

FRC newsflash

22 January 2019 | Kingdom of Bahrain



Annual AML reviews

FC modules of Volumes 1 & 2

Having earlier circulated a document for consultation, the Central Bank of Bahrain (CBB) issued circular EDBS/KH/C/2/2019 on 13 January 2019 announcing agreed upon procedures (AUPs) for annual reviews of AML processes under FC Module of Volume 1 and 2:

1. The CBB has issued agreed upon procedures for testing compliance with Module FC
2. The AUPs focus on the quality of procedures, systems and controls
3. The AUPs must be used by statutory auditors and approved external consultants reviewing compliance
4. Reports should be submitted by 30 April every year

Compliance function

HC modules of Volume 1 & 2

Following a consultation process on banks' compliance functions, the CBB issued circular EDBS/KH/4/2019 on 15 January 2019 enhancing compliance functions:

1. Section HC 6.4 on compliance functions has been revised.
2. The new requirements are aligned with Basel recommendations.
3. Some of the requirements are stringent:
 - a. Gap assessments must be submitted to the CBB by 28 February 2019.
 - b. Compliance functions must be reviewed by a third-party consultant – not the regulated body's external auditor - every three years

Please contact us for further clarifications.



[Dr Mukund Ballal](#)

Advisor
+973 1720 6813



[Sindhu Balasubramanian](#)

Senior Manager
+973 1720 6838