



OG/81/2023

27<sup>th</sup> February 2023**Chief Executive Office**

All Investment Firm Licensees

Manama

Kingdom of Bahrain

Dear Sir/ Madam,

**Amendments to the Capital Adequacy Module (Module CA)**

As part of the CBB's objective to enhance its regulatory framework, the CBB is hereby issuing the following amendments to the Capital Adequacy Module (Module CA) under the CBB Rulebook – Volume 4:

**CA-1.2.7****Minimum Capital Requirements are:**

- (a) Category 1 investment firms: BD 1,000,000;
- (b) Category 2 investment firms: BD 1,000,000 if undertaking the activity of safeguarding financial instruments (i.e. custodian), BD 250,000 in all other cases; and
- (c) Category 3 investment firms: BD ~~125,000~~ 25,000.

**CA-1.2.7A**

**Category 3 investment firms must maintain adequate liquid funds representing 25% of operating expenses incurred in the preceding financial year at all times in the form of cash or liquid assets that can be converted to cash in the short-term to cover its operating expenses.**

The said requirements are effective immediately and shall be part of the upcoming CBB Rulebook update.

Should you have any queries on this matter, please contact your supervisory point of contact at the CBB.

Yours faithfully,

**Rasheed M. Al-Maraj**

Governor

cc: External Audit Firms  
Law Firms