



EDFIS/C/03/2008
17th January 2008

The Compliance Officer
All Investment Business Licensees
Manama
Kingdom of Bahrain

Dear Sir,

**CBB Rulebook: Volume 4 (Investment Business)
January 2008 Update**

The January 2008 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

This letter highlights 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 Central Bank of Bahrain ('CBB') website and print off the relevant pages for insertion into their folder.**

All changes are highlighted in colour in the PDF versions of the Modules included on the CBB's website. All changes to the text of the previous version of Volume 4, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

¹ Volume 4 can be accessed from www.cbb.gov.bh : from the Home page, select 'Regulatory Functions' and then 'Laws & Regulations'. Alternatively, use the 'Quick Links' facility on the Home page to access the CBB Rulebook facility.

Part A Modules

Contents Pages and Module History

The contents page for each Module shows the date each section was last changed and provides a good reference tool to keep track of the latest updates along with the Module History.

Changes for January 2008

The changes for January 2008 are listed in the attached table.

Further Information

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at (rulebook@cbb.gov.bh), or the Director of Financial Institutions on 17547968.

Yours faithfully,



Abdul-Rahman Al-Baker

Enclosure: Volume4 Update Table.

CBB Rulebook (Volume Four) – January 2008 Update

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
All Modules	N/A	Print off the Table of Contents page for each Module and the Module History Section when changes have been made.
UG	User's Guide	UG-3.2.1: Updated CBB policy re distribution of hard copies of Volumes of Rulebook. Print off updated UG-3.2: Page 1 of 1 and updated Order Form.
AU	Authorisation	AU-5.1.5 and 5.1.5A: Clarified CBB's requirements for letters of comfort and/or letters of guarantee. Print off updated AU-5.1: Page 2 of 6. AU-5.1.13: Clarified CBB's requirements for items that must be in place within 6 months of a new license being issued. Print off updated AU-5.1: Page 6 of 6.
GR	General Requirements	GR-1.2.1 and 1.2.5: Clarified the record retention period for customer and transaction records in line with Article 60 of the CBB Law. Print off updated GR-1.2: Page 1 of 3.
CA	Capital Adequacy	CA-2.1.5: Clarified the definition of Tier 1 capital re preference shares CA-2.1.8: Clarified definition of Tier 2 capital. Print off updated CA-1.2: Pages 1 and 3 of 5.

PART B FOLDER		
Authorisation Forms		
Form 1	Application for a License	Checklist: Updated checklist to be in line with changes in requirements with respect to letters of guarantee. Print off updated Checklist.
Reporting Forms		
ALF	Annual License Fee Form	Form amended so that for those investment firms paying the maximum annual fee as outlined in Section AU-6.2 , there is no need to provide audited financial statements and the external auditor's certification letter.