBB Approval

GR-4.1.1 **In accordance with the CBB Governor's Resolution No.(33) for the year 2012 issued pursuant to Article 66 of the CBB Law, a conventional bank licensee (transferor) must seek prior written approval from the CBB before transferring any regulated banking service to a person (transferee), except in the following circumstances:**

(a) Where the transferred business is limited to the assets and/or liabilities of the transferor and does not include any regulated banking services; or

(b) Where the regulated service transferred accounts for less than 5% of the transferor's total assets and/or liabilities as recorded in the unconsolidated balance sheet of the financial quarter preceding the date of the transfer of business application.

GR-4.1.2 For purposes of Paragraph GR-4.1.1 (a), a business transfer refers to a transfer of the rights and obligations of one conventional bank licensee to a third party, so that the customers continue to be subject to the same terms and conditions as those originally agreed.

GR-4.1.3 **In instances where Subparagraph GR-4.1.1(b) applies, conventional bank licensees must notify the CBB before transferring any regulated banking service to a transferee one month prior to the transfer taking place.**

GR-4.1.4 Rule GR-4.1.1 is intended to apply to circumstances where a bank wishes to transfer all or part of its business (examples: credit card business, asset management business) to a third party, or is undertaking winding up proceedings.

GR-4.1.5 **In the case of a Bahraini conventional bank licensee, Chapter GR-4 applies to its assets and liabilities booked in Bahrain. In the case of branches of foreign bank licensees, Chapter GR-4 applies only to assets and liabilities booked in the bank's Bahrain branch.**

GR-4.2 Procedure with Respect to Applications

GR-4.2.1 **Conventional bank licensees wishing to transfer banking business in the Kingdom must apply to the Executive Director of Banking Supervision by submitting an application form along with the supporting documents as specified by the CBB (see Part B, Supplementary Information, Appendix GR-1). Unless otherwise directed by the CBB, the application must provide:**

(a) Full details of the business to be transferred including a detailed list of all liabilities or assets that will be transferred;

(b) The rationale for the proposed transfer;

(c) If applicable, an assessment of the impact of the transfer on any customers directly affected by the transfer, and any mitigating factors or measures;

(d) If applicable, an assessment of the impact of the transfer on the transferor's remaining business and customers; and

(e) Evidence that the proposed transfer has been duly authorised by the transferor (such as a certified copy of a Board resolution approving the transfer).

GR-4.2.2 Banks intending to apply to transfer a regulated service are advised to contact the CBB at the earliest possible opportunity, in order that the CBB may determine the nature and level of any documentation and/or the need for an auditor or other expert opinion to be provided. The CBB will grant its permission where the transfer will have no negative impact on the financial soundness of the bank, and does not otherwise compromise the interests of the bank's depositors and creditors. In all cases, the CBB will only grant its permission where the institution acquiring the regulated service holds the appropriate regulatory approvals and is in good regulatory standing.

Preliminary Assessment

GR-4.2.3 The CBB will make a preliminary assessment of whether the proposed transfer is of a type that could be considered for approval or not based on the receipt of the documents referred to in Paragraph GR-4.2.1. If rejected, the applicant will be informed accordingly. The CBB will approve/reject the transfer of business application form after the submission of all necessary documents within 14 calendar days of the date where all documents have been submitted.

MODULE	GR:	General Requirements
CHAPTER	GR 4:	Business Transfers

GR-4.2 Procedure with Respect to Applications (continued)

Publication of the Transfer of Business Application

GR-4.2.4 In instances where the CBB is in favor of the transfer requested, and in accordance with Article 66(c) of the CBB Law, the transfer of business application will be published by the CBB in the Official Gazette and in two daily newspapers in the Kingdom of Bahrain (one in Arabic and one in English). The CBB notice will include a statement that written representations concerning the transfer of business application may be sent to the CBB within three months from the date of publication.

GR-4.2.5 If the liabilities are located in a jurisdiction outside Bahrain, the CBB may also publish such notice in the jurisdiction in which the risk is situated.

GR-4.2.6 **In all cases, the costs of publication of the notices referred to in Paragraphs GR-4.2.~~5~~4 and GR-4.2.~~5~~6 must be met by the transferor.**

GR-4.3 Determination of Application

GR-4.3.1 The CBB will consider an application under Paragraph GR-4.2.1 if it is satisfied that:

(a) Any objections received to the application to transfer the business following its publication in the Official Gazette and in two daily newspapers in the Kingdom of Bahrain (one in Arabic and one in English) as required under Article 66(d) have been reviewed and resolved by the CBB.

