



EDFIS/C/014/2006

9 October 2006

The General Manager
All Category 1, 2 and 3
investment firm licensees

Dear Sir,

**CBB Rulebook, Volume 4 (Investment Business):
October 2006 Quarterly Update**

The October 2006 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

This cover letter highlights any changes introduced this quarter. **Licensees are required to note any policy changes. In addition, recipients who wish to update their hard copy folders should access the CBB website and print off the relevant pages for insertion in their folders.**

October 2006 Changes

No policy changes have been made to Volume 4 this quarter.

CBB Law

This is the first update since the coming into force on 7th September 2006 of the Central Bank of Bahrain and Financial Institutions Law 2006. Article 4 of Decree No. (64) of 2006, which promulgated this law, carries over all regulations previously issued by the Bahrain Monetary Agency, which were in force when the new law took effect. **Volume 4 of the CBB Rulebook, therefore, continues to have full effect.**

¹ Volume 4 can be accessed, as usual, from www.cbb.gov.bh
(Home > Regulation & Supervision > Rulebook > Volume 4.

CBB has started a review of Volume 4, to ensure that it fully reflects the new law. For instance, references to the Bahrain Monetary Agency and to the superseded Bahrain Monetary Agency Law 1973 will be updated. All such changes will be reflected in the January 2007 update to Volume 4.

Pending the January 2007 update, all references to the Bahrain Monetary Agency in Volume 4 should be read as referring to the Central Bank of Bahrain.

Hard Copy Users

Recipients who wish to update hard copy versions of Volume 4 should access the CBB website and print off the relevant pages from the updated PDF versions of Volume 4, for insertion into their folder. The table attached to this letter lists which pages to print off.

Since there are no policy changes this quarter, only the contents page for each Module issued in Part A have been updated. These contents pages (which help hard copy users verify the current version of the contents of each Module) show the latest quarter date at the bottom right hand corner of the page, i.e. October 2006. Their headers have also been updated, to refer to the Central Bank of Bahrain.

Implementation Deadlines

By way of a reminder, investment firm licensees should note that the 1 July 2006 implementation deadline for Volume 4 has passed: as from 1 July, all investment firms that were licensed prior to 30 April 2006, now have to comply with the requirements contained in Volume 4, with the exception of Modules CA, BC and CL (which must be complied with from 1 January 2007 onwards).

Investment firm licensees that have been licensed since 30 April 2006, are required to comply with the requirements in Volume 4 from the date

of their license. Further information on implementation is given in Chapter ES-2 of the Executive Summary Module.

Finalising the Rest of Volume 4

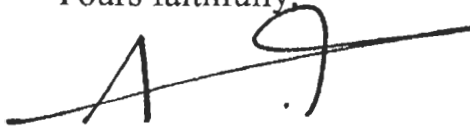
The fourth and final consultation paper, containing the remaining Modules to be developed for inclusion in Volume 4, will be issued by the end of October. This final consultation paper will cover Modules TC, GS, PD and DP.

Further information

Should you have any queries regarding these updates, you may contact the CBB Rulebook team (at rulebook@cbb.gov.bh), or else please speak to your normal supervisory contact.

Information on accessing and using the CBB Rulebook was also communicated in a letter dated 8 May 2006 (reference: EDFIS/C/07/2006), a copy of which can also be found in the Volume 4 section of the CBB website.

Yours faithfully,



Abdul Rahman Al-Baker
Executive Director – Financial Institutions Supervision

Enclosure

CBB Rulebook (Volume 4) – October 2006 Quarterly Update

Summary of Changes and Printing Instructions for Hard Copy Users

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
	Contents Page for each Module issued (i.e. Modules UG, ES, AU, PB, HC, AA, GR, CA, BC, CL, FC and EN)	Contents Pages have been updated, to show their current issue date in the bottom right hand corner (i.e. <u>October 2006</u>); and Central Bank of Bahrain in the header. Print off the contents page for each of the Modules specified.
<i>No other changes have been made this quarter: all other pages remain as before.</i>		