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**Legislative Decree No. (34) of 2015 amending some of the Provisions of the Central Bank and Financial Institutions Promulgated by Law No. (64) of 2006**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Having reviewed the Constitution, especially Article (38) thereof;

Central Bank of Bahrain and the Financial Institutions Law promulgated by Law No. (64) of 2006;

And upon the submission of the Prime Minister,

And after the approval of the Council of Ministers;

**Hereby Decree the following Law**

**Article One**

The definition of “Financial Sector Support Institutions” mentioned in Article (1), Article (116), the forefront of Article (117) and Article (129) of the Central Bank of Bahrain and Financial Institutions promulgated by Law No. (64) of 2006, shall be replaced with the following:

**Article (1):**

Financial Sector Support Institutions: The authorities licensed to operate clearing houses and, settlement of payments, cheques and securities, provide credit information services, and any other ancillary services that are related to the financial services industry.

**Article (116):**

**Definition of Confidential Information**

In the application of the provisions of this law, confidential information shall be defined as follows:

1) Any data or information that relates to any of the Licensees’ Customers.

2) The Credit Information referred to in Clause (1) of Paragraph (b) of Article (68 bis) of this Law.

3) The Credit Reports stated in Clause (4) of Paragraph (b) of Article (68 bis) of this Law.

**Article (117):**

**Restriction on Disclosure of Confidential Information**

Confidential Information shall not be disclosed by any of the Licensees or the Members of the Credit Information Centres referred to in Clause (2) of Paragraph (b) of Article (68 bis) of this Law unless such disclosure is done:

**Article (129):**

**Imposing Administrative Fines**

Without prejudice to any criminal or civil liability, the bank may levy upon the Licensee or any of the Persons referred to in Paragraph (b) of Article (68 bis 1) of this Law an administrative fine not exceeding one hundred thousand Bahraini Dinars in case of breaches of any of the provisions of this Law or the regulations, decisions or directives issued under the Law or if the Licensee breaches the terms and conditions of the license. The fine shall be multiplied by the number of violations.

**Article Two**

A new chapter, Chapter seven (Credit Information Centres), shall be added to Part two of the Central Bank of Bahrain and Financial Institutions Law No. (64) of 2006, which includes the following Articles:

**Article (68 bis):**

**Establishment of Credit Information Centres:**

a) Financial institutions called “Credit Information Centres” may be established in the form of Financial Sector Support Institutions that, pursuant to a license issued by the bank, receive, store, analyse and classify the Credit Information of Customers and issue Credit Reports based on the above and provide the Members of the Credit Information Centres with such reports based upon their request in accordance with the provision of this Law. The bank shall set out the rules, controls and conditions regulating the Credit Information Centres and their provision of services.

b) In applying the provisions of this part:

1) Credit Information means any information and data related to the Customer’s financial obligations. This shall include any information and data related to all of the Customer’s debts, credit facilities, sale on credit arrangements, sale by instalments, and any other claims due from the Customer, along with their due dates, terms and conditions, and guarantees related to such claims, repayment, and the extent of the Customers’ commitments as well as the data and information related to government claims against the Customer in the form of fees, instalments and fines, and any other claims due for such government bodies.

2) The government bodies, Licensees and the Persons referred to in Article (68 bis 1) of this Law shall be referred to as “Members of Credit Information Centres”.

3) Customer means any of the customers of the members of the credit information centres for whom credit information is held by those centres.

4) Credit Report means any report issued by any of the Credit Information Centres based upon a request by a Customer or any of the Members and which includes Credit Information indicating the credit worthiness of the Customer.

**Article (68 bis 1):**

**Providing credit information to credit information centrers**

a) The Bank shall determine, in accordance with the provisions of this law, the licensees who are required to provide the credit information centres with their credit information.

b) The Bank may issue a decision requiring any Person to provide the Credit Information Centres with the Credit Information it holds relating to its commercial transactions with its Customers, in coordination with the concerned regulatory body of such Person.

c) The Council of Ministers shall issue a decision specifying the government bodies that shall provide Credit Information Centres with the Credit Information they hold in relation to their dealings with their Customers. Government bodies mean the ministries, public sector entities, boards and agencies that are established pursuant to a Law or decree. The decision issued by the Council of Ministers shall stipulate the controls and methods of providing the Credit Information Centres with Credit Information held by those government bodies, the mechanisms of monitoring the compliance of such bodies with the provisions of this Law, and the mechanisms of detecting any violations committed by such bodies and the measures that shall be taken in connection with such violations and avoiding their recurrence.

d) The Credit Information Centre shall enter into an agreement with each Member to set out the terms and conditions of the Credit Information Centres' receipt of Credit Information from the Member and the provision of Credit Reports by the Centre to the Member.

e) Credit Information Centres may exchange Credit Information with any other Credit Information Centres, -or -the likes, operating outside the kingdom of Bahrain subject to a prior approval from the bank. The receipt of Credit Information from Credit Information Centres operating outside the kingdom of Bahrain, as well as the provision of information to such Credit Information Centres, shall be in accordance with the conditions and controls stipulated by the bank.

**Article (68 bis 2):**

**Restrictions on purposes of use of Credit Information:**

a) The Credit Information and the Credit Report shall not be used by the Members except for the purpose of assessing the Customer’s Credit worthiness with the aim of making a decision on granting, renewing, rescheduling or restructuring credit to such Customer,or to assess the credit worthiness of the Customer in other cases that involve selling of goods or provision of services to any Person on a deferred payment basis.

b) The use of Credit Information for statistical and research purposes in a manner not revealing the personal identity of the information’s owner shall not be deemed a breach of the provision in Paragraph one of this Article.

**Article (68 bis 3):**

**Customers’ Rights**

a) The customer may obtain from the Credit Information Centre his credit report free of charge, once every twelve months, and may request any additional credit report for a fee determined by the Centre.

b) The Customer may request the concerned Member to add any additional information related to his credit worthiness provided that the Customer submits evidence of the accuracy of such information.

c) The Customer may submit to the Credit Information Centre any complaint or objection with regard to the accuracy or incompleteness of the information contained in the Credit Report. In such a case, the Credit Information Centres role is limited to following up the matter with the concerned Member, and communicating to the Customer any responses received in this regard. If the Customer provides evidence of the existence of an error or incompleteness in the information contained in the Report, the concerned Member shall correct the error and notify the Centre accordingly. The above shall be in accordance with the system stipulated in Article (68 bis 4) of this Law.

**Article (68 bis 4):**

**The system for the protection of Customers’ and Members’ rights**

a) The Credit Information Centre shall develop a system to promote the Customers’ awareness of its activities and their rights, to receive complaints and objections submitted by Customers or Members regarding the Credit Information and the Credit Reports issued by the Centre, and to follow up on such complaints and objections with the concerned Member and shall provide the Customer with the outcome. The system shall also include the procedures for submitting and following up such complaints and objections. The Centre shall commit to providing any Person, upon his request, any clarifications in relation to such procedures free of charge.

b) The system mentioned in Paragraph one of this Article shall be approved by the Bank prior to coming into force. The Credit Information Centre shall make an announcement regarding the system using the means specified by the Bank.

**Article Three**

The Prime Minister and the ministers - each within his jurisdiction- shall implement this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

**King of the Kingdom of Bahrain**

**Hamad bin Isa Al Khalifa,**

**Prime Minister**

**Khalifa bin Salman Al Khalifa**

Issued at Riffa Palace:

On: 23 Dhu al-Hijjah 1436 A.H.

Corresponding to: 7 October 2015