(b) Except in so far as the CBB has otherwise directed, a copy of the notice has been sent to every affected customer and every other person who claims an interest in an asset or liability included in the proposed transfer (and has given written notice of his claim to the transferor);

(c) Copies of a statement, approved by the CBB, setting out particulars of the transfer, have been available for inspection at one or more places in Bahrain for at least 30 days, from the date of publication of the notice specified in Paragraph GR-4.2.3; and

(d) Where the proposed transfer includes any contract where the risk is situated in a jurisdiction other than Bahrain, a statement, approved by the CBB, setting out particulars of the transfer, has been available for inspection at one or more places in that jurisdiction for at least 30 days, starting with the date of publication of the notice specified in Paragraph GR-4.2.3.

GR-4.3.2 The CBB will not approve the transfer, under the terms of Paragraph GR-4.2.1, unless it is satisfied that:

(a) The transferee is authorised to carry on regulated banking services in Bahrain or (where relevant) is authorised or otherwise permitted to carry on regulated banking services in the jurisdiction where any overseas risks are situated;

(b) Every transaction or account or relationship included in the transfer evidences a contract which was entered into before the date of the application;

(c) The transferee possesses the necessary solvency required by the regulatory authorities to which he is subject to, after taking the proposed transfer into account;

(d) Where transactions, accounts, or customer relationships are being transferred from a foreign branch of a Bahraini conventional bank licensee, or the transferee is a branch of a foreign bank licensee, the relevant overseas regulatory authority has been consulted about the proposed transfer, the law of that jurisdiction provides for the possibility of such a transfer, and the relevant supervisory authority in that jurisdiction has agreed to the transfer;

(e) The transfer will not breach any applicable laws and regulations, and will not create any supervisory concerns;

(f) The business transferred is not prohibited by the CBB; and

(g) There are no material adverse consequences from the transfer on the transferee or the security of customers and creditors and their rights and obligations are protected.

GR-4.3 Determination of Application (continued)

GR-4.3.3 In assessing the criteria outlined in Paragraph GR-4.3.2, the CBB will, amongst other factors, take into account the financial strength of the transferee; its capacity to manage the business being transferred; its track record in complying with applicable regulatory requirements; and (where applicable) its track record in treating customers fairly. The CBB will also take into account the impact of the transfer on the transferor, and any consequences this may have for the transferor's remaining customers.

GR-4.3.4 The CBB will review the application and any other documents or information requested by the CBB taking into consideration any objections received and conditions stated in Article 66 (d) of the CBB law.

GR-4.3.5 The CBB reserves the right to impose additional requirements if, in the opinion of the CBB, additional requirements are necessary to protect customer interests. In all cases where additional requirements are imposed, the CBB shall state the reasons for doing so.

GR-4.3.6 The CBB will communicate its final decision to the transferor within 5 working days of the expiry of the period for submitting objections to the CBB (see Paragraph GR-4.2.4).

GR-4.4 CBB Decision

GR-4.4.1 In accordance with Article 67 (d) of the CBB Law and Article 8 of the Regulation issued pursuant to Resolution No.(33) of 2012, the CBB's decision regarding the application for transfer made under Section GR-4.2, will be published as a notice in the Official Gazette and in two local newspapers (one in Arabic and one in English) and will come into effect from this date.

GR-4.4.2 If the liabilities are located in a jurisdiction outside Bahrain, the CBB may also publish such notice in the jurisdiction in which the risk is situated.

GR-4.4.3 **The costs of publication of the notices referred to in Paragraphs GR-4.4.1 and GR-4.4.2 must be met by the transferor.**

GR-4.4.4 Article 67(e) of the CBB Law notes that where the application for business transfer has been turned down by the CBB or includes restrictions, the applicant may appeal to a competent court within 30 calendar days from the date of publication referred to in Paragraph GR-4.4.1.

MODULE	GR:	General Requirements
CHAPTER	GR-5:	Controllers

[This Chapter was deleted in July 2021 and superseded by Resolution No. (16) of 2021 with respect to promulgating the Regulation Pertaining to Control in Banks]

MODULE	GR:	General Requirements
CHAPTER	GR 6:	Open Banking

GR-6.1 Access to PISPs and AISPs

GR-6.1.1 The CBB has recognised the need to revise its rules in keeping with the following changes at a systemic level, both globally and regionally:

a) market growth in e-commerce activities;
b) increased use of internet and mobile payments;
c) consumer demand to increasingly use smart device based payment solutions;
d) the developments in innovative technology; and
e) a trend towards customers having multiple account providers.

