



Central Bank of Bahrain



مصرف البحرين المركزي

OG/300/2024
20th October 2024

Chief Executive Officer

All Banks
All Crypto asset licensees
All Investment firms
All Audit firms
All Law firms
Manama - Kingdom of Bahrain

Dear Sir/ Madam,

Consultation: Proposed Stablecoin Issuance and Offering Module

As part of the Central Bank of Bahrain's ("CBB") objective to develop the financial sector, the CBB hereby proposes a regulatory framework for issuance and offering of stablecoins, as set out in the proposed new Module – Stablecoin Issuance and Offering Module.

The proposed Module shall be available on the CBB website (www.cbb.gov.bh) under the "Open Consultations" Section.

The CBB requests all licensees, to whom this circular is addressed, and any other interested parties, to provide their comments on the proposed Module and response to the consultation questionnaire (see attached Annexure), including "nil comments" in an editable format to consultation@cbb.gov.bh by 17th November 2024.

Yours faithfully,

Khalid Humaidan
Governor



Annexure

1. **Scope of regulated activity:** Do you agree with the scope of regulated activity that a licensed stablecoin issuer is eligible to undertake?
2. **Financial Resource Requirements:** Do you agree that the proposed base capital requirement and the prudential capital requirement are risk proportionate?
3. **Reserve Asset:** Do you agree with the proposed composition of reserve assets and the proposed mechanism for managing the reserve assets i.e. licensee managing the reserve assets under their supervision or use of third parties for managing the reserve assets?
4. **Permanent right of redemption and redemption period:** Do you agree with the proposed permanent right of redemption granted to holders of stablecoins without any condition or restrictions, except for those specified in the draft Module? Whether the time period of one day for redemption is reasonable, and whether there may be significant operational challenges or unintended consequences that the CBB should consider in setting the redemption related requirements?
5. **Segregation of client assets:** Do you agree with the proposed measures for segregation of client assets from the licensee's own assets to safeguard the interests of the stablecoin holders and to mitigate the risk of misuse of client assets.