Global Financial Services Regulatory Guide - Bahrain

1. Who regulates banking and financial services in your jurisdiction?

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# Who regulates banking and financial services in your jurisdiction?

The Central Bank of Bahrain (CBB) is a public corporate entity established by the Central Bank of Bahrain and Financial Institutions Law 2006. It was created on 6 September 2006 and is responsible for maintaining monetary and financial stability in the Kingdom of Bahrain. The CBB succeeded the Bahrain Monetary Agency, which had previously carried out central banking and regulatory functions since its establishment in 1973.

The CBB inherits the BMAs 33-year track record and wide range of responsibilities. It implements the Kingdom’s monetary and foreign exchange rate policies, manages the government’s reserves and debt issuance, issues the national currency, and oversees the country’s payments and settlement systems. It is also the sole regulator of Bahrain’s financial sector, covering the full range of banking, insurance, investment business and capital markets activities. Bahrain's banking system consists of both conventional and Islamic banks, and it is the largest component of the country's financial system.

The CBBs wide scope of responsibilities allows a consistent policy approach to be undertaken across the whole of the Kingdom’s financial sector. It also provides a straightforward and efficient regulatory framework for financial services firms operating in Bahrain.

Article 40 of the Central Bank of Bahrain and Financial Institutions Law 2006 prescribes that no person may undertake a Regulated Service in the Kingdom of Bahrain unless licensed by the Central Bank. Persons wishing to undertake a Regulated Service must therefore obtain a license from the CBB prior to undertaking such activity.

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