This section sets forth the rules applicable to conventional retail bank licensees with regards to the new category of ancillary service providers described below.

GR-6.1.2 The CBB has established a Directive contained in "Module OB: Open Banking" in Volume 5 of the CBB Rulebook that deals with a new sub category of ancillary service providers who, under the terms of the CBB license, may provide "payment initiation services" and/or "account information services". Such licensees are termed "payment initiation service providers" or PISPs and "account information service providers" or AISPs. Banks and other licensees which maintain a customer account is referred to in the CBB Rulebook Volume 5 as "licensees maintaining customer accounts".

GR-6.1.3 **Conventional retail bank licensees must:**

(a) grant ancillary service providers of the types referred to in Paragraph AU-1.2.1 (f) and (g) of Rulebook Volume 5: Ancillary Service Providers Authorisation Module, access to customer accounts on an objective, non-discriminatory basis based on consents obtained from the customer;

(b) provide the criteria that the conventional retail bank licensees apply when considering requests pursuant to sub-paragraph (a) above for such access; and

(c) ensure that those criteria are applied in a manner which ensures compliance with sub-paragraph (a) above while ensuring adherence to Law No 30 of 2018, Personal Data Protection Law (PDPL) issued on 12 July 2018.

GR-6.1.4 **Access to customer accounts granted pursuant to Paragraph GR-6.1.3 must be sufficiently extensive to allow the AISP and PISP access in an unhindered and efficient manner.**

GR-6.1 Access to PISPs and AISPs (continued)

GR-6.1.5 Access to customer accounts granted pursuant to Paragraph GR-6.1.3 shall mean that at customer's direction, the licensees are obliged to share without charging a fee, all information that has been provided to them by the customer and that which can be accessed by the customer in a digital form. The obligation should only apply where the licensee keeps that information in a digital form. Furthermore, the obligation should not apply to information supporting identity verification assessment; which the licensees should only be obliged to share with the customer directly, not a data recipient. The information accessed shall include transaction data and product and services data that banks are required to publicly disclose, such as price, fees, and other charges should be made publicly available under open banking. Fees may be charged by banks to AISPs for sharing 'Value Added Data' and 'Aggregated Data' are not required to be shared. Value added data or derived data results from material enhancement by the application of insights, analysis, or transformation on customer data by the licensee. Aggregated data refers to data which is aggregated across the licensee's customer segments for the purpose of analysis.

GR-6.1.6 **If a conventional retail bank licensee refuses a request for access to such services or withdraws access to such services, it must seek approval of the CBB in a formal communication which must contain the reasons for the refusal or the withdrawal of access and contain such information as the CBB may direct. The CBB shall approve the request if it is satisfied that the impact of not giving access is minimal. _If the request is rejected, the conventional retail bank licensee must adhere to the direction provided by the CBB.**

GR-6.1.7 **Conventional retail bank licensees must comply with each of the following requirements:**

(a) provide access to the same information from designated customer accounts made available to the customer when directly requesting access to the account information, provided that this information does not include sensitive payment data (such as customer security credentials or other personalised data, the holding of which or the use of which is not authorised by the customer; and data which may be used by the holder for unauthorised, fraudulent, illegal or activity or transactions);

(b) provide, immediately after receipt of the payment order, the same information on the initiation and execution of the payment transaction provided or made available to the customer when the transaction is initiated directly by the latter;

(c) upon request, immediately provide PISPs with a confirmation whether the amount necessary for the execution of a payment transaction is available on the payment account of the payer. This confirmation must consist of a simple 'yes' or 'no' answer.

GR-6.1 Access to PISPs and AISPs (continued)

GR-6.1.8 For the purposes of Paragraph GR-6.1.7, conventional retail bank licensees must provide access to information and data pertaining to customer account activity and balances covering a period of 12 full months or 365 days at the time of access to the AISPs in respect of the following services/products offered by the licensee:

(a) Savings accounts;
(b) Current accounts;
(c) Term and call deposits;
(d) Foreign currency accounts;
(e) Unrestricted investment accounts;
(f) Restricted investment accounts;
(g) Mortgage/housing finance products;
(h) Auto loans;
(i) Consumer loans/financing;
(j) Overdrafts (personal);
(k) Credit and charge cards;
(l) Electronic wallets and prepaid cards; and
(m) Other accounts which are accessible to the customer through e-banking portal or mobile device.

