



EDFIS/C/027/2010
27th December 2010

The General Manager
All Representative Office licensees
Manama
Kingdom of Bahrain

Dear Sir,

**CBB Rulebook: Publication of Volume 5 (Specialised Licensees: -
Representative Offices)**

The CBB wishes to advise you that Volume 5 (Specialised Licensees: Representative Offices) of the Rulebook replaces all existing supervision circulars for Representative Offices, effective from the date of this letter.

As a follow up to the consultation process undertaken earlier this year, I am pleased to inform you that the common Modules and specific Modules dealing with representative office licensees are now finalised and being issued as part of Volume 5 of the CBB Rulebook. Part A of Volume 5 (which contains all the directives for representative offices) and its supporting Glossary found in Part B, can now be accessed on the CBB's website. **This letter contains important information on how Volume 5 is to be accessed and used by representative office licensees. Please disseminate this information within your organisation and take the actions set out below.**

Accessing Volume 5

The Rulebook is available on the CBB website¹. The website version of the Rulebook acts as the definitive text, in case of any discrepancies.

Using the Rulebook

A User's Guide which can be found at the start of Volume 5 (Specialised Licensees) provides detailed guidance on how to use the Rulebook. Here are a few more comments that may assist you in using Volume 5.

¹ Volume 5 can be accessed from www.cbb.gov.bh : from the Home page, from 'CBB Rulebooks' list select 'Volume 5'.

1. Volume 5 (Specialised Licensees) is made up of common Modules and specific Modules. The common Modules include the following:
 - User's Guide (UG);
 - Financial Crime (FC);
 - Enforcement (EN); and
 - Principles of Business (PB).
2. The specific Modules pertaining to representative offices include the following:
 - Authorisation (AU);
 - General Requirements (GR);

All representative office licensees should now use Volume 5 as their reference for applicable supervisory rules and guidance. All former circulars for representative offices are now cancelled and superseded by Volume 5 of the CBB Rulebook.

The Financial Institutions Supervision Directorate may issue non-supervisory circulars on an occasional basis, for instance to communicate information of general interest or request feedback from licensees.

3. When required, **the Rulebook will be updated quarterly by way of the CBB website**. Amendments or additions will be posted on the website after each end-calendar quarter (i.e. in early January, April, July and October).

An e-mail summarising any significant changes will be sent to licensees every quarter. **Please notify the CBB of the email address to which these notifications may be sent.** Detailed guidance on how the Rulebook is updated is contained in the attachment to this letter.

4. Each Rulebook Volume is divided into Modules covering a particular subject (e.g. "Authorisation"). Modules are then divided into Chapters, Sections and Paragraphs. Each paragraph is individually numbered so that cross-referencing is made much easier for the reader. Guidance on the structuring and formatting of the Rulebook is provided in Chapter 2 of the User's Guide.
5. Part B of the Rulebook which includes the authorisation and reporting forms as well as other supplementary information, is under development and will be issued at a later date.

The CBB hopes that the Rulebook will significantly enhance the transparency and accessibility of its supervisory process, and will positively contribute to licensees operating in the Kingdom of Bahrain.

المدير التنفيذي لرقابة المؤسسات المالية

Executive Director of Financial Institutions Supervision

Any general comments or feedback would be welcomed; these should be sent by e-mail to Rulebook@cbb.gov.bh.

Yours faithfully,



A. Rahman Al Baker

Enclosure

CBB RULEBOOK MAINTENANCE

This detailed guidance is an attachment to letter EDFIS/C/027/2010 of 27December 2010, regarding the publication of Volume 5 of the CBB Rulebook. It should be communicated to a licensee's relevant officials.

Rulebook structure

1. Each Volume of the Rulebook is divided into two Parts, a Part A and a Part B. Part A contains the directives and regulations, comprising Modules arranged in groups according to their subject matter. Part B contains supporting material, namely a Glossary of Definitions, CBB authorisation and reporting forms and other Supplementary Information.
2. Each Module in a Volume is referenced using a two-letter code that is usually a contraction or abbreviation of its title (e.g. "GR", for "General Requirements"). These codes are used for cross-referencing within the text.
3. Each Module consists of Chapters, categorised into two types:
 2. A standard introductory chapter (referenced with a letter: e.g. GR-A); and
 3. Chapters containing the directives and regulations themselves (referenced with a number: e.g. GR-1, GR-2, etc.)
4. Chapters are further sub-divided into Sections (numbered consecutively after the Chapter number: e.g. GR-1.1, GR-1.2 etc). In turn, Sections are sub-divided into Paragraphs (numbered consecutively after the Chapter and Section numbers: e.g. GR-1.1.1, GR-1.1.2 etc.). Where appropriate, headings may also be used within a Section: sub-section headings are italicised and unnumbered.
5. Page numbering starts afresh for each Section. Thus, when directives and regulations are updated, only the relevant Section needs to be reissued.

Version control

6. The contents page for each Module, and each page in a Module, is given its own issue date. The contents page thus acts as a summary checklist of the current issue date in force for each Section.

Quarterly Updates

7. The CBB Rulebook is updated, when required on a quarterly cycle. New versions of each Module are created in the month following each end-calendar quarter: i.e., in January, April, July and October. They are dated accordingly (e.g. "January 2011").
8. Except where there are changes or additions to actual directives or regulations, only the contents page of each Module is changed, and new end-quarter date. From the contents page, users can then check whether they have the latest Version for each Section of the Module.
9. For example, the contents page for a Module is dated October 2010. A Compliance Officer therefore knows that this is the latest contents page until the start of January 2011. From this contents page, he can see the end-quarter date for each section in this module.

E-mail notifications

10. After each end-calendar quarter, when the website version of the Rulebook is updated, a standard e-mail is sent by the CBB to each licensee's designated point of contact, providing:
 - (i) A very brief "headline" summary of changes or additions (if any) to the directives and regulations in the Volume of the Rulebook concerned;
 - (ii) Where (i) applies, for each Module affected, a list of the new/amended Sections concerned, with the reminder that these updated Sections should be consulted from the website version; and
 - (iii) Regardless of whether (i) applies, a reminder that the contents page of each Module has been updated.

Queries

11. General enquiries regarding the administration of the Rulebook should be addressed to the Rulebook Section, in the CBB's Licensing & Policy Directorate. They should be contacted by e-mail, on Rulebook@cbb.gov.bh. Enquiries regarding interpretation of policy should be addressed by licensees to their regular supervisory contact, as before.