



EDFIS/C/002/2011
31st January 2011

The General Manager
All Money Changers Licensees
Manama
Kingdom of Bahrain

Dear Sir,

**CBB Rulebook: Volume 5 (Specialised Licensees: Money Changers) –
January 2011 Update**

The January 2011 quarterly update to Volume 5 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 5, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

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 2011

The changes for January 2011 are listed in the attached table.

¹ Volume 5 can be accessed from www.cbb.gov.bh : from the Home page, select 'Regulatory Functions' and then 'Laws & Regulations' and CBB Rulebook. Alternatively, use the 'Quick Links' facility on the Home page to access the Volume 5.

Payment of Annual License Fees

All licensees are reminded that they must comply with the requirements of Section AU-5.2. The due date for the 2011 annual license fees is 30th April 2011. When submitting their payment, licensees should complete Form ALF, included under Volume 5 (Specialised Licensees)/Part B/Reporting Forms available on the CBB Website which provides detailed instructions on how the payment of fees must be made.

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 Supervision Directorate on 17547968.

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: *Volume 5 Update Table.*

CBB Rulebook (Volume 5) – January 2011 Update

PART A FOLDER Common Modules		
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-A.1.6: Clarified legal basis; UG-2.1.2: Amended defined term.
PB	Principles of Business	PB-A.1.3: Clarified legal basis.
AA	Auditors and Accounting Standards	AA-A.1.3: Clarified legal basis.
FC	Financial Crime	FC-A.1.4: Clarified legal basis; Corrected name of Compliance Directorate.
EN	Enforcement	EN-A.1.2: Clarified legal basis.

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PART A FOLDER Specific Money Changers Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
AU	Authorisation	AU-A.1.4: Clarified legal basis; AU-4.1.4: Removed the requirement for a letter of comfort to be provided with an application for license. AU-4.1.15: Corrected cross reference.
HC	High-Level Controls	HC-A.1.4: Clarified legal basis.
GR	General Requirements	GR-A.1.2: Clarified legal basis; GR-2.1.1: Clarified Rule regarding money in transfer; GR-7.1.2: Clarified Guidance.
CA	Capital Adequacy	CA-A.1.3: Clarified legal basis; CA-1.2.2 and 1.2.3: Clarified minimum capital requirements for licensees authorised prior to 1st January 2011. CA-1.4.1: Added cross reference.
BC	Business Conduct	BC-A.1.5: Clarified legal basis.
RM	Risk Management	RM-A.1.3: Clarified legal basis.
TC	Training and Competency	TC-A.1.5: Clarified legal basis.
BR	CBB Reporting	BR-A.1.3: Clarified legal basis; BR-1.5.20 and BR-1.5.21: Added IIS reporting requirements; BR-2.1.5: Minor amendment to clarify reference of guidance; BR-2.2.6 and BR-2.2.12: Minor amendment; BR-2.2.7 and BR-2.2.8: Guidance Paragraphs deleted.

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PART B FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
Glossary of Defined Terms		
<p>Added definition of administrator(s) licensee(s)/license, client assets, close links, executive director, lead supervisor, non-executive director(s), registrar, regulated administration services, remuneration, subsidiary undertaking;</p> <p>Amended definition of appointed expert(s), controller(s), fund administrator, money changer, outsourcing, qualified by exception, regulated services, representative office manager, shareholders.</p>		
Authorisation Forms		
Form 3	Application for Approved Person Status	<p>Added Representative Office Manager as one of the controlled functions;</p> <p>Amended Declaration to be in line with other Volumes of Rulebook;</p> <p>Added certification from licensee on accuracy of information provided by applicant for approved person status; and</p> <p>Amended type of acceptable identification document.</p>
Reporting Forms		
STR	Suspicious Transaction report	Added form for Volume 5 licensees
ALF	Annual License Fee	Added form for Volume 5 licensees.
Supplementary Information		
EN	EN-1 Investigators' Report	Added Investigators' Report for Volume 5 licensees.
FC	Various	Added various appendices related to Module FC.