GR-6.2 Communication Interface for PISPs and AISPs

GR-6.2.1 Conventional retail bank licensees that offer a customer account that is accessible online must have in place at least one interface which meets each of the following requirements:

(a) AISPs and PISPs must identify themselves in sessions with conventional retail bank licensees;

(b) AISPs and PISPs must communicate securely to request and receive information on one or more designated payment accounts and associated payment transactions; and

(c) PISPs must communicate securely to initiate a payment order from the payer's payment account and receive information on the initiation and the execution of payment transactions.

GR-6.2.2 Conventional retail bank licensees must establish the interface(s) referred to in Paragraph GR-6.2.1 by means of a dedicated interface.

GR-6.2.3 For the purposes of authentication of the customer, the interfaces referred to in paragraph GR-6.2.1 must allow AISPs and PISPs to rely on the authentication procedures provided by the conventional retail bank licensee to the customer. In particular, the interface must meet all of the following requirements:

(a) process for instructing and authentication by the conventional retail bank licensee;

(b) establishing and maintaining authentication of communication sessions between the conventional retail bank licensee, the AISP, the PISP and the customer(s); and

(c) ensuring the integrity and confidentiality of the personalised security credentials and of authentication codes transmitted by or through the AISP or the PISP.

GR-6.2.4 Conventional retail bank licensees must ensure that their interface(s) follows standards of communication which are agreed by the CBB and that the protocols are technology neutral. They must ensure that the technical specifications of the interface are documented and are made available to AISPs and PISPs when requested.

MODULE	GR:	General Requirements
CHAPTER	GR 6:	Open Banking

GR-6.2 Communication Interface for PISPs and AISPs (continued)

GR-6.2.5 Conventional retail bank licensees must establish and make available a testing facility, including support, for connection and functional testing by authorised AISPs and PISPs that have applied for the relevant authorisation, to test their software and applications used for offering an information/payment service to users. No sensitive information must be shared through the testing facility.

GR-6.2.6 Conventional retail bank licensees must ensure that the dedicated interface established for the AISPs and PISPs offers the same level of availability and performance, including support, as well as the same level of contingency measures, as the interface made available to the customer for directly accessing its payment account online.

GR-6.2.7 For the purposes of GR-6.2.6, the following requirements apply:

(a) conventional retail bank licensees must monitor the availability and performance of the dedicated interface and make the resulting statistics available to the CBB upon their request;

(b) where the dedicated interface does not operate at the same level of availability and performance as the interface made available to the conventional retail bank licensee's customer when accessing the payment account online, the bank must report it to the CBB and must restore the level of service for the dedicated interface without undue delay and take the necessary action to avoid its reoccurrence;

(c) the report referred to in (b) above must include the causes of the deficiency and the measures adopted to re-establish the required level of service; and

(d) AISPs and PISPs making use of the dedicated interface offered by conventional retail bank licensees must also report to the CBB any deficiency in the level of availability and performance required of the dedicated interface.

GR-6.2.8 Conventional retail bank licensees must include in the design of dedicated interface, a strategy and plans for contingency measures in the event of an unplanned unavailability of the interface and systems breakdown. The strategy must include communication plan to inform the relevant AISP/PISP making use of the dedicated interface in the case of breakdown, measures to bring the system back to 'business as usual' and a description of alternative options AISPs and PISPs may make use of during the unplanned downtime.

GR-6.3 Security of Communication Sessions and Authentication

GR-6.3.1 Conventional retail bank licensees must ensure that communication sessions with PISPs and AISPs including merchants, relies on each of the following:

(a) a unique identifier of the session;

(b) security mechanisms for the detailed logging of the transaction, including transaction number, timestamps and all relevant transaction data;

(c) timestamps which must be based on a unified time-reference system and which must be synchronised according to an official time signal.

GR-6.3.2 Conventional retail bank licensees must ensure secured identification when communicating with AISPs and PISPs.

GR-6.3.3 Conventional retail bank licensees must ensure that, when exchanging data via the internet, with PISPs and AISPs, secure encryption is applied between the communicating parties throughout the respective communication session in order to safeguard the confidentiality and the integrity of the data, using strong and widely recognised encryption techniques.

GR-6.3.4 PISPs and AISPs must keep the access sessions offered by conventional retail bank licensees as short as possible and they must actively terminate the session as soon as the requested action has been completed.

GR-6.3.5 When maintaining parallel network sessions with the PISPs and AISPs, conventional retail bank licensees must ensure that those sessions are securely linked to relevant sessions established in order to prevent the possibility that any message or information communicated between them could be misrouted.

GR-6.3 Security of Communication Sessions and Authentication (continued)

GR-6.3.6 Conventional retail bank licensees' sessions with PISPs and AISPs must contain unambiguous reference to each of the following items:

(a) the customer and the corresponding communication session in order to distinguish several requests from the same customer;

(b) for payment initiation services, the uniquely identified payment transaction initiated.;

(c) for confirmation on the availability of funds, the uniquely identified request related to the amount necessary for the execution of the transaction.

GR-6.3.7 Conventional retail bank licensees must ensure that where they communicate personalised security credentials and authentication codes, these are not readable by any staff at any time.

GR-6.3.8 [This Paragraph was moved to GR-6.1.7].

GR-6.3 Security of Communication Sessions and Authentication (continued)

GR-6.3.9 In case of an unexpected event or error occurring during the process of identification, authentication, or the exchange of the data elements, the conventional retail bank licensees must send a notification message to the relevant PISP or AISP which explains the reason for the unexpected event or error.

GR-6.3.10 Where the conventional retail bank licensee offers a dedicated interface, it must ensure that the interface provides for notification messages concerning unexpected events or errors to be communicated by any PISP or AISP that detects the event or error to the other licensees participating in the communication session.

GR-6.3.11 Conventional retail bank licensees must provide access to information from customer accounts to AISPs whenever the customer requests such information.

Secure authentication

GR-6.3.12 Conventional retail bank licensees must have in place a strong customer authentication process and ensure the following:

(a) no information on any of the elements of the strong customer authentication can be derived from the disclosure of the authentication code;
(b) it is not possible to generate a new authentication code based on the knowledge of any other code previously generated; and
(c) the authentication code cannot be forged.

GR-6.3.13 Conventional retail bank licensees must adopt security measures that meet the following requirements for payment transactions:

(a) the authentication code generated must be specific to the amount of the payment transaction and the payee agreed to by the payer when initiating the transaction;
(b) the authentication code accepted by the licensee maintaining customer account corresponds to the original specific amount of the payment transaction and to the payee agreed to by the payer;
(c) a SMS message must be sent to the customer upon accessing the online portal or application and when a transaction is initiated; and
(d) any change to the amount or the payee must result in the invalidation of the authentication code generated.

GR-6.3 Security of Communication Sessions and Authentication (continued)

Independence of elements of strong authentication

GR-6.3.14 Conventional retail bank licensees must establish adequate security features for customer authentication including the use of the following three elements:

(a) an element categorised as knowledge (something only the user knows), such as length or complexity of the pin or password;

(b) an element categorised as possession (something only the user possesses) such as algorithm specifications, key length and information entropy, and

(c) for the devices and software that read, elements categorised as inherence (something the user is), i.e. algorithm specifications, biometric sensor and template protection features.

GR-6.3.15 Conventional retail bank licensees must ensure that the elements referred to in Paragraph GR-6.3.14 are independent, so that the breach of one does not compromise the reliability of the others, in particular, when any of these elements are used through a multi-purpose device, i.e. a device such as a tablet or a mobile phone which can be used for both giving the instruction to make the payment and for being used in the authentication process. The CBB will consider exempting from a 3 factor authentication on a case to case basis provided that the licensee is able to demonstrate to CBB that it has established robust controls to mitigate the relevant key risks.

GR-6.4 Standards for Program Interfaces and Communication

GR-6.4.1 Conventional retail bank licensees must adhere to the Operational Guidelines, Security Standards and Guidelines, Open Banking Application Program Interface (API) Specifications and Customer Journey Guidelines included in Bahrain Open Banking Framework (see CBB website).

GR-6.4.2 Conventional retail bank licensees must ensure that compliance with standards and guidelines specified in Paragraph GR-6.4.1 is subject to independent review and tests, including testing in a test environment., by an independent consultant upon implementation.

GR-6.4.3 To remain technologically neutral the technical standards adopted by conventional retail bank licensees must not require a specific technology to be adopted by AISPs or PISPs. Authentication codes must be based on solutions such as generating and validating one-time passwords, digital signatures or other cryptographically underpinned validity assertions using keys and/or cryptographic material stored in the authentication elements, as long as the security requirements are fulfilled.

GR-6.5 [This Section was deleted in July 2021]

GR-6.5.1 [This Paragraph was deleted in July 2021].

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GR-7.1 CBB Approval

GR-7.1.1 As specified in Article 50 of CBB Law, a conventional bank licensee wishing to cease to provide or suspend any or all of the licensed regulated services, completely or at any of its branches, must obtain prior written approval from the CBB, setting out how it proposes to do so and, in particular, how it will treat any deposits that it holds.

GR-7.1.2 [This Paragraph was deleted in October 2011].

GR-7.1.3 If the conventional bank licensee wishes to liquidate its business, the CBB will revise its license to restrict the firm from entering into new business. The licensee must continue to comply with all applicable CBB requirements until such time as it is formally notified by the CBB that its obligations have been discharged and that it may surrender its license.

GR-7.1.4 In the case of a Bahraini conventional bank licensee, Chapter GR-7 applies both to its business booked in Bahrain and the licensee's overseas branches. In the case of branches of foreign bank licensees, Chapter GR-7 applies only to business booked in the licensee's Bahrain branch.

GR-7.1.5 Licensees seeking to obtain the CBB's permission to cease business must apply to the CBB in writing, in the form of a formal request together with supporting documents. Unless otherwise directed by the CBB, the following information/documentation must be provided in support of the request:

(a) Full details of the business to be terminated;
(b) The rationale for the cessation;
(c) How the conventional bank licensee proposes to cease business;
(d) Notice of an extraordinary shareholder meeting setting out the agenda to discuss and approve the cessation, and inviting the CBB for such meeting;
(e) Evidence that the proposed cessation has been duly authorised by the conventional bank licensee (such as a certified copy of a Board resolution approving the cessation);

MODULE	GR:	General Requirements
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GR-7.1 CBB Approval (continued)

(f) Formal request to the CBB for the appointment of a liquidator acceptable to the CBB;

(g) A cut-off date by which the conventional bank licensee will stop its operations;

(h) If the conventional bank licensee wishes to cease its whole business, confirmation that the conventional bank licensee will not enter into new business with effect from the cut-off date;

(i) If applicable, an assessment of the impact of the cessation on any customers directly affected by the cessation, and any mitigating factors or measures; and

(j) If applicable, an assessment of the impact of the cessation on the conventional bank licensee's remaining business and customers, and any mitigating factors or measures.

GR-7.1.6 Conventional bank licensees intending to apply to cease business are advised to contact the CBB at the earliest opportunity, prior to submitting a formal application, in order that the CBB may determine the nature and level of documentation to be provided and the need for an auditor or other expert opinion to be provided to support the application. The information/documentation specified in Paragraph GR-7.1.5 may be varied by the CBB, depending on the nature of the proposed cessation, such as the materiality of the business concerned and its impact on customers.

GR-7.1.7 Approval to cease business will generally be given where adequate arrangements have been made to offer alternative arrangements to any affected customers. The CBB's approval may be given subject to any conditions deemed appropriate by the CBB. In all cases where additional requirements are imposed, the CBB shall state the reasons for doing so.

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GR-7.1 CBB Approval (continued)

GR-7.1.8 A conventional bank licensee in liquidation must continue to meet its contractual and regulatory obligations to depositors, other clients and creditors.

GR-7.1.9 [This Paragraph was deleted in October 2011].

GR-7.1.10 [This Paragraph was deleted in October 2011].

GR-7.1.11 [This Paragraph was deleted in October 2011].

GR-7.1.12 Upon satisfactorily meeting the requirements set out in GR-7.1.4, the conventional bank licensee must surrender the original license certificate issued by the Licensing Directorate at the time of establishment, and submit confirmation of the cancellation of its commercial registration from the Ministry of Industry, Commerce and Tourism.

MODULE	GR:	General Requirements
CHAPTER	GR 8:	CBB Fees

[This Chapter has been transferred to Module LR].

MODULE	GR:	General Requirements
CHAPTER	GR 9:	Prepaid Cards

GR-9.1 General Requirements

GR-9.1.1 Conventional retail bank licensees must place any prepaid card which is inactive for a period of six months on the "dormant" list.